



9 July 2001

PRESS RELEASE

Preliminary statistical balance sheet of the NBH **June 2001**

Starting from this release, the sector classification will change. In addition, financial derivatives will be recorded at gross market value as a separate item in the balance sheet. Appendix 2 summarises the changes.

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According to the preliminary data, the value of banknotes and coin in circulation was Ft 34.2 billion higher at the end of June than at end-May. After eliminating the effect of the change to the system of required reserves, the annual growth index of the monetary base (M0)^{a)} was 112.4% in the month under review.

According to the preliminary balance sheet data, net claims of the central bank on the central government fell by Ft 248.4 billion in June 2001. The increase in the central bank's net liabilities to other monetary financial institutions was Ft 16.4 billion. Foreign assets and liabilities of the central bank were Ft 43.8 billion and Ft 273.2 billion lower respectively. On balance, net foreign assets of the central bank rose by Ft 229.4 billion relative to May.

Total claims of the central bank on the central government and deposits of the central government with the central bank fell by Ft 254.1 billion and Ft 5.7 billion respectively. Other monetary financial institutions placed Ft 144.9 billion less domestic and foreign currency deposits with the central bank in June than in May. Their total liabilities to the central bank rose by Ft 128.5 billion, resulting primarily from the Ft 129 billion increase in outstanding repo agreements. Non-callable deposits, a class of central bank liabilities to other monetary financial institutions, experienced the strongest change, rising by Ft 179.9 billion. There was related decrease of Ft 73.7 billion in the sub-sector's deposits, which include required reserves as well. Foreign currency liabilities of the central bank to other monetary financial institutions rose by Ft 47.9 billion. The value of NBH domestic bills held by other monetary financial institutions was Ft 9.2 billion lower relative to May.

The negative outturn for other forint liabilities was the natural consequence of shifts in the forint exchange rate within the widened currency band since 4 May 2001.

The changes during June in the averages of central bank liabilities to other monetary financial institutions were slightly divergent with changes in the month-end figures. Accordingly, the averages of current account deposits and foreign currency liabilities rose by Ft 8.2 billion and Ft 33.6 billion respectively, while that of non-callable deposits fell by Ft 12.2 billion compared with May. The average amount outstanding of NBH domestic bills fell by Ft 19.1 billion in one month.

^{a)} M0 comprises the month-end value of banknotes and coin plus the monthly average of other monetary financial institutions' reserve balances with the central bank.

Appendix 1

Statistical balance sheet of the National Bank of Hungary (S.121)

(end of period stocks)

Forint billions

ASSETS	2000				2001		
	Apr	May	Jun	Dec	Apr	May ⁷	Jun ⁷
1. Other monetary financial institutions (S.122)	118.8	116.0	111.4	93.8	86.8	83.3	211.8
1.1 Short-term claims	2.8	3.2	3.7	3.5	2.6	2.4	3.0
1.1.1 Domestic currency credits	2.3	2.3	2.3	2.0	2.0	2.0	2.0
1.1.2 Foreign currency credits	0.5	0.9	1.4	1.5	0.6	0.4	1.0
1.2 Long-term claims	116.0	112.8	107.7	90.3	84.2	80.9	79.8
1.2.1 Domestic currency credits	110.2	107.1	102.2	85.3	79.6	76.4	75.5
1.2.2 Foreign currency credits	5.8	5.7	5.5	5.0	4.6	4.5	4.3
1.3 Sale and repurchase agreements	0.0	0.0	0.0	0.0	0.0	0.0	129.0
2. Central government (S.1311)	2444.1	2414.3	2356.9	2202.4	2062.1	2065.1	1811.0
2.1 Domestic currency credits	344.4	344.4	326.2	289.5	271.5	271.5	253.5
2.2 Foreign currency credits	1706.3	1680.1	1651.9	1545.4	1527.4	1547.8	1297.1
2.3 Government securities	383.4	389.8	378.8	367.5	172.0	172.0	172.0
2.4 Derivatives ¹	0.0	0.0	0.0	0.0	91.2	73.8	88.4
3. Rest of the world (S.2)²	3606.1	3607.5	3435.6	3765.4	4028.2	4071.7	4027.9
3.1 International reserves ³	2938.0	2995.8	2861.1	3197.3	3350.6	3291.5	3313.0
3.2 Other claims	344.7	323.8	317.9	331.5	321.6	316.2	300.8
3.3 Derivatives ¹	323.5	287.9	256.6	236.6	356.0	464.0	414.1
4. Remaining assets	292.8	314.7	308.1	293.4	161.9	167.0	162.4
4.1 Domestic currency ⁴	283.7	306.2	299.5	286.5	147.3	152.6	149.6
4.2 Foreign currency	9.1	8.5	8.6	6.9	14.6	14.4	12.8
TOTAL²	6461.8	6452.5	6212.0	6355.0	6339.0	6387.1	6213.1

Appendix 1 (contd.)

Statistical balance sheet of the National Bank of Hungary (S.121)

(end of period stocks)

Forint billions

LIABILITIES	2000				2001		
	Apr	May	Jun	Dec	Apr	May ⁷	Jun ⁷
1. Other monetary financial institutions (S.122)	1734.2	1618.8	1605.9	1638.3	1350.2	1328.5	1473.4
1.1 Current accounts	596.7	442.3	627.4	557.8	286.2	500.1	426.4
1.2 Domestic currency non-callable deposits and reverse repo	604.9	647.4	474.4	493.2	533.7	314.6	494.5
1.3 Short-term foreign currency deposits	124.2	112.8	107.1	195.5	107.3	132.9	194.8
1.4 Long-term foreign currency deposits	121.1	119.6	115.7	66.6	64.6	64.1	60.5
1.5 NBH domestic bills	40.9	49.8	37.5	111.2	145.4	113.2	104.0
1.6 NBH foreign bonds	246.4	246.9	243.8	214.0	213.0	203.6	193.2
2. Other financial corporations (S.123+ S.124+S.125) ⁵	9.1	18.3	6.6	10.2	6.1	11.0	8.2
3. Central government (S.1311)	683.0	676.7	597.9	434.4	751.3	911.6	905.9
3.1 Domestic currency deposits	268.4	303.0	251.2	171.8	300.1	360.0	310.1
3.2 Foreign currency deposits	133.8	132.9	131.8	83.1	88.4	82.5	175.3
3.3 Derivatives ¹	280.8	240.8	214.9	179.5	362.8	469.1	420.5
4. Rest of the world (S.2) ²	2821.0	2829.7	2698.7	2740.9	2688.6	2692.5	2419.3
4.1 Short-term liabilities	292.0	339.6	250.6	334.4	295.9	320.6	279.1
4.2 Long-term liabilities	2488.3	2448.5	2412.8	2339.5	2286.3	2284.4	2037.5
4.3 Derivatives ¹	40.7	41.6	35.3	67.1	106.4	87.5	102.7
5. Remaining liabilities	1214.5	1309.0	1302.9	1531.2	1542.8	1443.5	1406.3
5.1 Banknotes and coins	860.3	855.3	889.1	966.7	942.3	957.3	991.4
5.2 NBH domestic bills held outside other monetary financial institutions	158.3	235.7	197.8	349.9	497.3	500.1	518.8
5.3 Other domestic currency liabilities ⁶	119.5	148.1	142.6	139.9	33.5	-83.6	-173.5
5.4 Other foreign currency liabilities	8.9	3.9	4.5	4.2	4.8	4.7	4.6
5.5 Equity and reserves	67.5	66.0	68.8	70.6	64.9	65.0	65.0
TOTAL ²	6461.8	6452.5	6212.0	6355.0	6339.0	6387.1	6213.1
Monetary base, MD	1398.5	1385.2	1420.6	1561.0	1325.0	1337.6	1380.1

The aggregates may not sum to the totals because of rounding.

Foreign currency denominated assets and liabilities are converted into forint equivalent by using official midpoint exchange rates of the central bank.

¹ Since January 2001, financial derivatives are recorded at market value in the Banks' statistical balance sheet.

² Since the start of 1999, foreign assets and liabilities, and the balance sheet total include the total value of financial derivatives as well.

³ Since 1 January 2000, international reserves are recorded at net market value.

⁴ Remaining assets in domestic currency include items in transit, outstanding borrowings of the Hungarian Post as well as rediscounted bills of exchange. Borrowings of the Hungarian Post were cancelled on 8 January 2001. Since January 2001 remaining assets in domestic currency do not include accrued interest on derivative transactions related to the central government and non-residents.

⁵ Includes deposits of other financial intermediaries (S.123), institutions providing auxiliary financial services (S.124), and insurers and pension funds (S.125).

⁶ Other domestic currency liabilities include items in transit and per balance sheet profit. Data for the latest record date are estimate, as since January 2001 accrued interest on derivative transactions related to the central government and non-residents are not included in other domestic currency liabilities.

⁷ Preliminary data.

A brief description of changes to the statistical balance sheet of the NBH

- 1 Starting from the release of data for June 2001, the NBH has adopted the classification of sectors according to the internationally accepted statistical standards, also used by the CSO (System of National Accounts, SNA). The balance sheet of the NBH has been renamed from the earlier Analytical accounts to Statistical balance sheet of the NBH. In the balance sheet, the names of sectors will be shown together with their SNA codes, in the sequence according to the codes. The detailed description of the new sectors can be found at Financial Data / Statistics / Sector Classification from June 2001.

- 2 Further changes to the balance sheet:
 - ÷ Financial derivatives will be recorded in a separate row, at market value. Derivative transactions of the central government will be shown on a gross basis on both sides of the balance sheet, similar to the treatment of non-residents.
 - ÷ In line with the practice followed by the ECB and the Bundesbank, balance sheet profit/loss will be included in other forint liabilities.
 - ÷ Most of the items included in other assets/other liabilities will be allocated to assets/liabilities not broken down by sector and to liabilities to other financial corporations:
 - Outstanding debt of the Hungarian Post was cancelled in January 2001. Consequently, the value of other assets is zero. This item will be recorded within other assets in the long time series, and will be included in other assets in the statistical press release.
 - Deposits of the Hungarian Post, which have been significant in the past, will be recorded within other liabilities in the long time series, and will be included within other liabilities in the press release.
 - Holdings of the NBH's domestically issued bills by non-monetary financial institutions will continue to be published as a separate item, within liabilities not broken down by sector.

- 3 All changes have been backdated to January 1998 in the long time series, with the exception of one – financial derivatives are only shown at market value back to January 1991.

Old and new sector classification

Sector classification until 31 May, 2001			Sector classification from June 2001			
NBH			S.121 Central bank	S.121+S.122 Monetary institutions	S.12 Financial corporations	S.1 Domestic sector
Credit institutions			S.122 Other monetary financial institutions			
Other financial institutions (insurance companies and other financial intermediaries)			S.123 Other financial intermediaries	S.123+S.124+ S.125 Other financial corporations		
			S.124 Financial auxiliaries			
			S.125 Insurance corporations and pension funds			
Households	Natural persons	Natural persons	S.14 Households			
		Self- employed persons				
	Small entrepre- neurs	Non- incorporated enterprises	S.11 Non-financial corporations			
Enterprises ^b (incorporated non-financial enterprises)						
Non-profit institutions ^c	Non-profit institutions serving non-financial corporations		S.124 Financial auxiliaries			
	Non-profit institutions serving financial corporations					
	Non-profit institutions serving households		S.15 Non-profit institutions serving households			
	Non-profit institutions serving local governments					
	Non-profit institutions financed by general government					
Government/Consolidated central government			S.1313 Local government		S.13 General government	
			S.1311 Central government			
			S.1314 Social security funds			
Local government/authorities			S.1313 Local government			
Non-residents			S.2 Rest of the world			

^b In some statistics: Enterprises + Small entrepreneurs = Enterprise sector.

^c Earlier, all non-profit institutions were published together with Government/Consolidated central government and Local government/authorities under the name of General government and non-profit sector in the monetary statistics. The breakdown of the non-profit sector is consistent with the new terminology.