

PRESS RELEASE

Consolidated balance sheet of MFIs: December 2003

In December 2003, the monetary base increased by Ft 194 billion to Ft 2,091.9 billion. At Ft 1,572.2 billion, the monthly average stock of currency in circulation was Ft 107.5 billion higher. The monthly average stock of other monetary financial institutions' current account deposits rose by Ft 8.7 billion to Ft 421.1 billion and the monthly average of overnight deposits by Ft 77.7 billion to Ft 98.5 billion. The annualised month-on-month growth index of the monetary base (M0), calculated from trend data, was 118.6% in the month under review.

The annualised month-on-month growth index of the monetary aggregate M1, calculated from trend data, was 105.1% in December. The growth rate of the aggregate was 3.6 percentage points lower than in November. The monthly growth rate of the monetary aggregate M2 slowed by 3 percentage points, the annualised month-on-month growth index of M2 being 111.2%. The growth rate of the monetary aggregate M3 slowed by 6.3 percentage points. Consequently, the annualised month-on-month growth index the aggregate changed to 104.5% in the month under review,.

Chart 1 Annualised month-on-month growth in the monetary aggregates

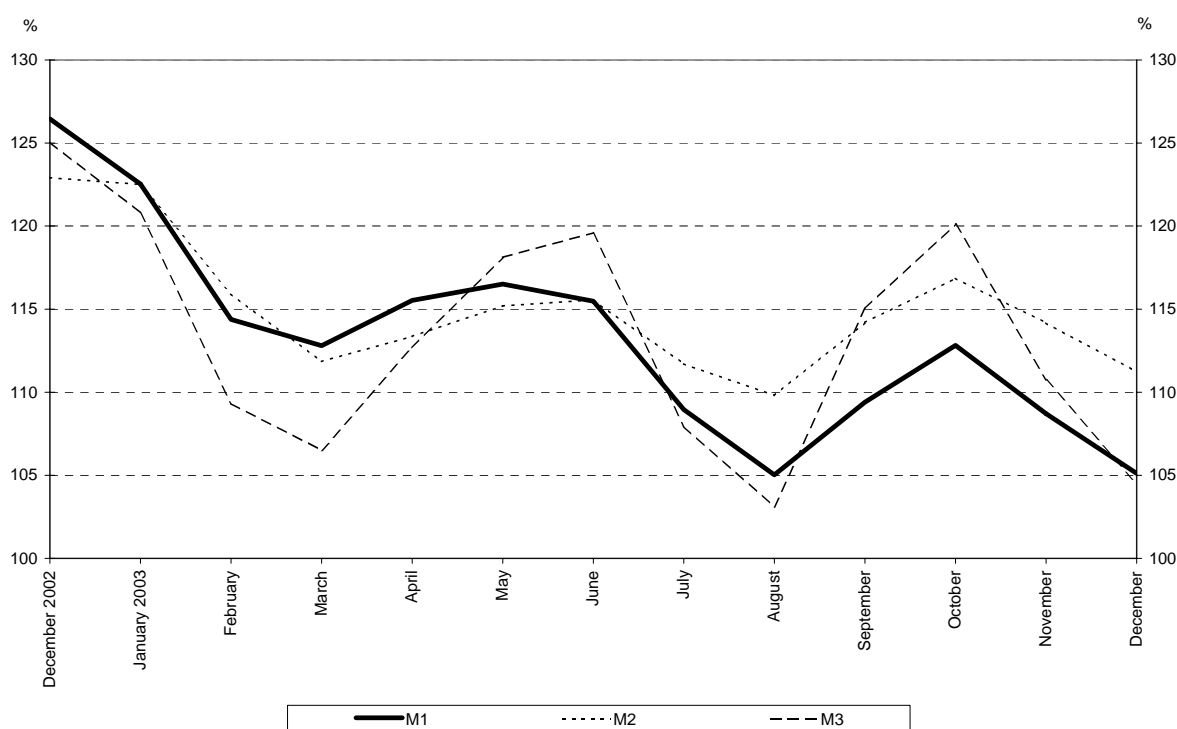


Chart 2 Developments in the monetary aggregates

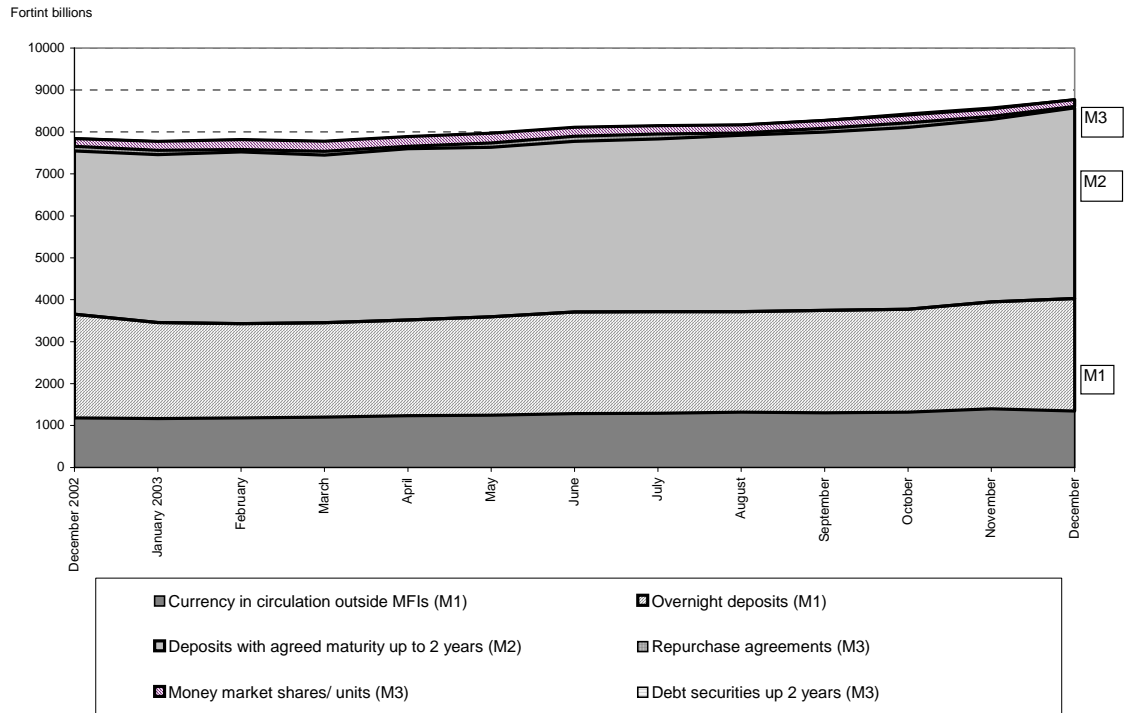


Chart 3 M1

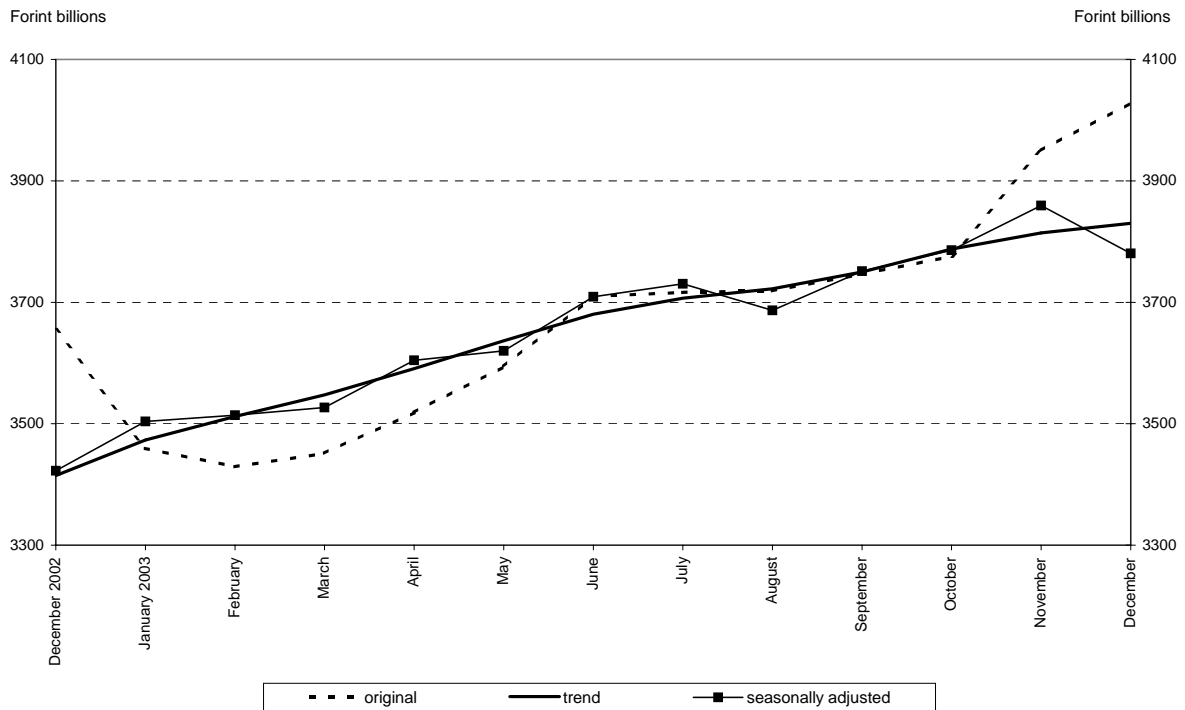


Chart 4 M2

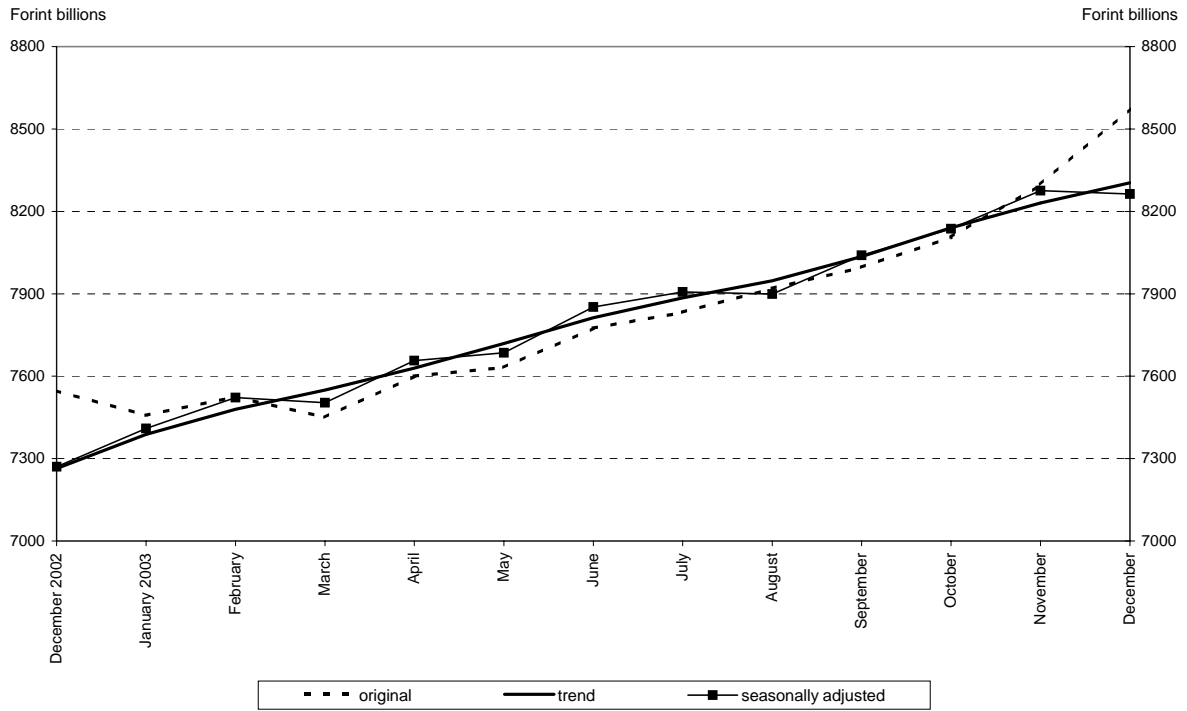
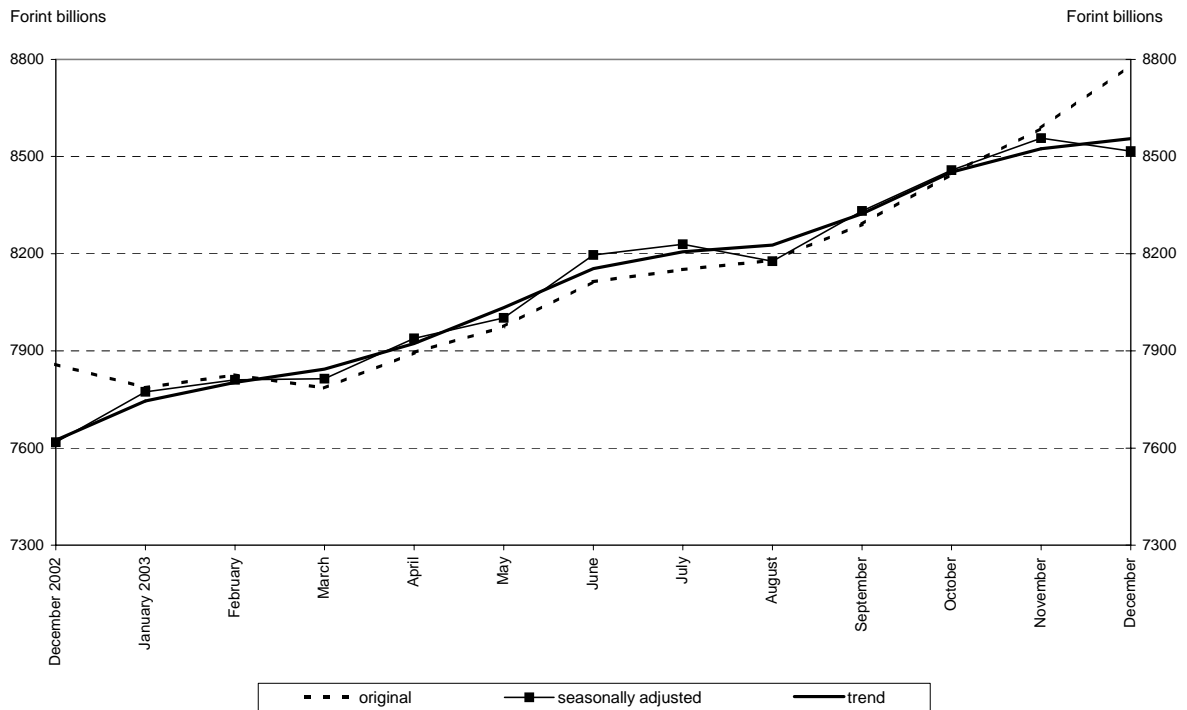
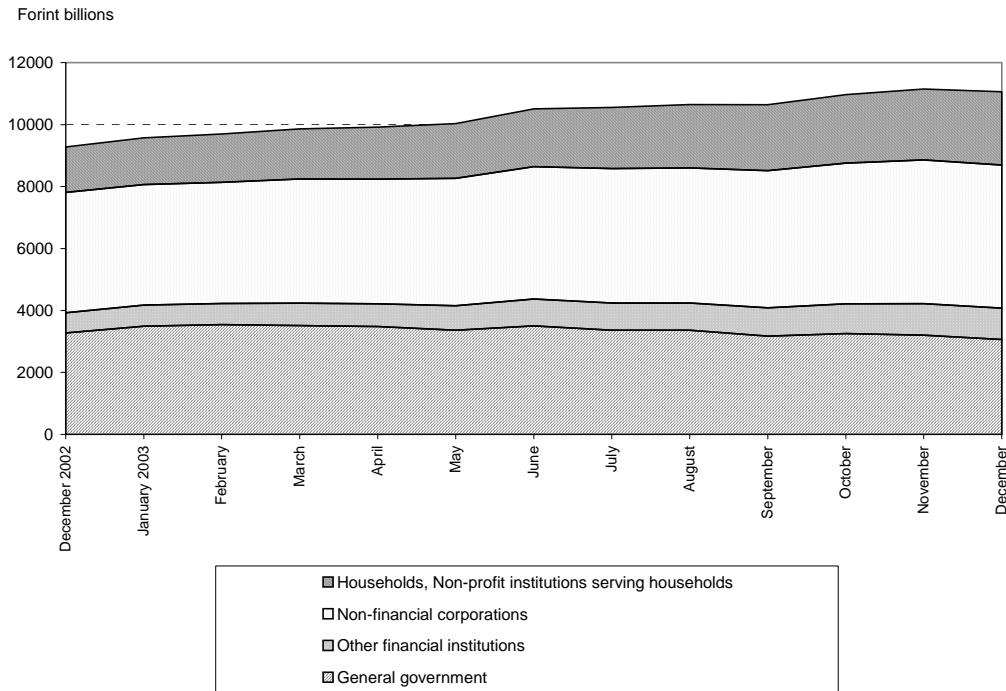


Chart 5 M3



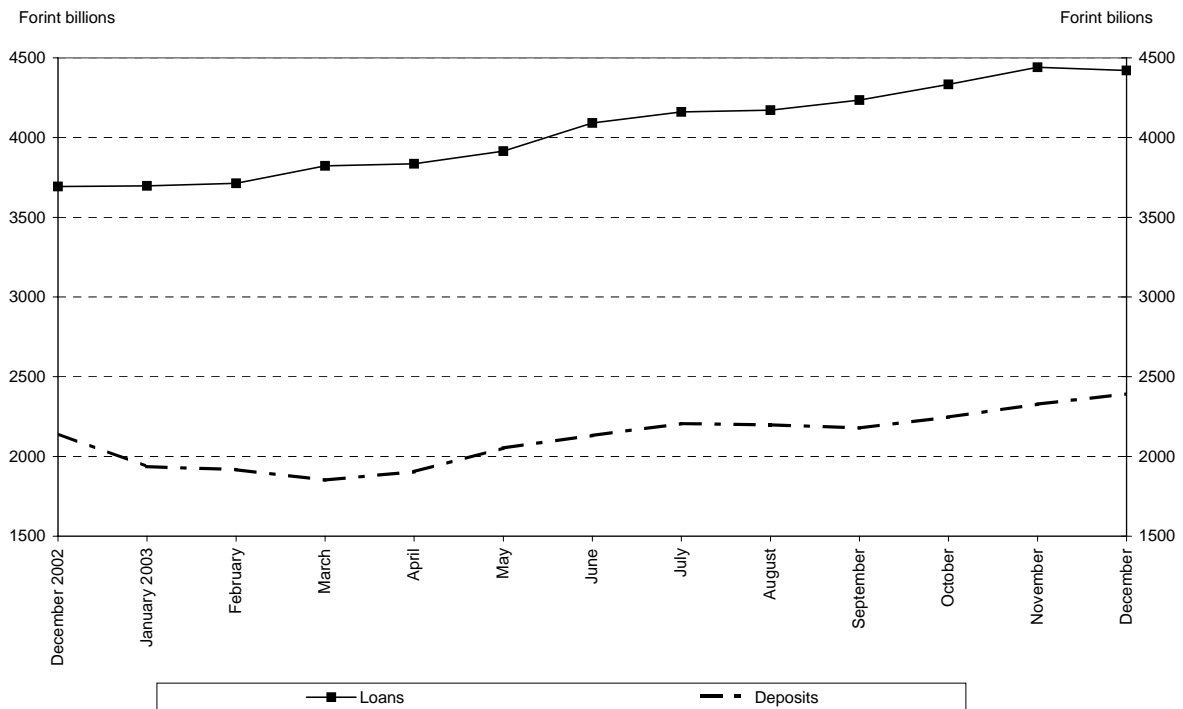
Note: Trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 6 Outstanding domestic loans



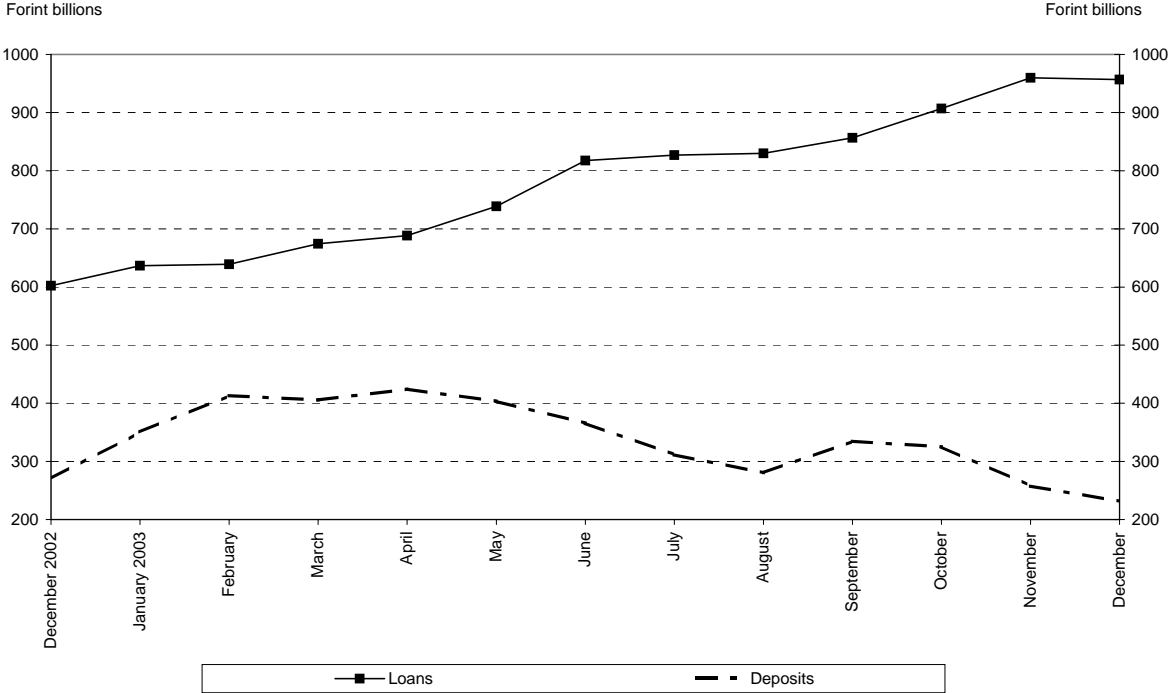
Outstanding borrowings of non-financial corporations fell by Ft 20 billion in the month. Short-term loans increased by Ft 80 billion, accompanied by a Ft 100 billion drop in long-term loans. The sector's deposits were Ft 64.2 billion higher than in November, as a result of overnight and current account deposits as well as time deposits increasing by Ft 57.8 billion and Ft 15 billion respectively and outstanding repos falling by Ft 8.6 billion.

Chart 7 Non-financial corporations' loans and deposits



Outstanding loans of other financial corporations were Ft 3 billion lower relative to the preceding month's end. Their deposits with monetary financial institutions fell by Ft 26.4 billion in one month. Deposits of other financial intermediaries and financial auxiliaries fell by Ft 33.8 billion, as a combined effect of overnight and current account deposits, time deposits and outstanding repos falling by Ft 2.8 billion, Ft 21.8 billion and Ft 9.2 billion respectively. Deposits of insurers and pension funds rose by Ft 7.4 billion relative to the preceding month.

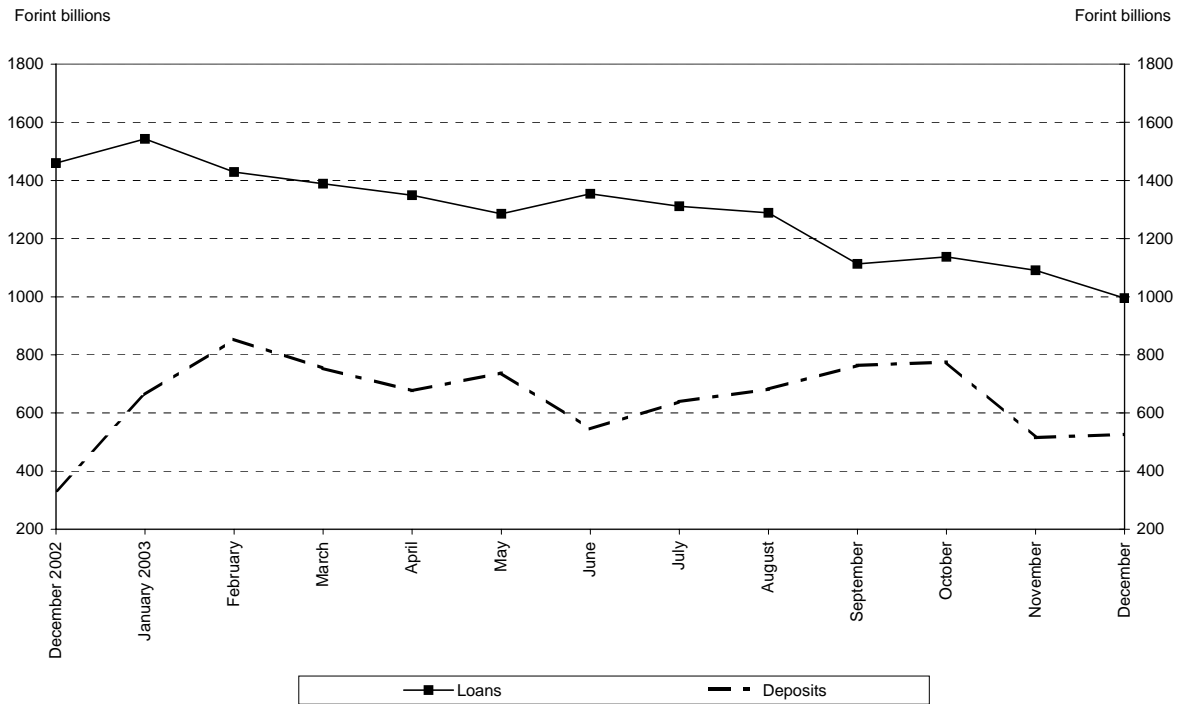
Chart 8 Loans and deposits of other financial corporations



Loans granted by monetary financial institutions to general government fell by Ft 96.7 billion in December. Here, the fall of Ft 106.5 billion in loans granted to the central government was partly offset by a Ft 9.8 billion increase in outstanding borrowings of the local government sub-sector from monetary financial institutions.

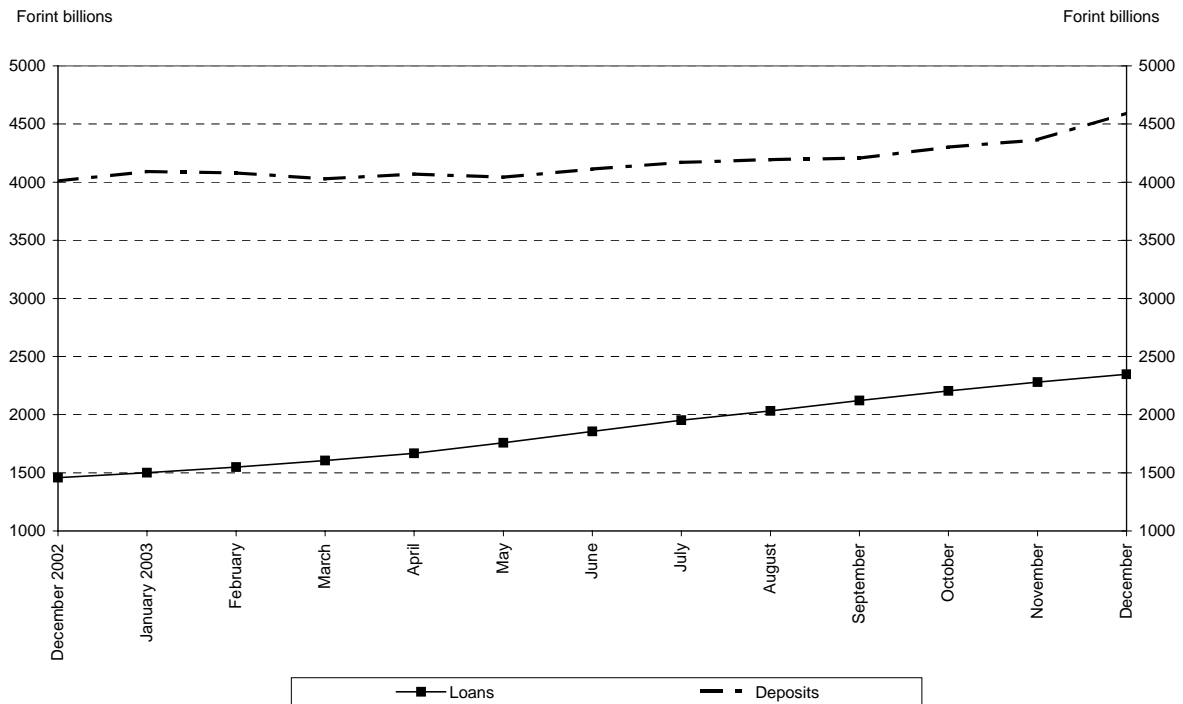
The one-month increase in deposits of general government amounted to Ft 10.6 billion. Here, deposits of the central government fell by Ft 26.8 billion and those of the local government sub-sector increased by Ft 37.4 billion.

Chart 9 Loans and deposits of general government



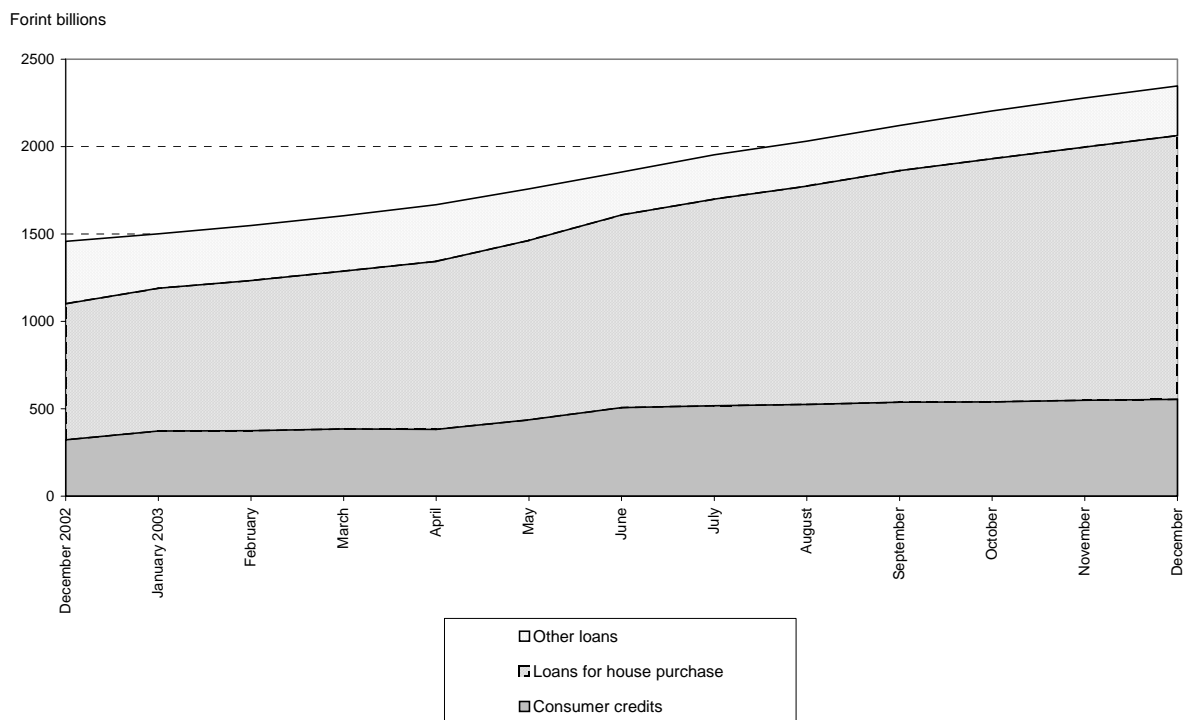
The outstanding total of loans granted by monetary financial institutions to households increased by Ft 68.3 billion in December. The sector's deposits with other monetary financial institutions were Ft 230.4 billion higher than in November.

Chart 10 Loans and deposits of households



Within loans to households, outstanding housing loans, consumer credit and other loans, respectively, rose by Ft 59.5 billion, Ft 5.9 billion and Ft 2.9 billion. Housing loans continued to be dominant as a proportion of the outstanding total of loans to the sector – they accounted for more than 64% of total loans in the month under review.

Chart 11 Loans to households

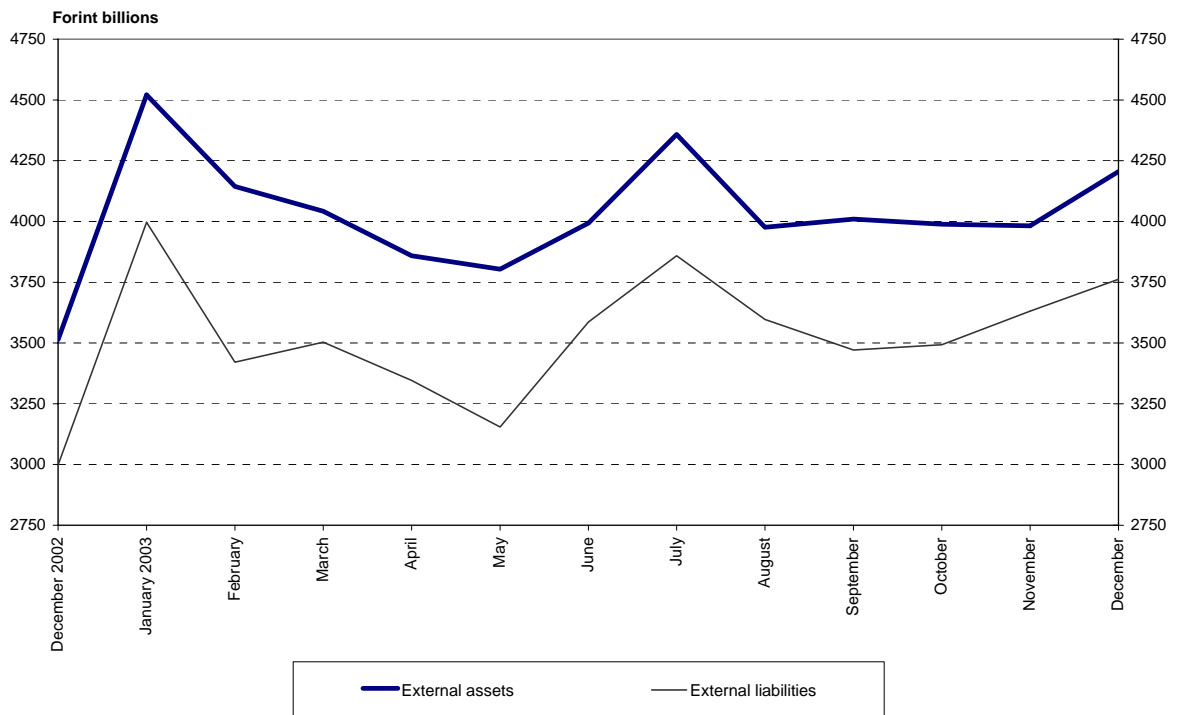


The net position of monetary financial institutions vis-à-vis non-residents improved by Ft 93.1 billion in December – the sector's assets rose by Ft 223.6 billion and liabilities by Ft 130.5 billion relative to November.

Net assets of the central bank vis-à-vis non-residents fell by Ft 4.5 billion, its liabilities to non-residents rising by Ft 34 billion. As a consequence, the sector's net position deteriorated by Ft 38.5 billion.

The net position of other monetary financial institutions vis-à-vis non-residents improved by Ft 131.6 billion in the month under review, reflecting increases of Ft 228.1 billion and Ft 96.5 billion in assets and liabilities respectively.

Chart 12 Assets and liabilities vis-à-vis non-residents



The data underlying this press release are available on the MNB's website at http://www.mnb.hu/dokumentumok/0708_monstatpubl_en.xls.xls.