

PRESS RELEASE

Consolidated balance sheet of MFIs: January 2004

In January 2004, the monetary base fell by Ft 194.8 billion to Ft 1,897.1 billion. Of its components, the monthly average stock of currency in circulation was Ft 148.2 billion lower, at Ft 1,424 billion. The monthly average stock of other monetary financial institutions' current account deposits rose by Ft 18.1 billion to Ft 439.3 billion and the monthly average of overnight deposits fell by Ft 64.7 billion to Ft 33.8 billion. The annualised month-on-month growth index of the monetary base (M0), calculated from trend data, was 111.8% in the month under review.

The annualised month-on-month growth index of the monetary aggregate M1, calculated from trend data, was 109.4% in January. The growth rate of the aggregate was 4.2 percentage points higher than in December 2003. The monthly growth rate of the monetary aggregate M2 picked up 2.9 percentage points, the annualised month-on-month growth index of M2 being 118.5%. The growth rate of the monetary aggregate M3 was 10.7 percentage points higher than in the preceding month, the annualised month-on-month growth index the aggregate changing to 120.8%.

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

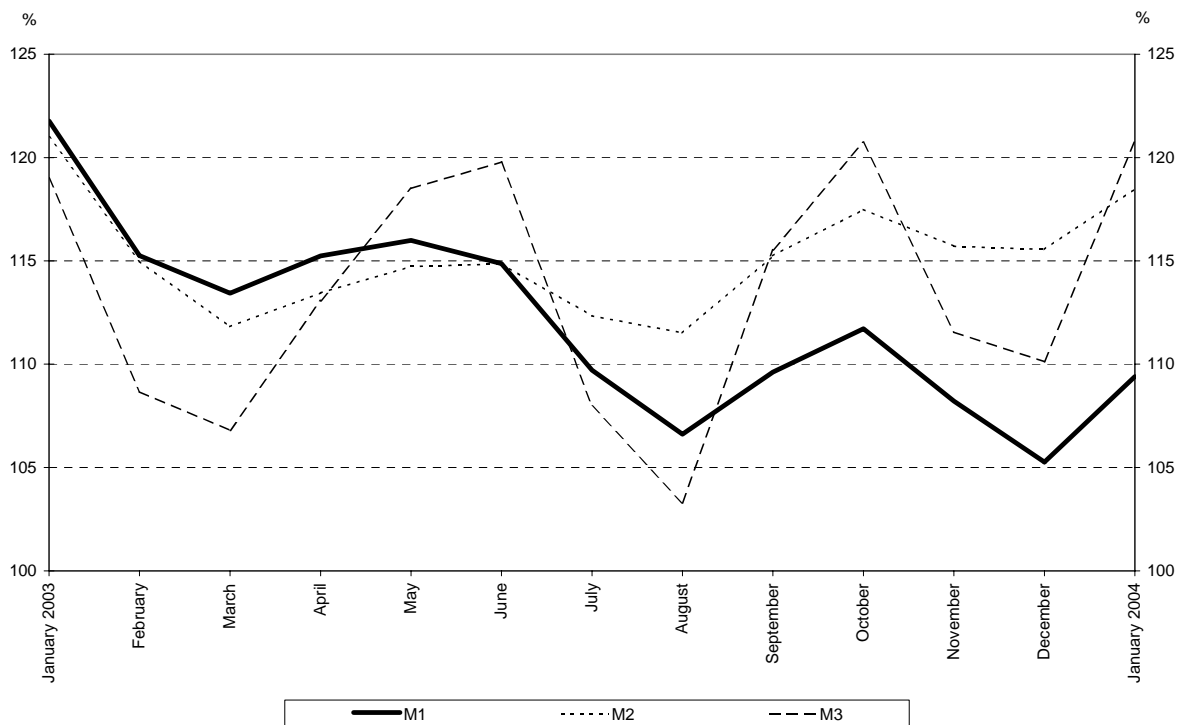


Chart 2 Developments in the monetary aggregates

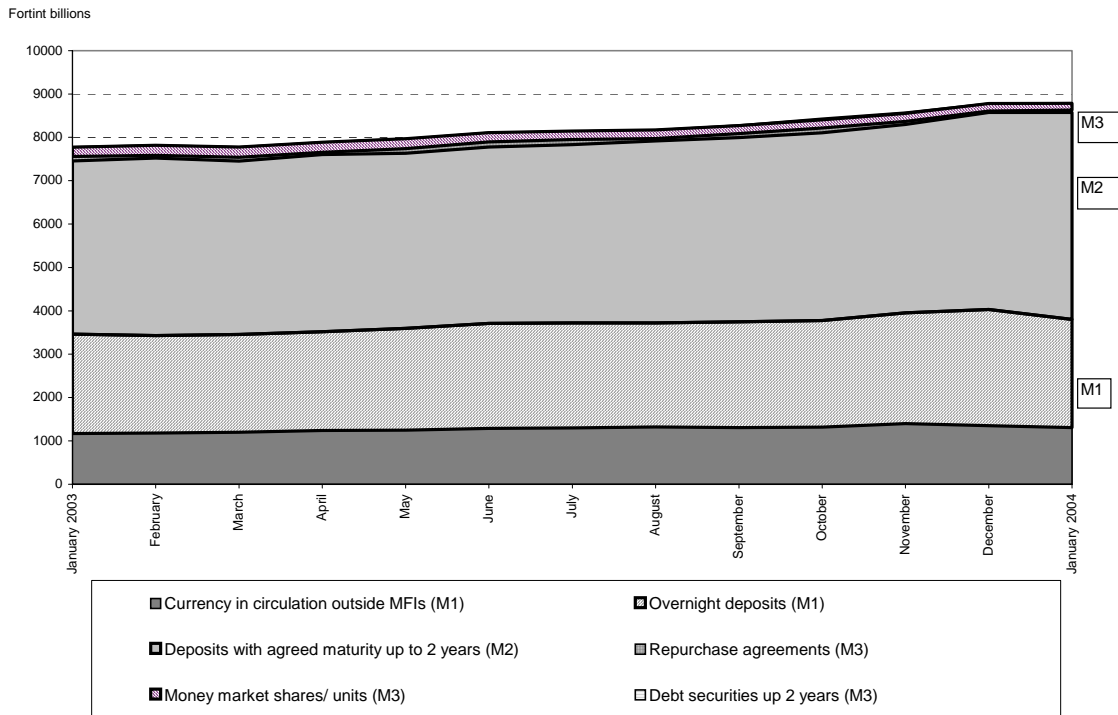
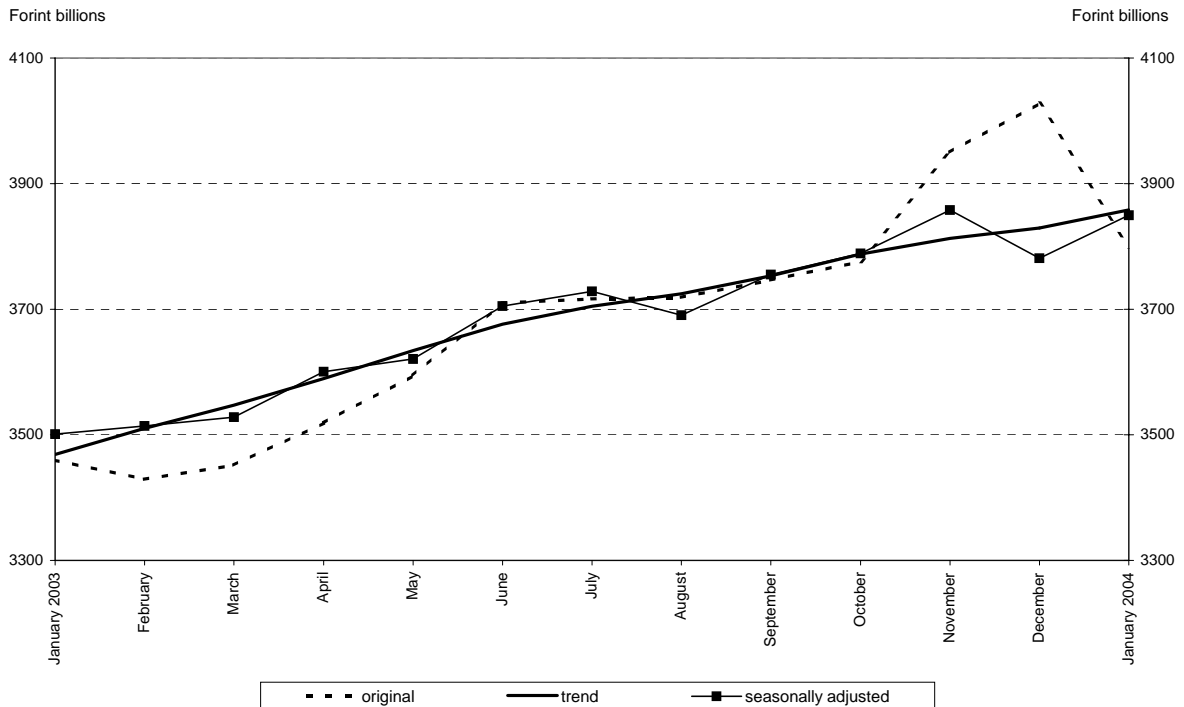
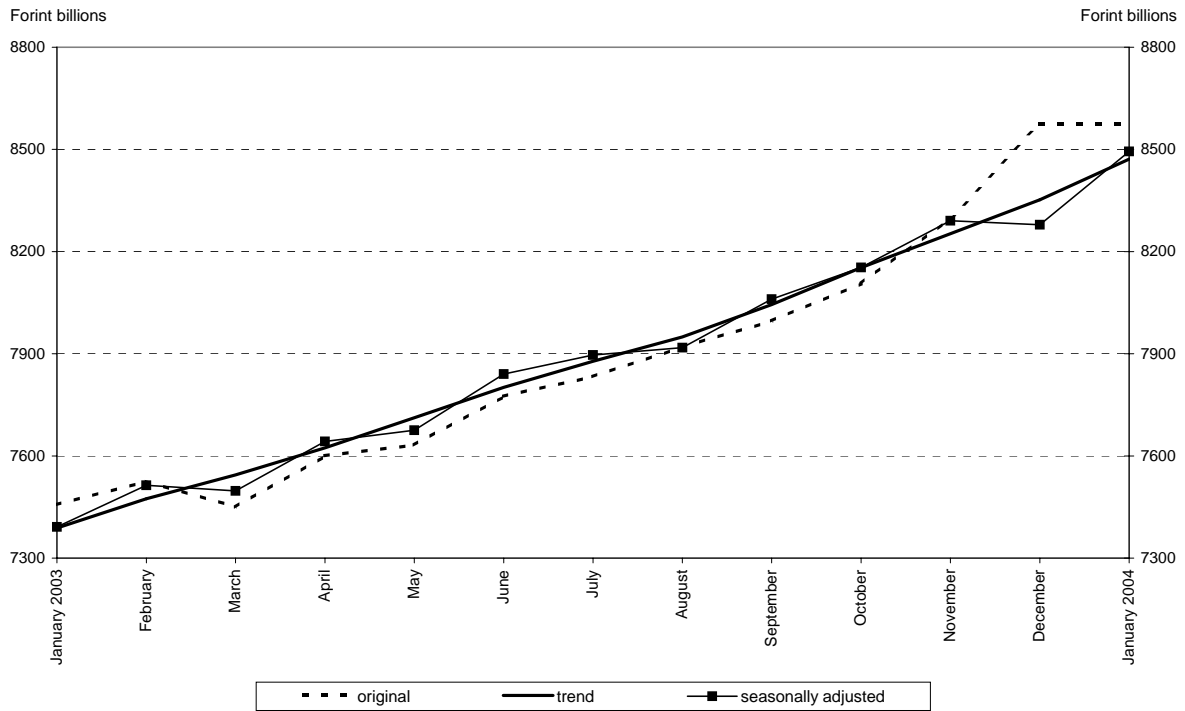


Chart 3 M1



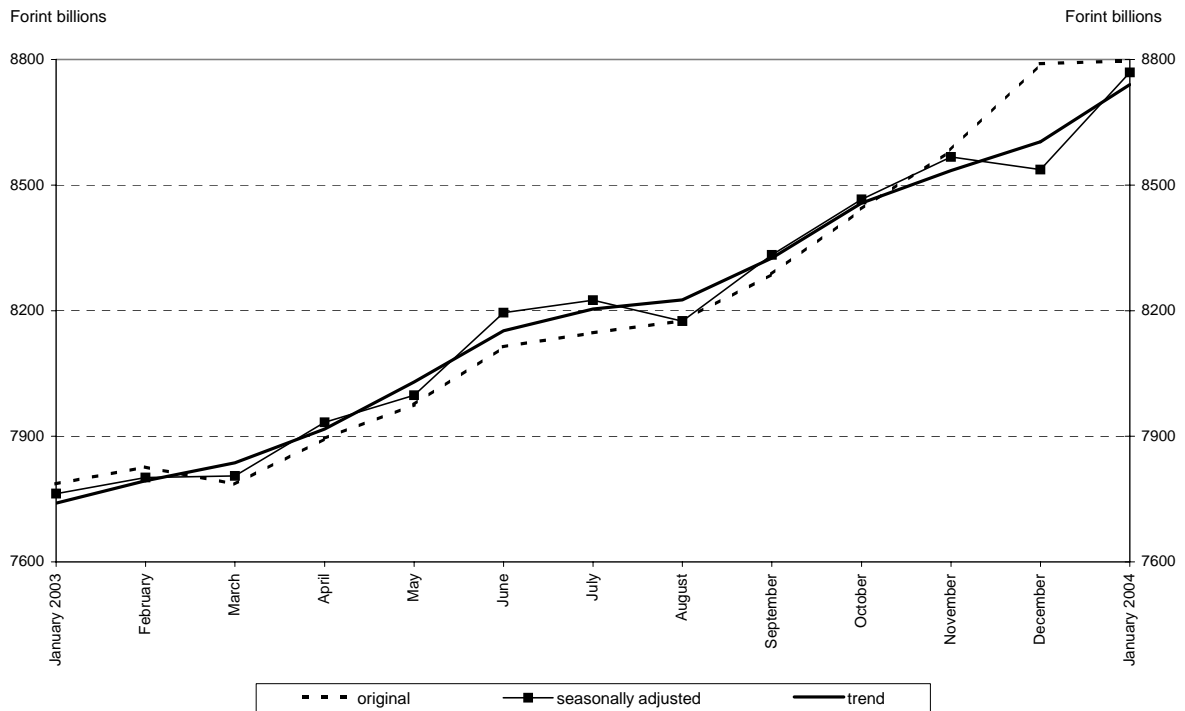
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 4 M2



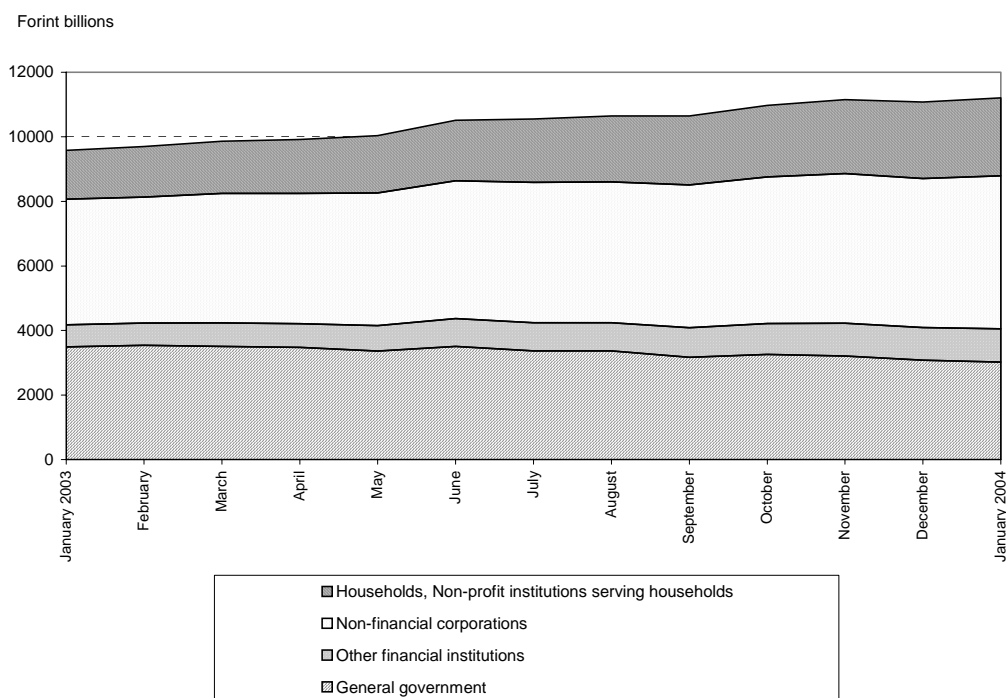
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 5 M3



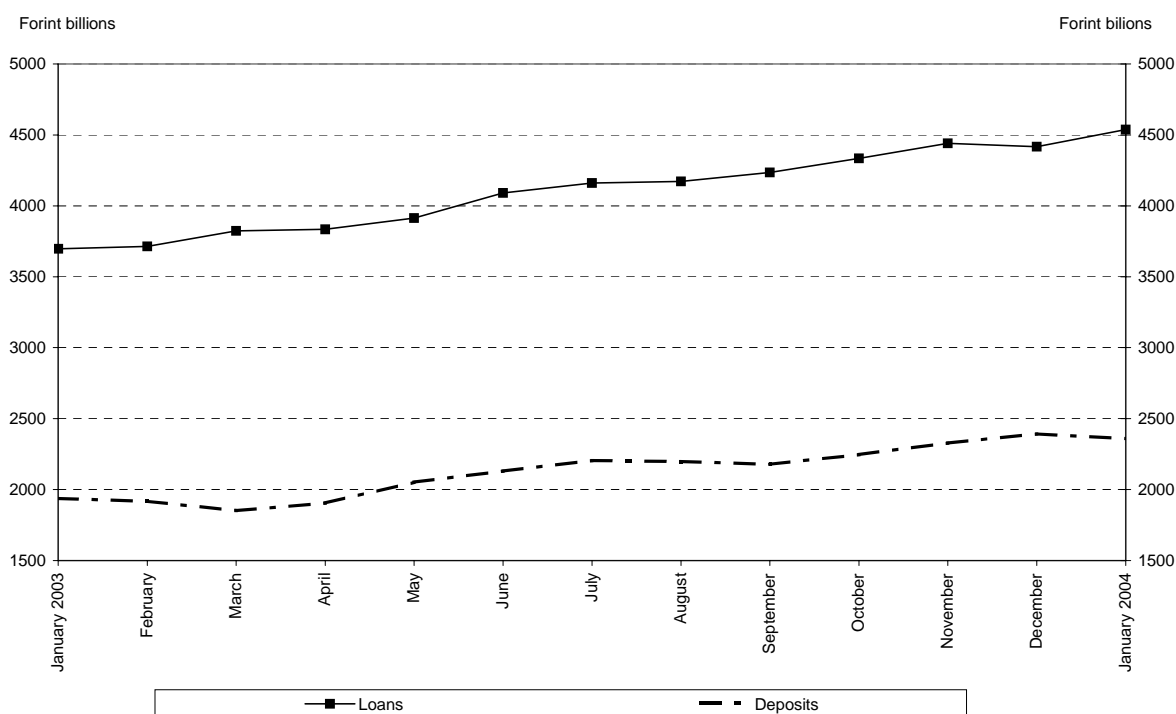
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 6 Outstanding domestic loans



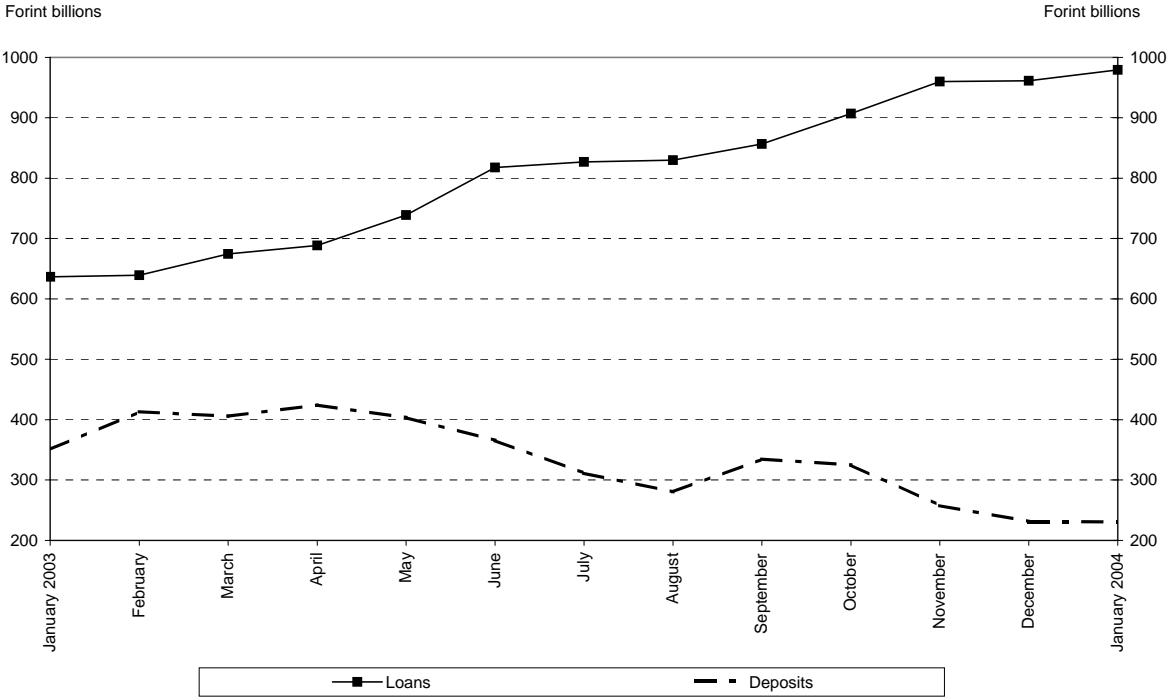
Outstanding borrowings of non-financial corporations increased by Ft 119.7 billion in January. Long-term loans fell by Ft 7.2 billion and short-term loans increased by Ft 126.9 billion. The sector's deposits were Ft 33.6 billion lower than in December, as a result of overnight and current account deposits falling by Ft 90.5 billion, time deposits increasing by Ft 60.9 billion and outstanding repos falling by Ft 4.1 billion.

Chart 7 Non-financial corporations' loans and deposits



Outstanding loans of other financial corporations were Ft 18.1 billion higher relative to December. Their deposits with monetary financial institutions fell by Ft 0.8 billion in one month. Deposits of other financial intermediaries and financial auxiliaries fell by Ft 3.9 billion, as a combined effect of overnight and current account deposits and time deposits falling by Ft 0.2 billion and Ft 4.2 billion respectively and outstanding repos increasing by Ft 0.5 billion. Deposits of insurers and pension funds rose by Ft 3.1 billion relative to the preceding month.

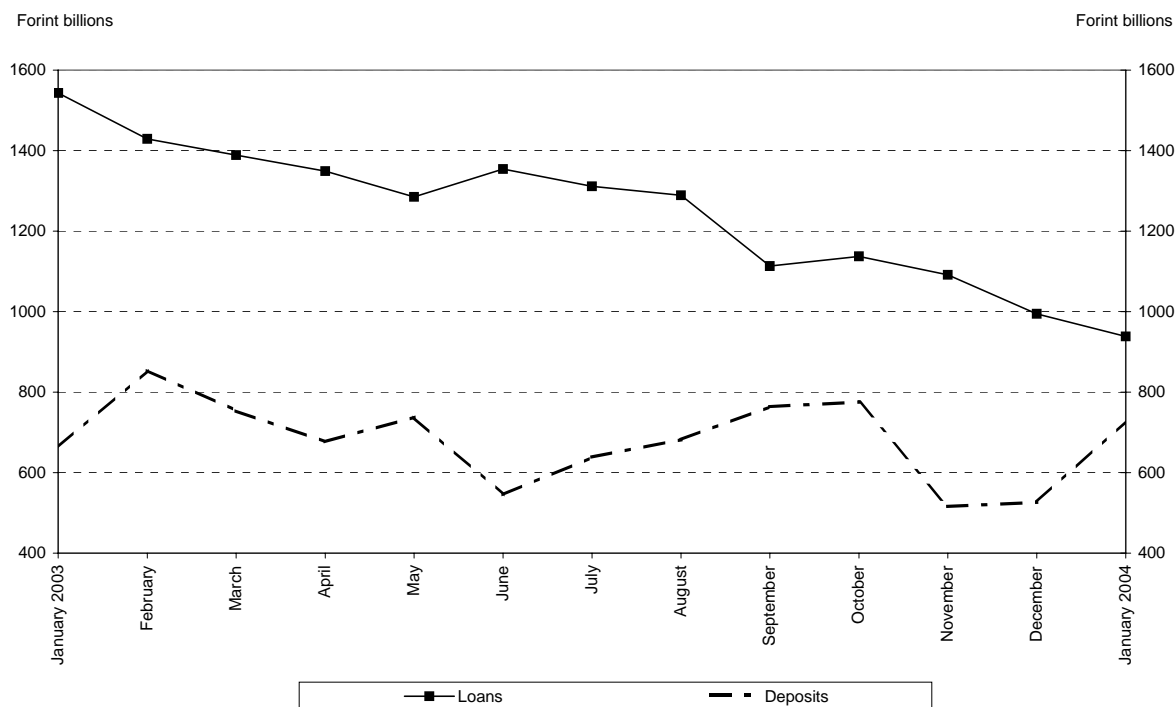
Chart 8 Loans and deposits of other financial corporations



Loans granted by monetary financial institutions to general government fell by Ft 56.5 billion in January. Here, loans granted to the central government were Ft 59.4 billion lower and outstanding borrowings of the local government sub-sector from monetary financial institutions were Ft 2.9 billion higher.

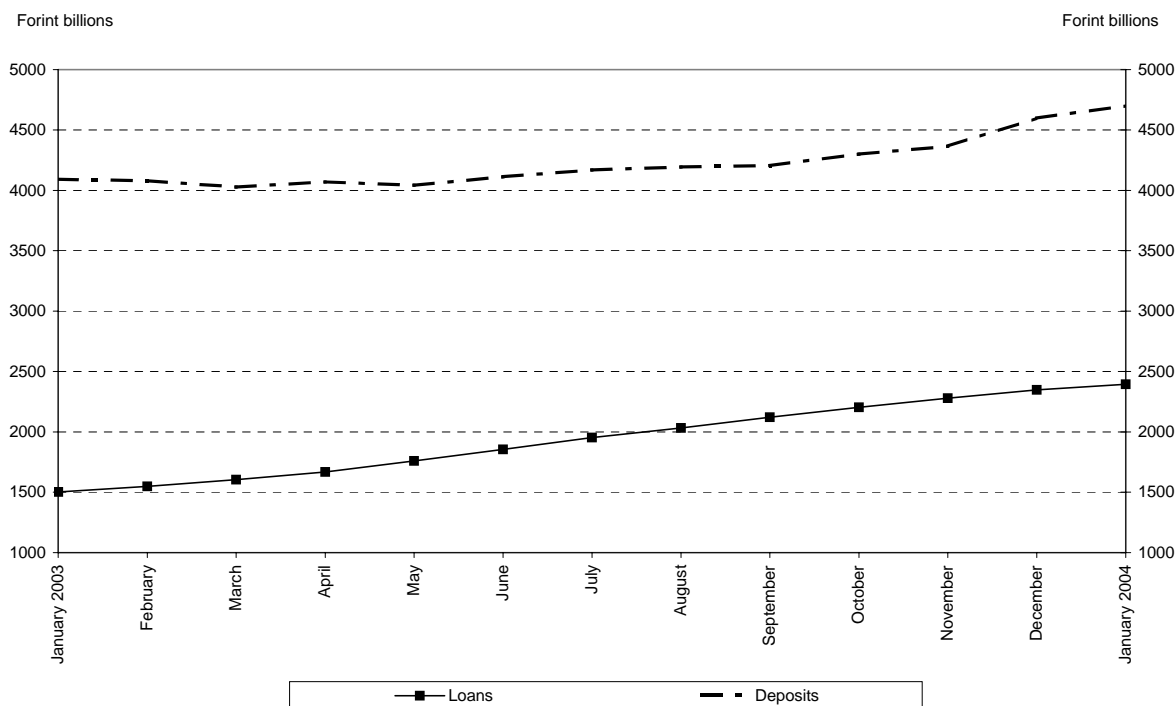
The one-month increase in deposits of general government with monetary financial institutions amounted to Ft 201.9 billion. Here, deposits of the central government rose by Ft 217.7 billion, while those of the local government sub-sector fell by Ft 15.8 billion.

Chart 9 Loans and deposits of general government



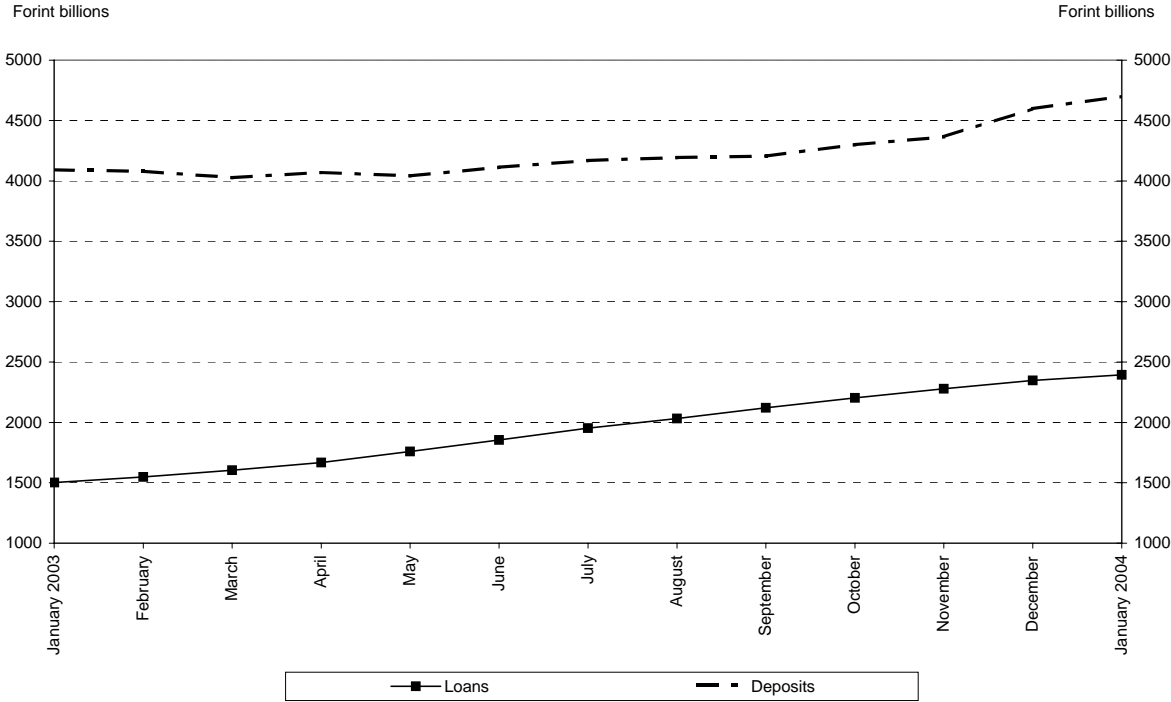
The outstanding total of loans granted by monetary financial institutions to households increased by Ft 45.9 billion in January. The sector's deposits with other monetary financial institutions were Ft 102.1 billion higher than in December.

Chart 10 Loans and deposits of households



Within loans to households, outstanding housing loans, consumer credit and other loans, respectively, rose by Ft 38.3 billion, Ft 6.6 billion and Ft 1 billion. Housing loans continued to be dominant as a proportion of the outstanding total of loans to the sector – they accounted for more than 64.5% of total loans in the month under review.

Chart 11 Loans to households



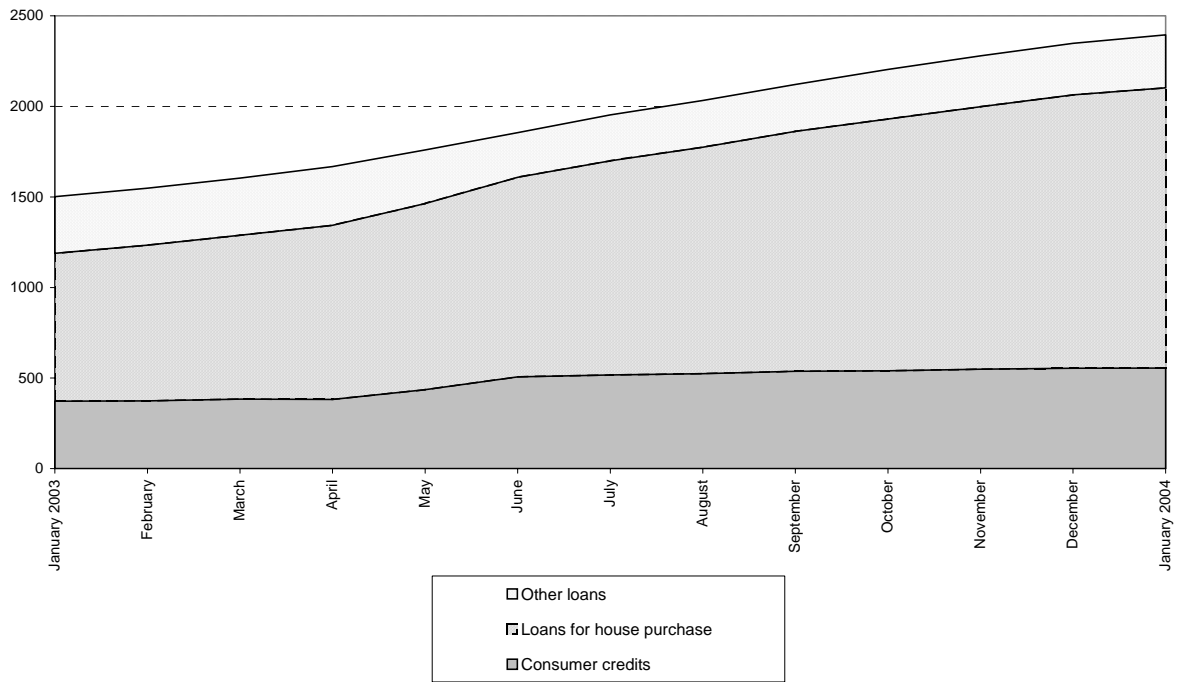
The net position of monetary financial institutions vis-à-vis non-residents improved by Ft 256 billion in January – the sector's assets fell by Ft 32.7 billion and liabilities by Ft 288.7 billion relative to December.

Net assets of the central bank vis-à-vis non-residents increased by Ft 54 billion, its liabilities to non-residents falling by Ft 197.8 billion. As a consequence, the sector's net position improved by Ft 251.9 billion.

The net position of other monetary financial institutions vis-à-vis non-residents improved by Ft 4.1 billion in the month under review, reflecting decreases of Ft 86.7 billion and Ft 90.8 billion in assets and liabilities respectively.

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

Forint billions



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