

PRESS RELEASE

Consolidated balance sheet of MFIs: February 2004

In February 2004, the monetary base fell by Ft 52.4 billion to Ft 1,844.8 billion. Of its components, the monthly average stock of currency in circulation, at Ft 1,394.6 billion, was Ft 29.5 billion lower than in the preceding month. The monthly average stock of other monetary financial institutions' current account deposits fell by Ft 1.8 billion to Ft 437.5 billion and the monthly average stock of overnight deposits by Ft 21.1 billion to Ft 12.7 billion. The annualised month-on-month growth index of the monetary base (M0), calculated from trend data, was 109.7% in the month under review.

The annualised month-on-month growth index of the monetary aggregate M1, calculated from trend data, was 107.3% in February. The growth rate of the aggregate was 3.2 percentage points higher than in January. The monthly growth rate of the monetary aggregate M2 slowed by 2.2 percentage points, the annualised month-on-month growth index of M2 being 113.9%. The growth rate of the monetary aggregate M3 was 4.2 percentage points lower than in the preceding month, the annualised month-on-month growth index of the aggregate changing to 111.7%.

Chart 1 Annualised month-on-month growth indices of the monetary aggregates

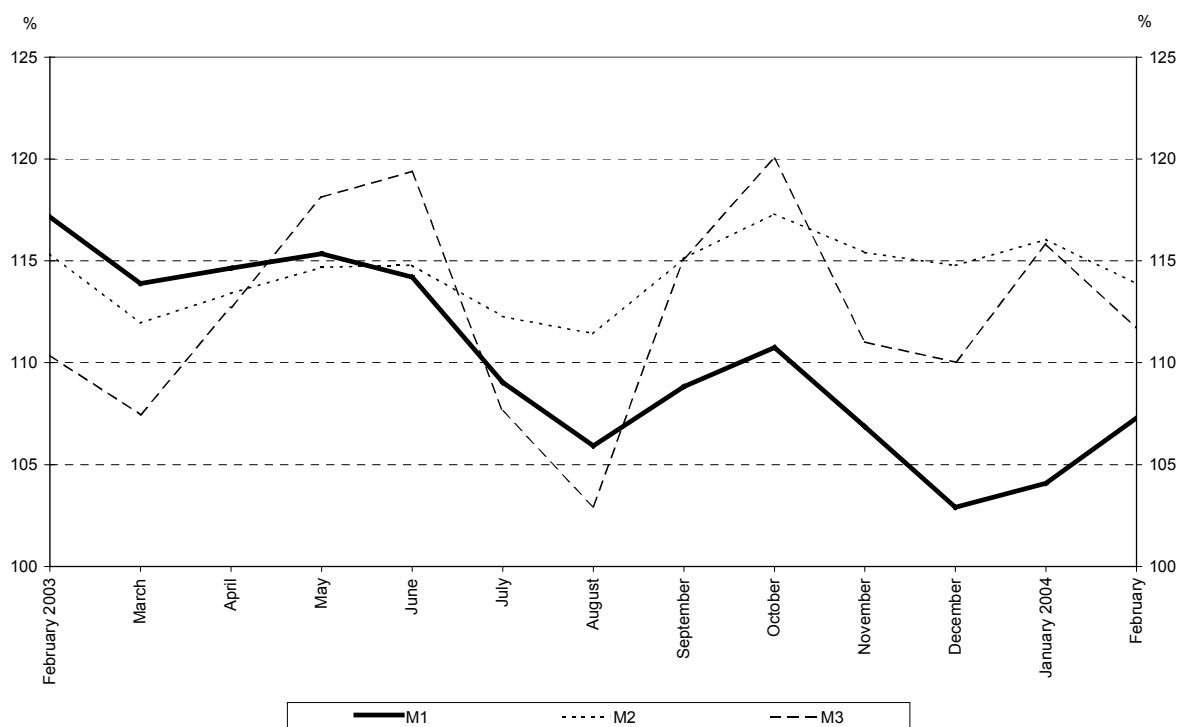


Chart 2 Developments in the monetary aggregates

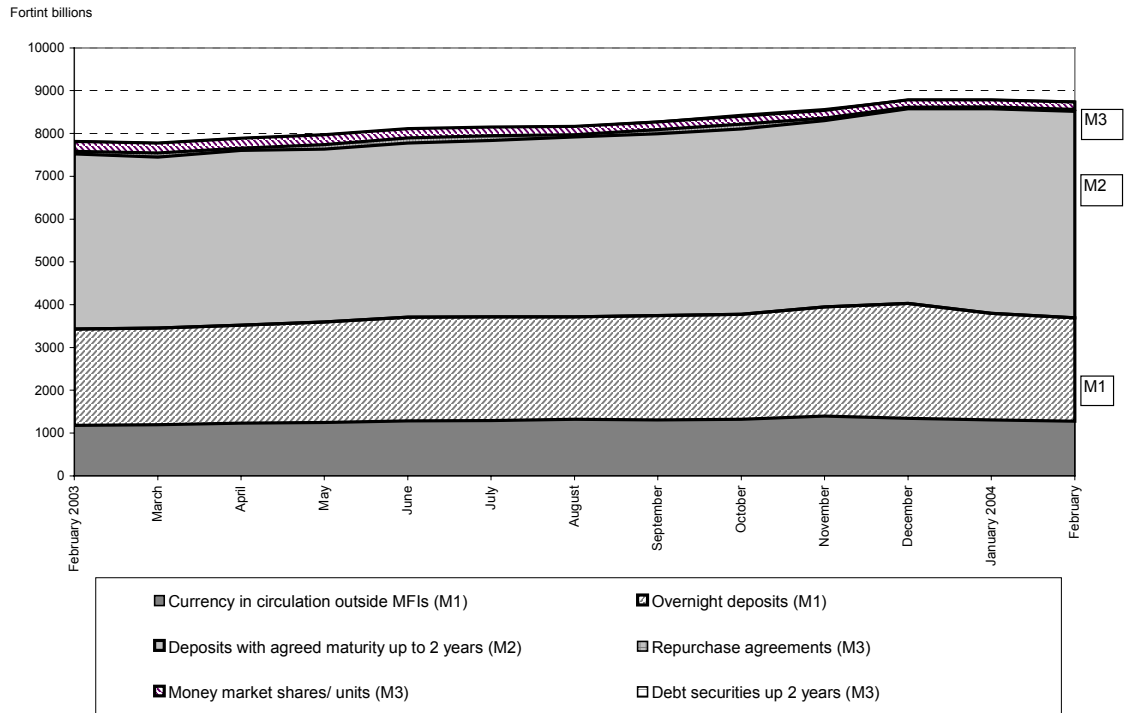
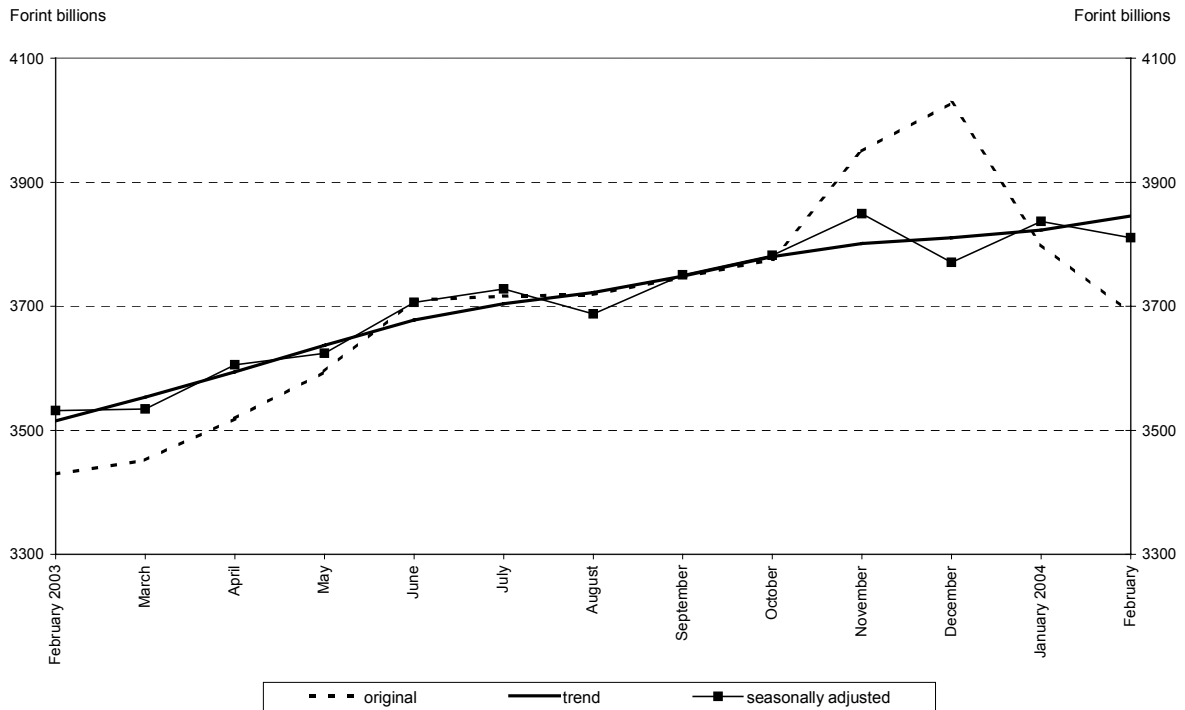
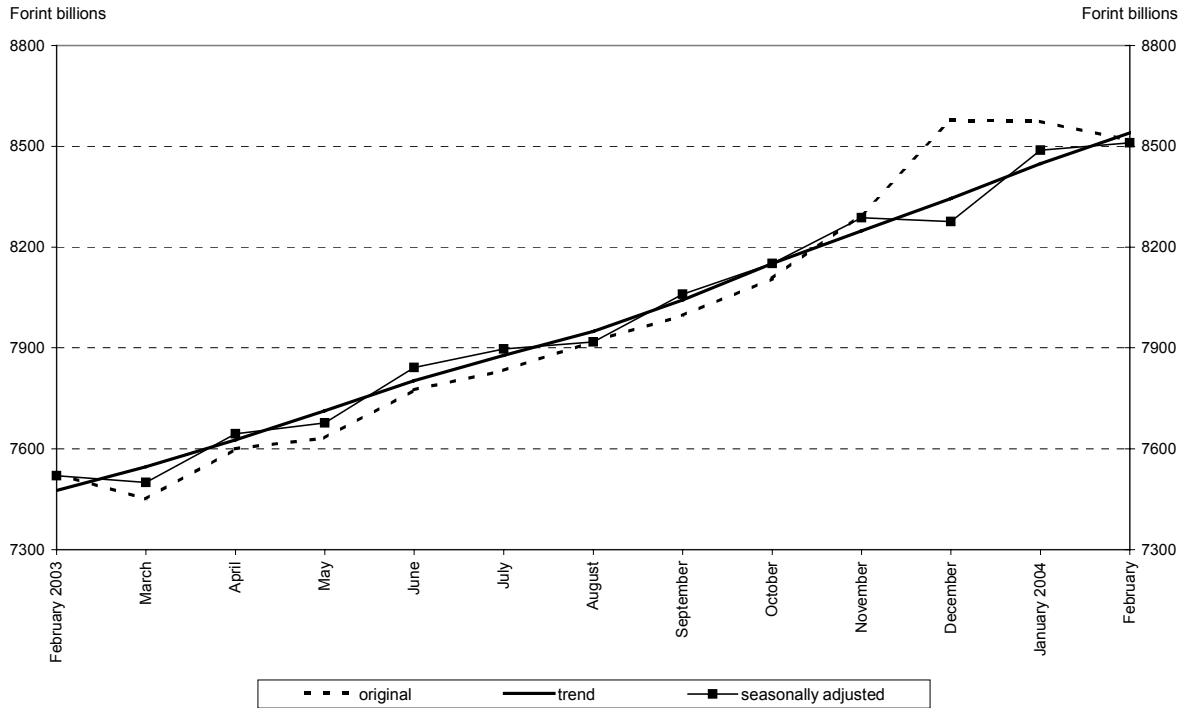


Chart 3 M1



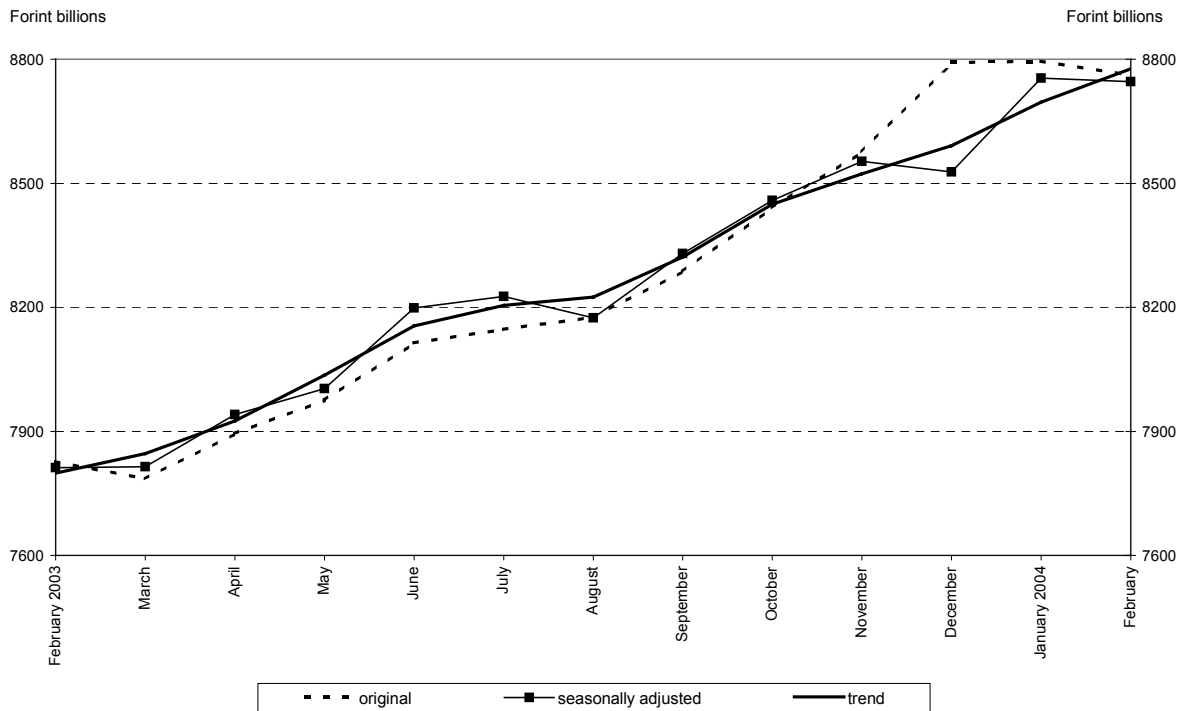
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 4 M2



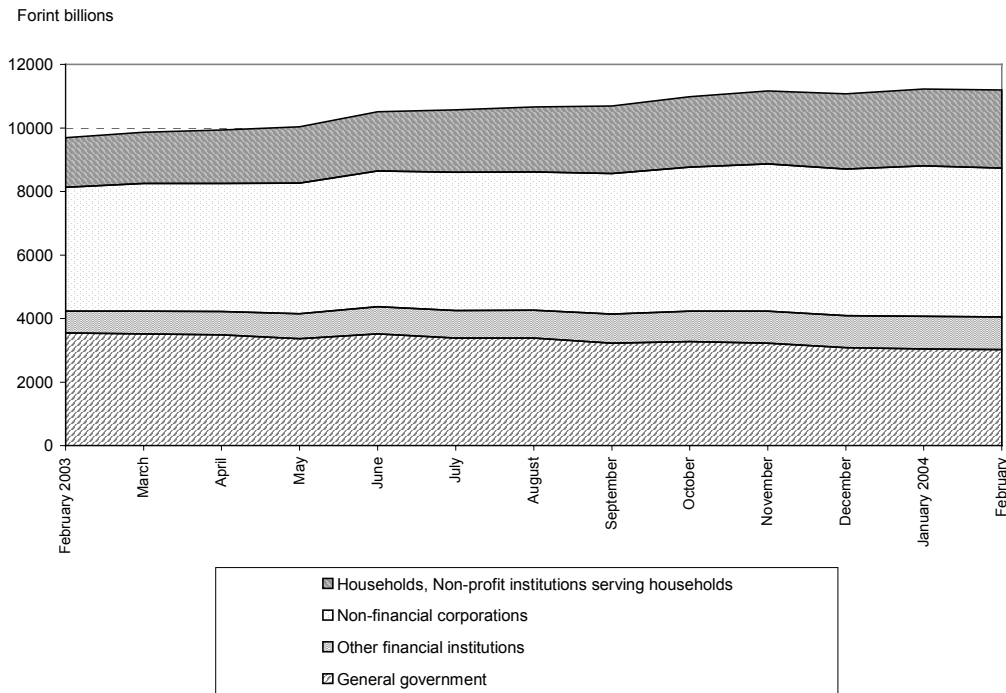
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 5 M3



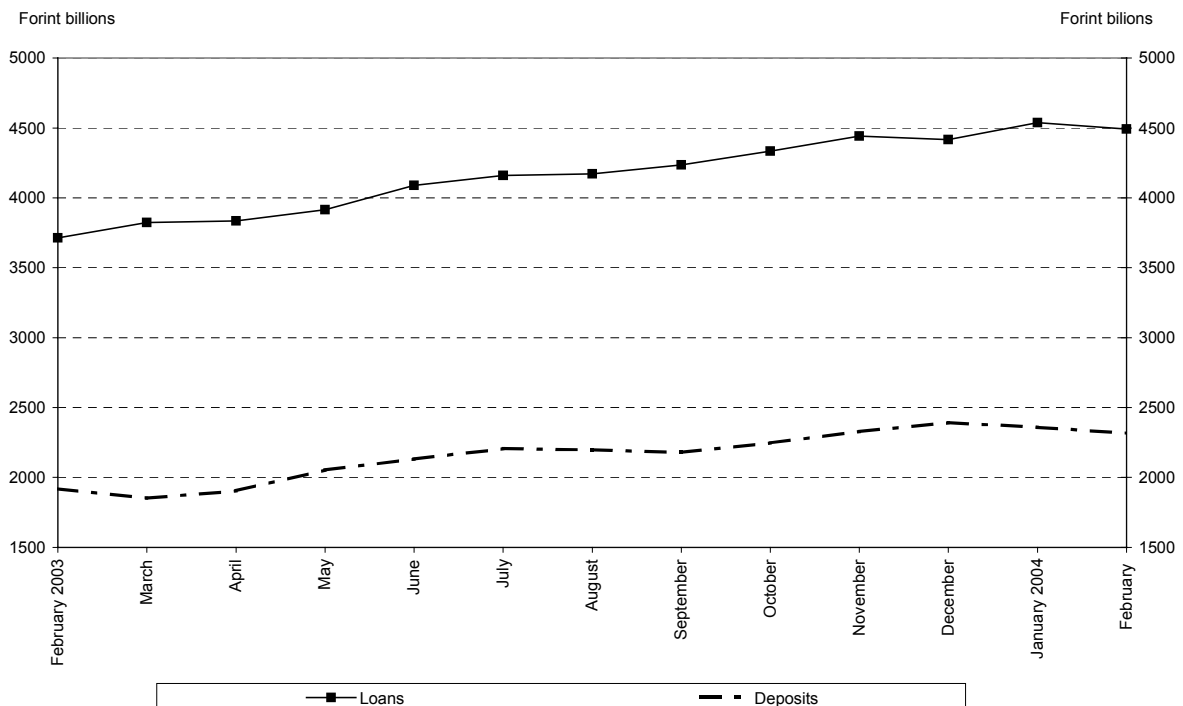
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 6 Outstanding domestic loans



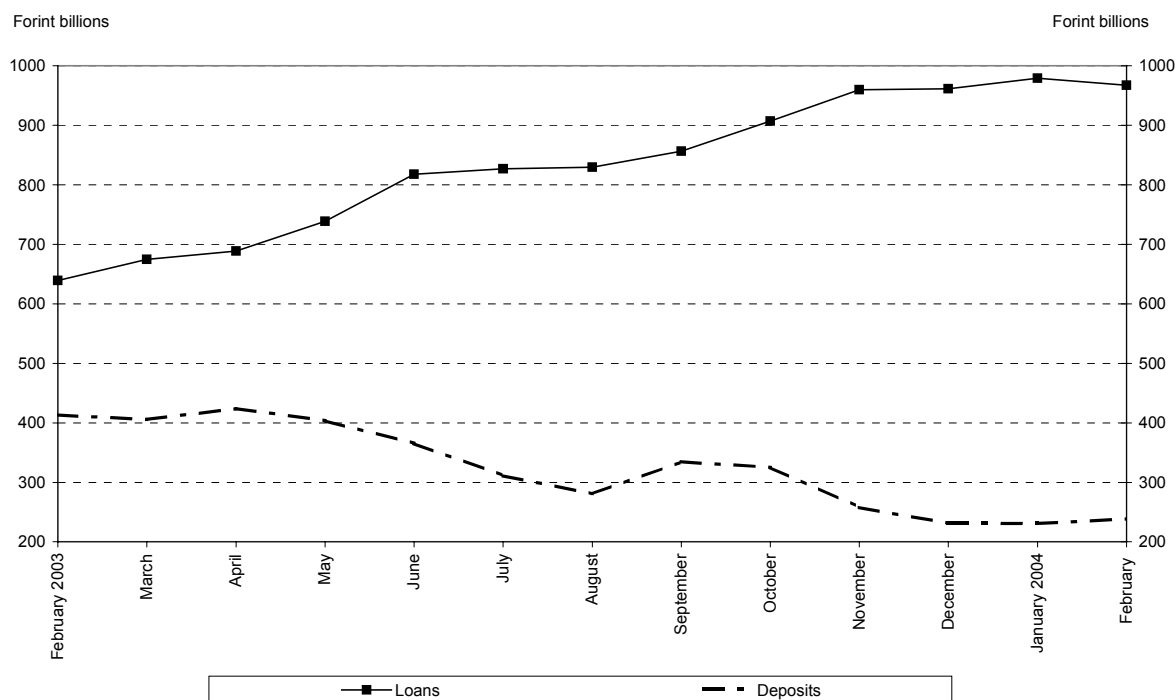
Outstanding borrowings of non-financial corporations fell by Ft 44.6 billion to the end of February. Long-term loans increased by Ft 6.8 billion and short-term loans fell by Ft 51.4 billion. The sector's deposits with MFIs were Ft 42.2 billion lower than in January. The Ft 55.1 billion fall in overnight and current account deposits was partly offset by increases of Ft 7 billion and Ft 5.9 billion respectively in time deposits and outstanding repos.

Chart 7 Non-financial corporations' loans and deposits



Outstanding borrowings of other financial corporations were Ft 11.9 billion lower relative to January. Their deposits increased by Ft 8 billion in one month, resulting from increases of Ft 2.7 billion and Ft 5.3 billion respectively in deposits of insurers and pension funds, and other financial intermediaries and financial auxiliaries. The increase in deposits of other financial intermediaries and financial auxiliaries was caused by a Ft 11.3 billion increase in overnight and current account deposits, a Ft 5.5 billion fall in time deposits and a Ft 0.5 billion fall in outstanding repos.

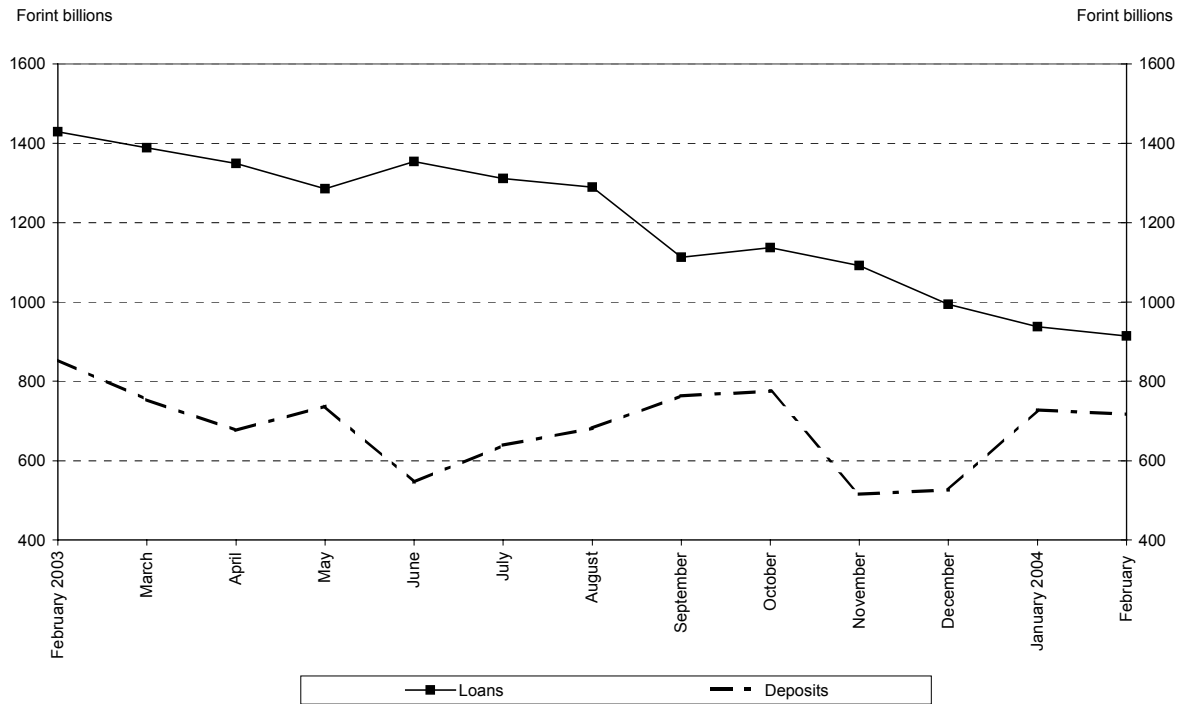
Chart 8 Loans and deposits of other financial corporations



Loans granted by monetary financial institutions to general government fell by Ft 23.9 billion to end-February. Here, loans granted to the central government were Ft 28 billion lower and outstanding borrowings of the local government sub-sector from MFIs were Ft 4.1 billion higher.

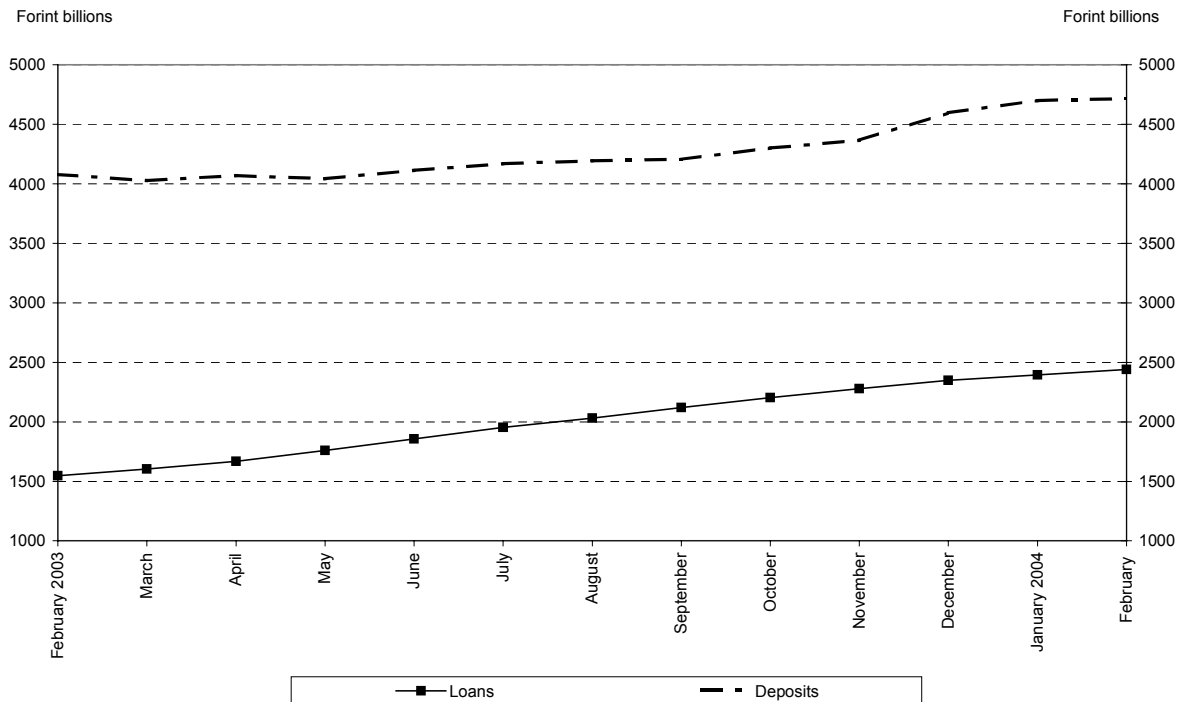
The one-month drop in deposits of general government with MFIs amounted to Ft 11.04 billion, accounted for by the Ft 11.46 billion fall in deposits of the local government sub-sector. This was only slightly offset by the Ft 0.42 billion increase in deposits of the central government with MFIs.

Chart 9 Loans and deposits of general government



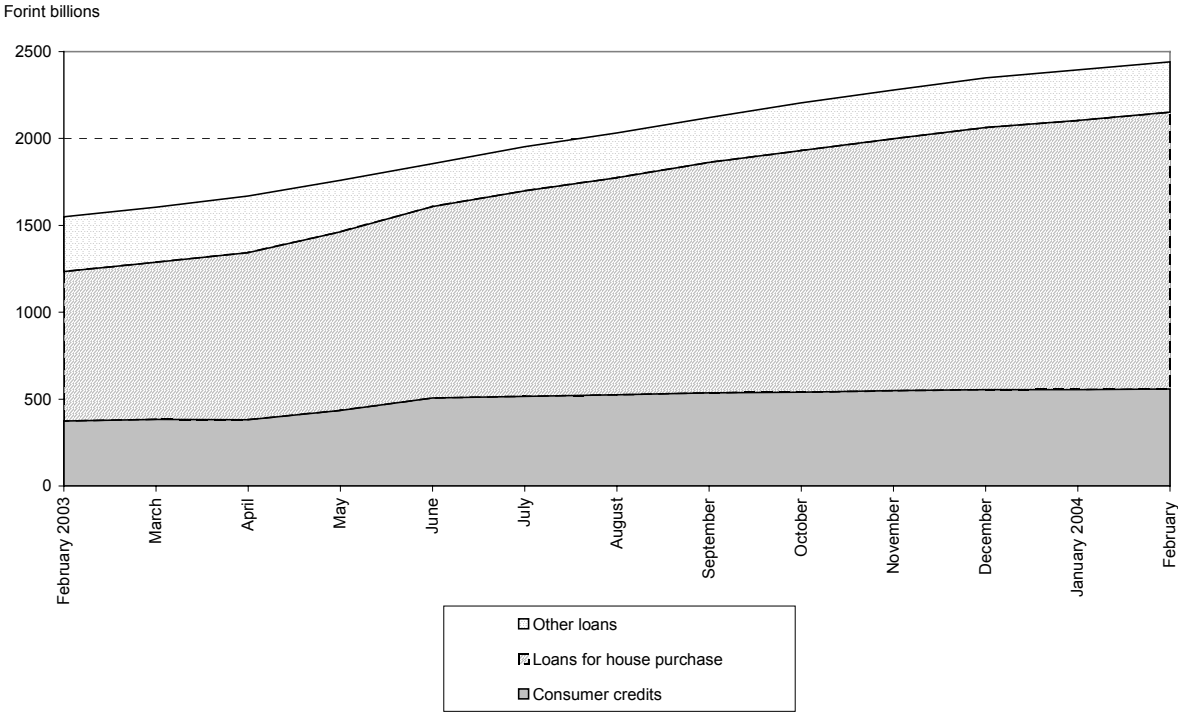
The outstanding total of loans granted by monetary financial institutions to households increased by Ft 46 billion to the end of February. The sector's deposits with MFIs were Ft 15.1 billion higher than in the preceding month.

Chart 10 Loans and deposits of households



Within loans to households, outstanding housing loans and consumer credit rose by Ft 44 billion and Ft 3.8 billion respectively. By contrast, other loans fell by Ft 1.8 billion. Housing loans continued to be dominant as a proportion of the outstanding total of loans to the sector – they accounted for a 65.2% share in the month under review.

Chart 11 Loans to households

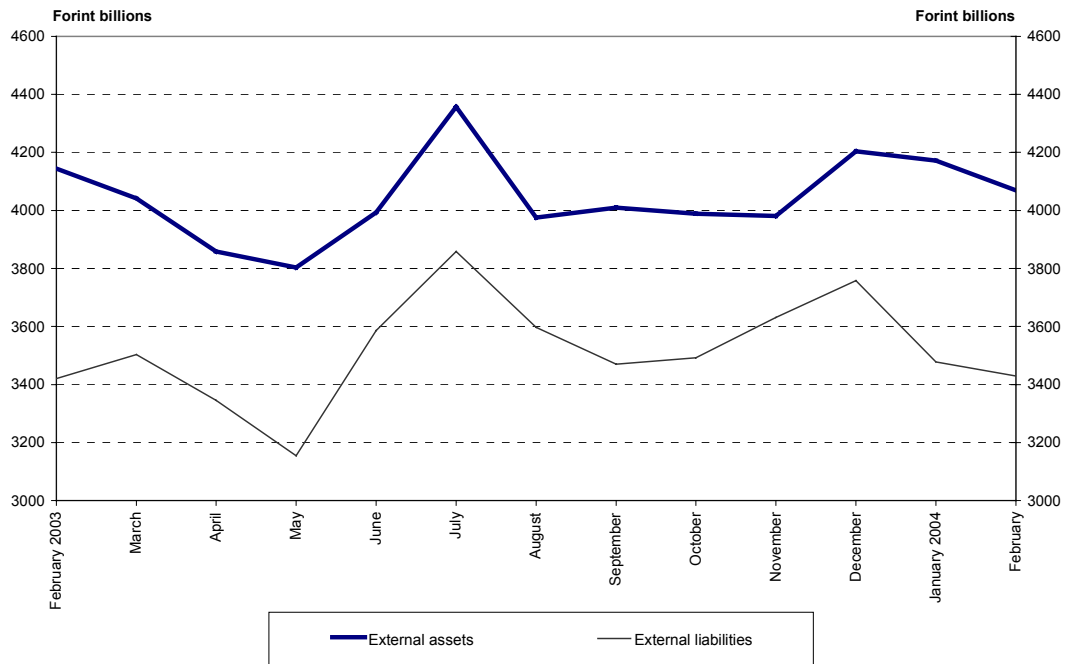


The net position of monetary financial institutions vis-à-vis non-residents deteriorated by Ft 54.5 billion in February – the sector's assets and liabilities fell by Ft 103.2 billion and Ft 48.7 billion respectively relative to January.

Net assets of the central bank vis-à-vis non-residents fell by Ft 92.2 billion, its liabilities to non-residents increasing by Ft 11.9 billion. As a consequence, the sector's net position deteriorated by Ft 104.1 billion.

The net position of other monetary financial institutions vis-à-vis non-residents improved by Ft 49.7 billion in the month under review, reflecting decreases of Ft 11 billion and Ft 60.7 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.