

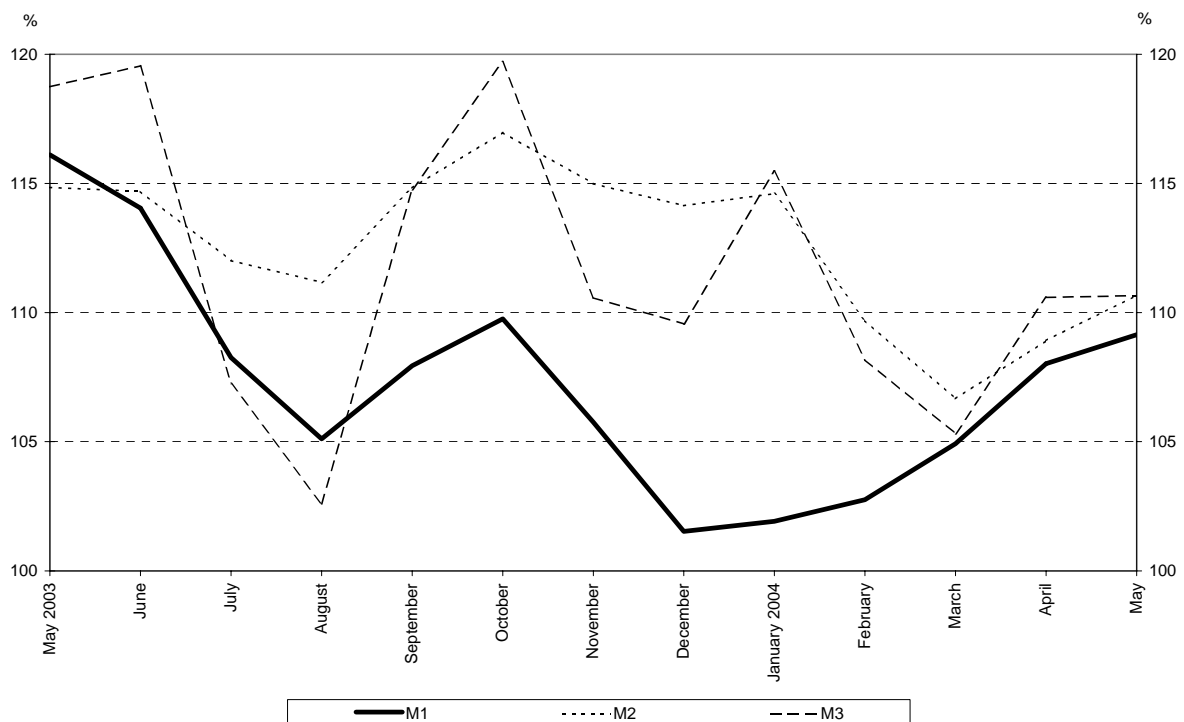
**PRESS RELEASE**

**Consolidated balance sheet of MFIs: May 2004**

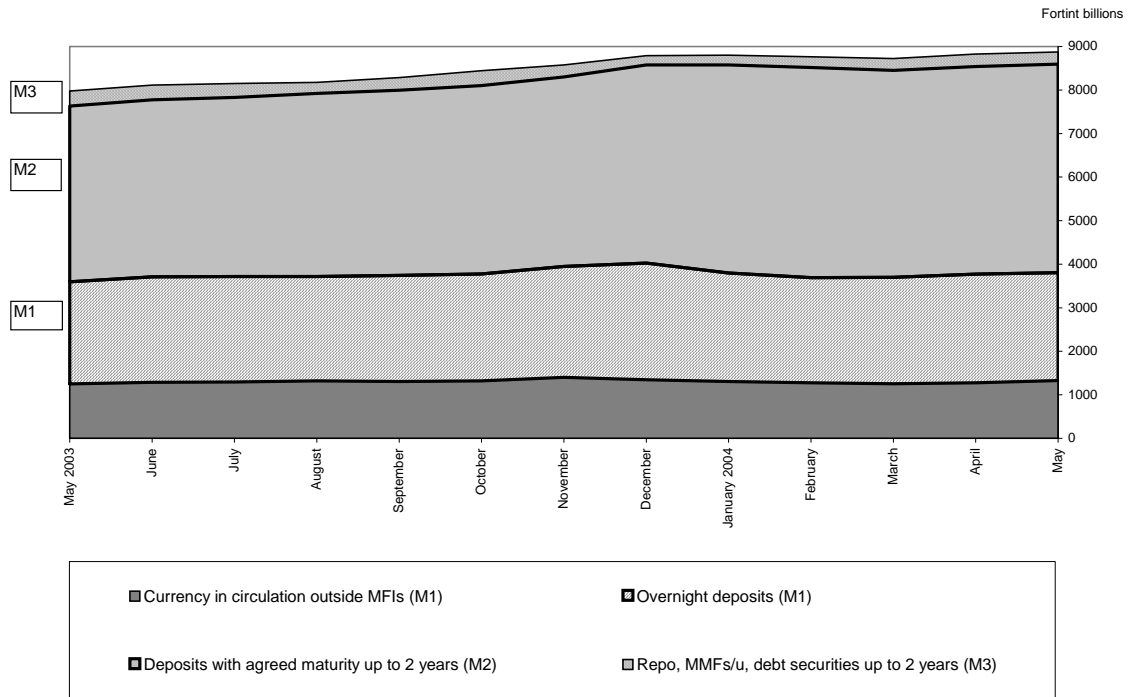
In May 2004, the monetary base increased by Ft 31 billion to Ft 1,848.1 billion. The monthly average stock of currency in circulation, at Ft 1,409.5 billion, was Ft 36.1 billion higher than in the preceding month. The monthly average stock of other monetary financial institutions' overnight deposits increased by Ft 5.9 billion to Ft 8.2 billion, while that of current account deposits fell by Ft 11 billion to Ft 430.4 billion. The annualised month-on-month growth index of the monetary base (M0), calculated from trend data, was 109.8% in the month under review.

The growth rate of the narrow monetary aggregate M1 was 1.1 percentage points faster than in April. The annualised month-on-month growth index of the aggregate, calculated from trend data, was 109.1% in May. The monthly growth rate of the monetary aggregate M2 rose by 1.8 percentage points, the annualised month-on-month growth index of M2 being 110.7%. The annualised month-on-month growth index of M3 changed to 110.7%, the growth rate of the aggregate being 0.1 percentage points higher than in the preceding month.

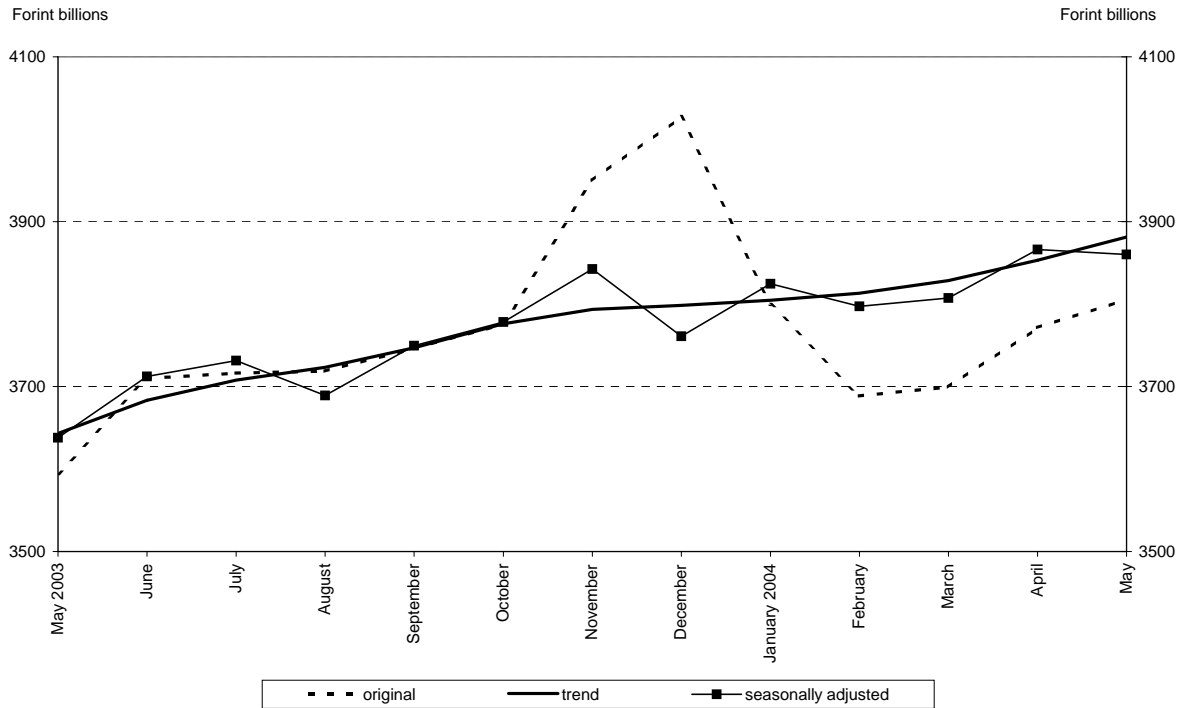
**Chart 1 Annualised month-on-month growth indices of the monetary aggregates**



**Chart 2** Developments in the monetary aggregates

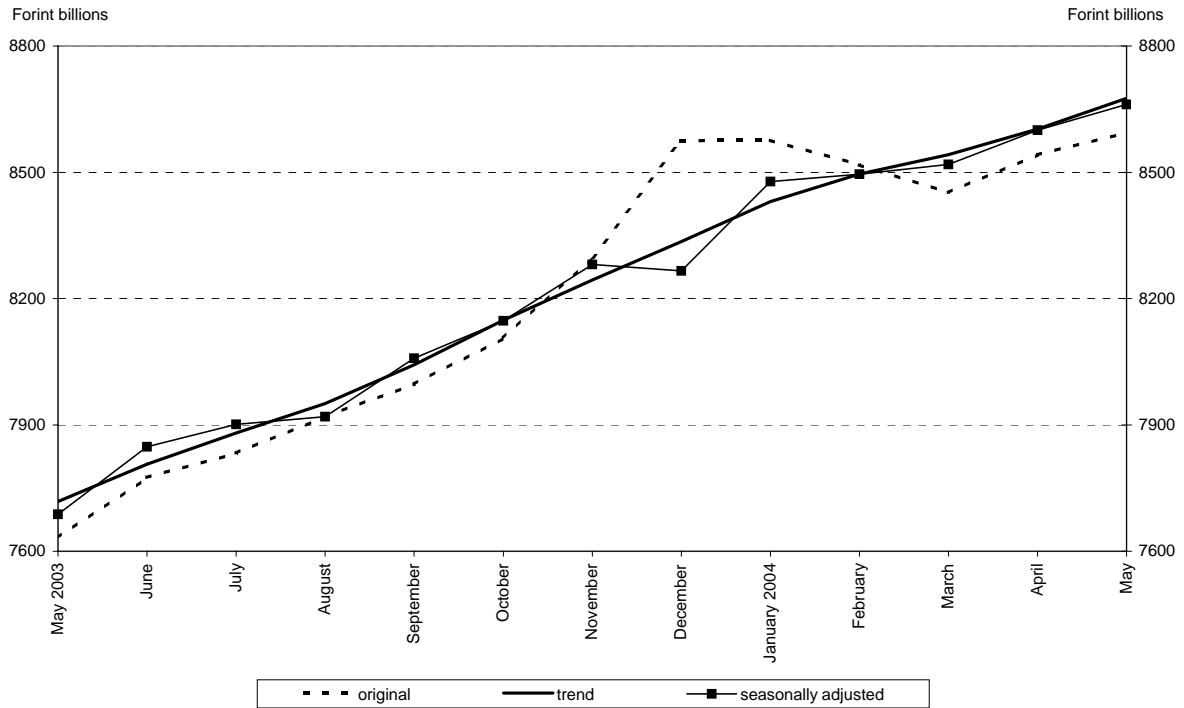


**Chart 3** M1



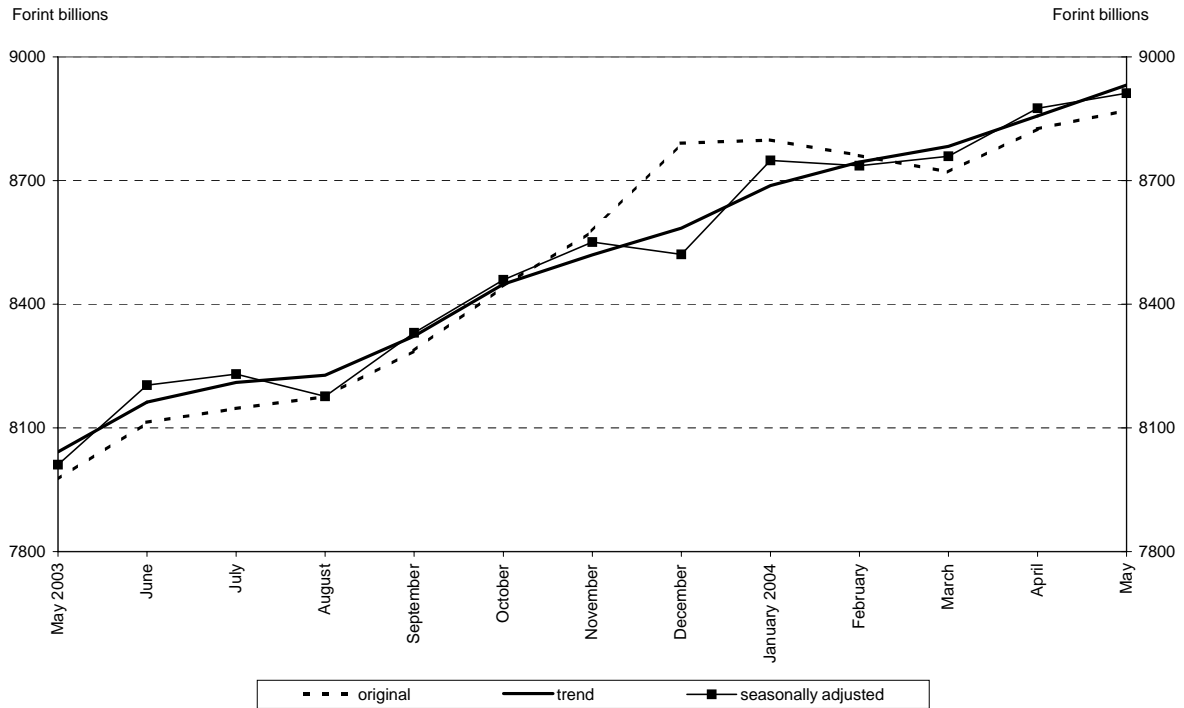
*Note:* The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 4 M2



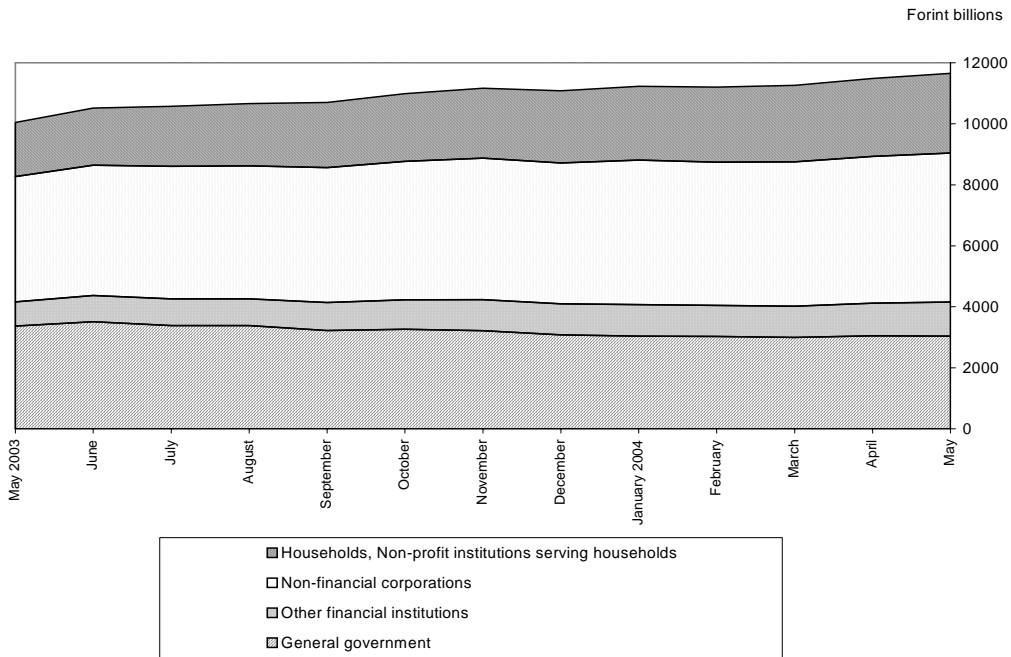
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 5 M3



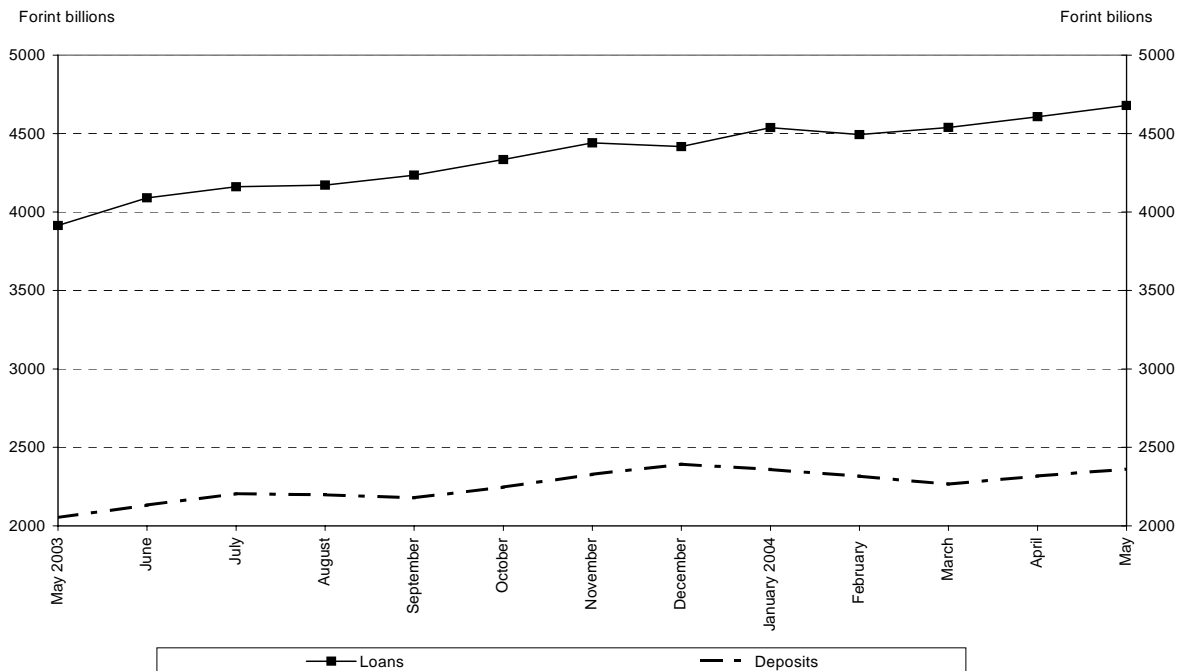
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

**Chart 6 Outstanding domestic loans**



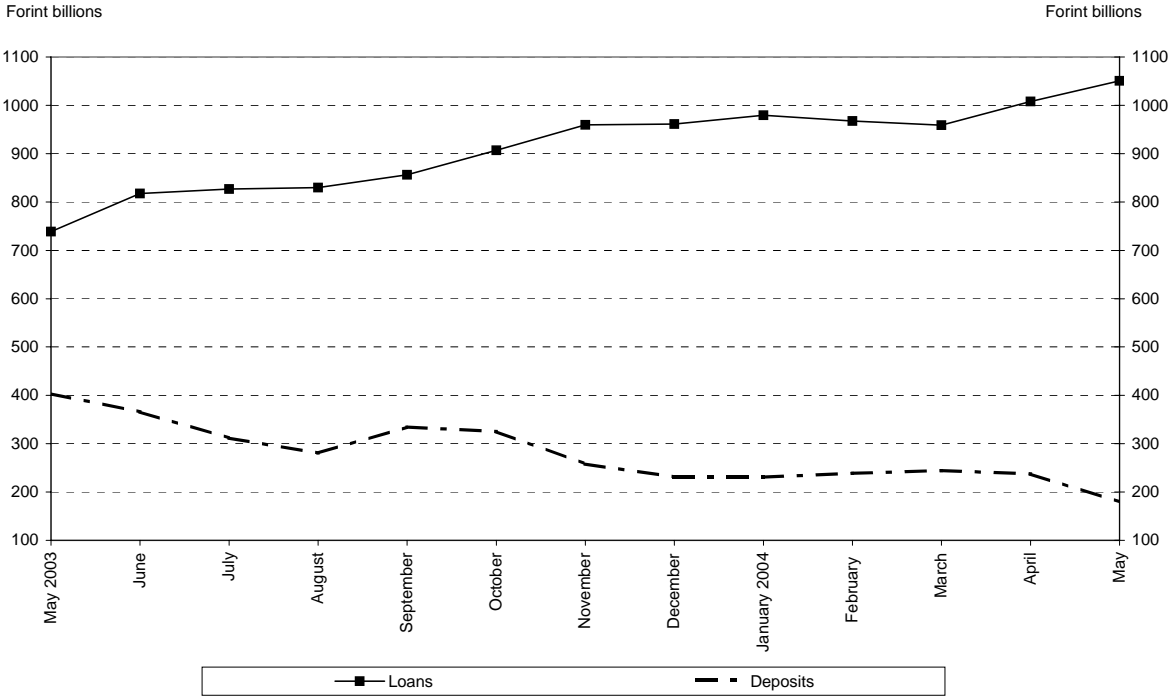
The stock of loans granted by monetary financial institutions to non-financial corporations increased by Ft 72.3 billion in May. Short-term loans fell by Ft 18.6 billion. Long-term loans, in contrast, were Ft 90.9 billion higher in one month. Loans with maturity up to 5 years increased by Ft 64.5 billion and those with maturity over 5 years by Ft 26.4 billion. The sector's deposits with MFIs were Ft 44.6 billion higher than in April. Overnight and current account deposits rose by Ft 1.1 billion and time deposits by Ft 47.4 billion, while liabilities from repo transactions fell by Ft 3.9 billion.

**Chart 7 Non-financial corporations' loans and deposits**



Outstanding borrowings of other financial corporations increased by Ft 42.3 billion in May. This was accounted for by a comparable increase in the amount of loans granted by other financial intermediaries and financial auxiliaries. The sector's deposits fell by Ft 58.1 billion in one month. This resulted from a Ft 4.9 billion increase in deposits from insurers and pension funds and from a Ft 63 billion fall in deposits from other financial intermediaries and financial auxiliaries.

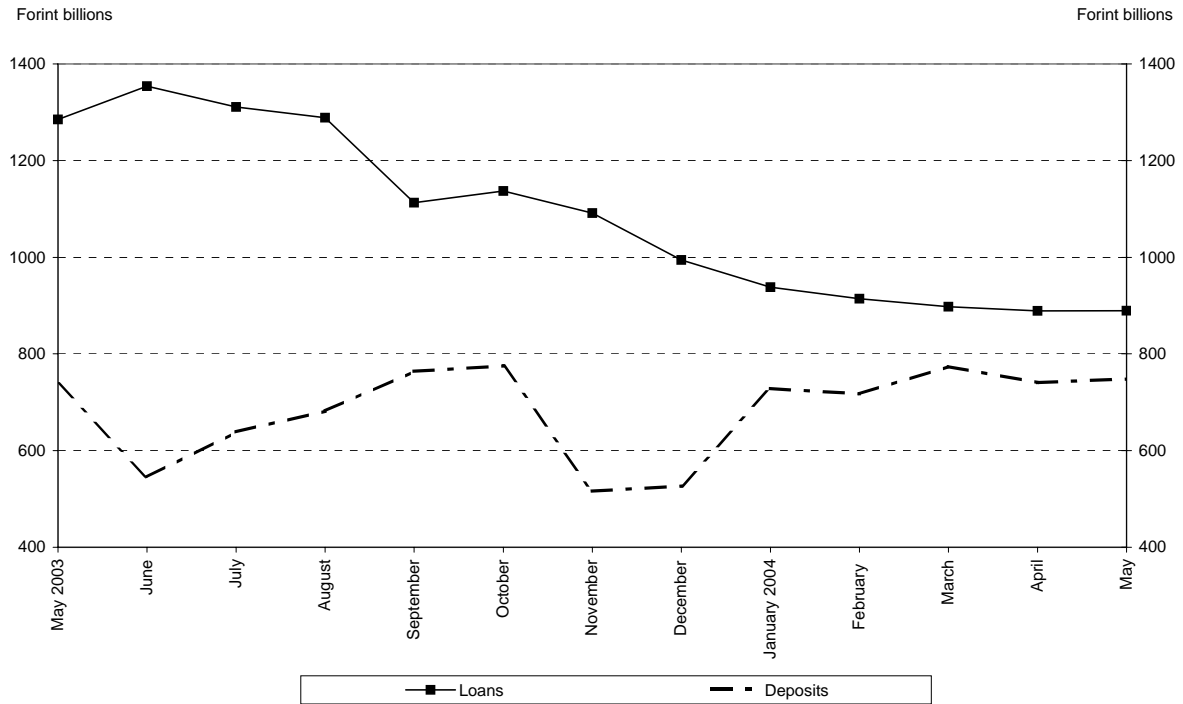
**Chart 8 Loans and deposits of other financial corporations**



The stock of loans granted by monetary financial institutions to general government increased by Ft 0.4 billion to end-May. Here, loans outstanding to the central government sub-sector fell by Ft 3.4 billion and those outstanding to the local government sub-sector rose by Ft 3.8 billion relative to April.

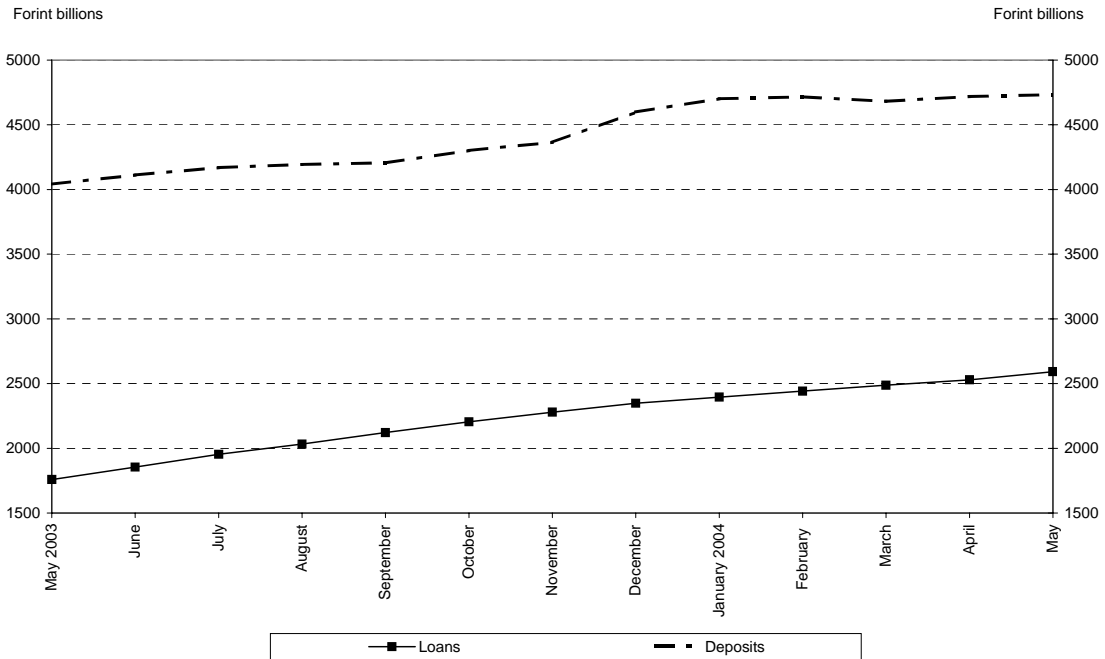
Deposits of general government with MFIs increased by Ft 7.2 billion, resulting from a Ft 13.8 billion increase in deposits of the local government sub-sector and from a Ft 6.6 billion fall in deposits of the central government.

**Chart 9 Loans and deposits of general government**



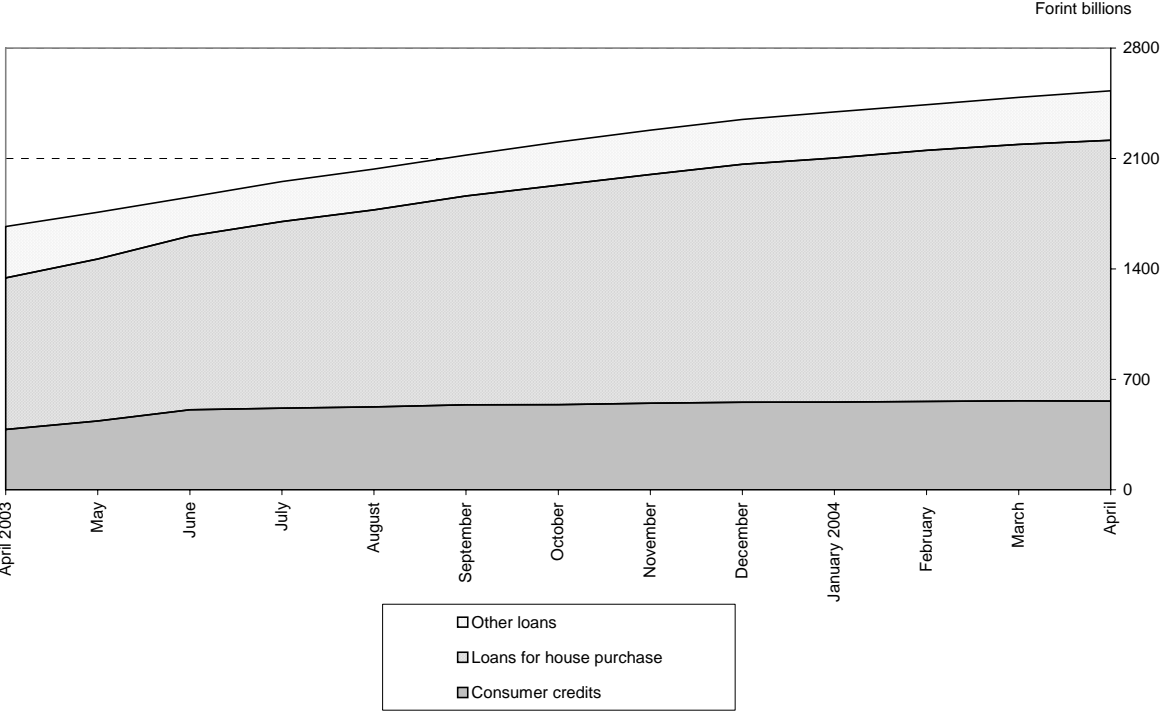
The outstanding total of loans granted by monetary financial institutions to households increased by Ft 62.3 billion in May. The sector's deposits with MFIs were Ft 13.9 billion higher than in the preceding month.

**Chart 10 Loans and deposits of households**



Within loans outstanding to households, the stocks of housing loans, other loans and consumer credit rose by Ft 29.8 billion, Ft 13.5 billion and Ft 19 billion respectively. Housing loans maintained their dominant share within the outstanding total of loans to the sector, accounting for a 64.9% share in May. That was slightly lower than in April (65.4%).

**Chart 11 Loans to households**

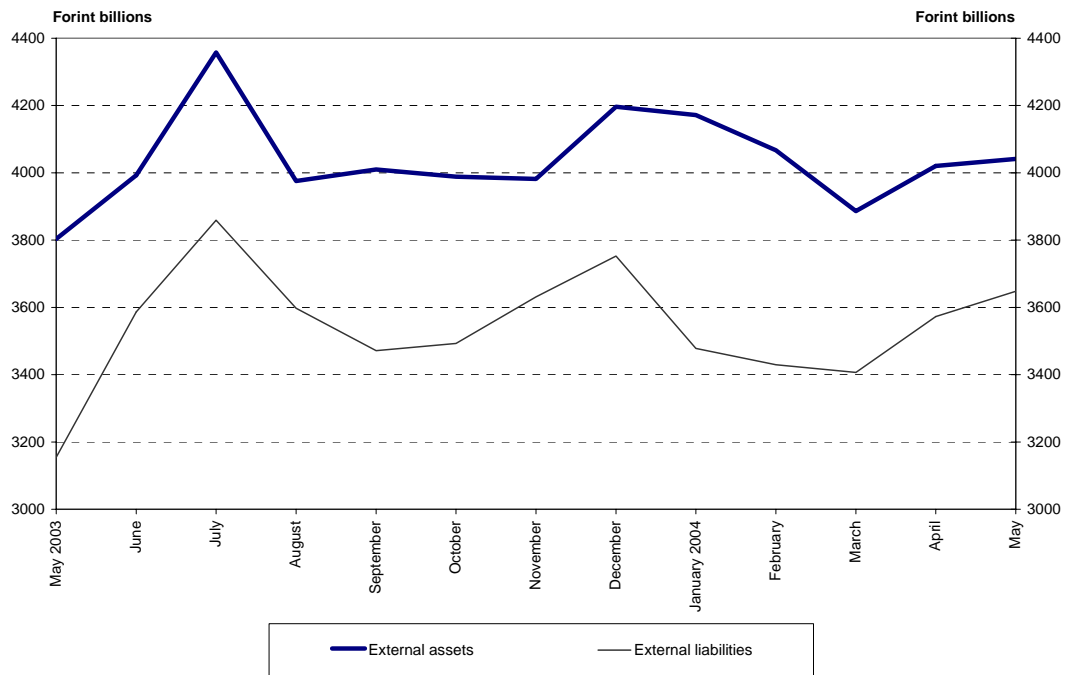


Net assets of monetary financial institutions vis-à-vis non-residents were lower by Ft 54.3 billion in May, as the sector's assets and liabilities increased by Ft 21 billion and Ft 75.3 billion respectively relative to April.

Assets of the central bank vis-à-vis non-residents rose by Ft 161.3 billion and its liabilities to non-residents fell by Ft 9.3 billion. Consequently, the sector's net foreign assets were Ft 170.6 billion higher than in the preceding month.

Net assets of other monetary financial institutions vis-à-vis non-residents were lower by Ft 225 billion in the month under review, reflecting a Ft 140.3 billion decline in assets and a Ft 84.7 billion increase in liabilities.

**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](http://www.mnb.hu/dokumentumok/0708_monstatpubl_en.xls.xls).