

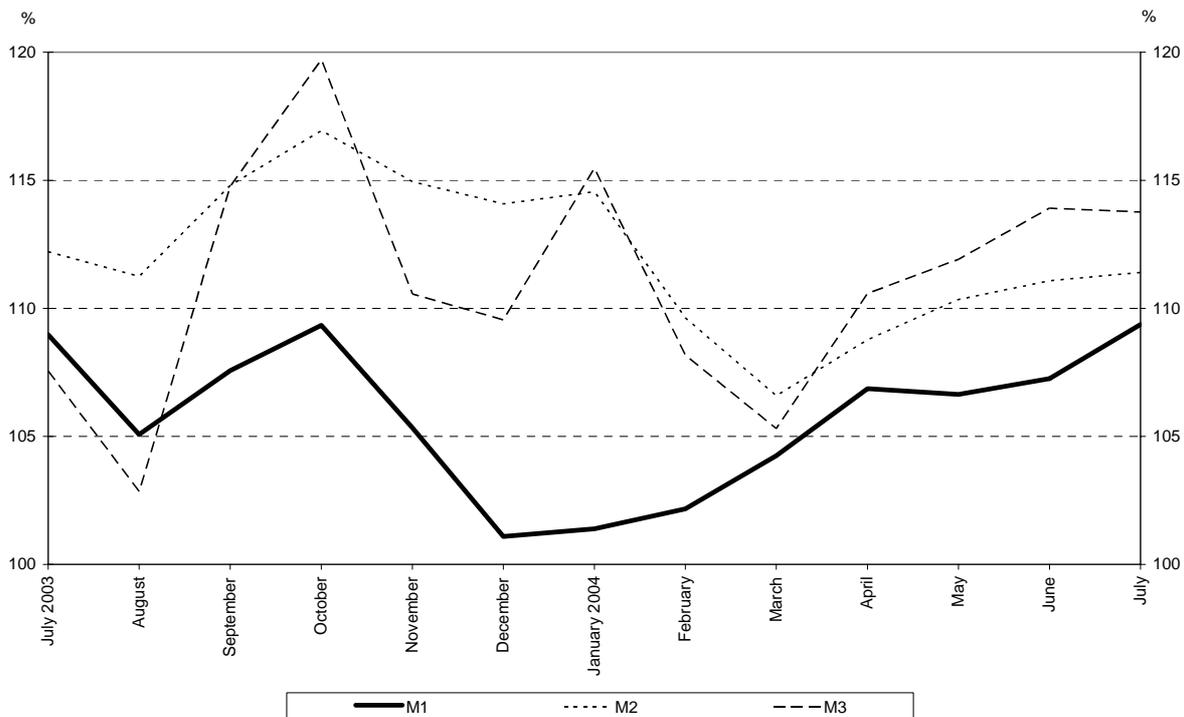
**PRESS RELEASE**

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

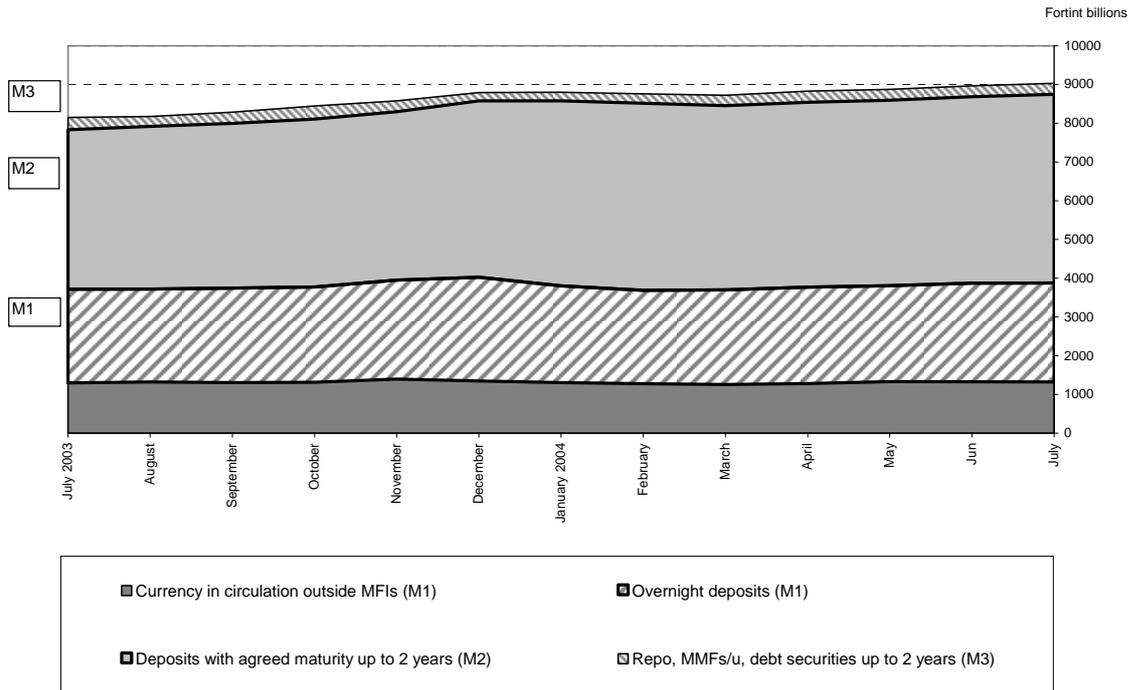
In July, the monetary base fell by Ft 20.5 billion to Ft 1,856.7 billion. The monthly average stock of currency in circulation, at Ft 1,428.7 billion, was Ft 3.2 billion lower than in the preceding month. The monthly average stock of other monetary financial institutions' current account deposits fell by Ft 0.7 billion to Ft 424.8 billion and that of overnight deposits by Ft 16.6 billion to Ft 3.3 billion. The annualised month-on-month growth index of the monetary base (M0), calculated from trend data, was 105.6% in the month under review.

The annualised month-on-month growth index of the narrow monetary aggregate M1, calculated from trend data, was 109.4% in July, its growth rate being 2.1 percentage points faster than in June. The annualised month-on-month growth index of M2 was 111.4%, its monthly growth rate rising by 0.3 percentage points in one month. The annualised month-on-month growth index of M3 was 113.8%. That reflected a 0.1 percentage point slowdown in the growth rate of the aggregate relative to the preceding month.

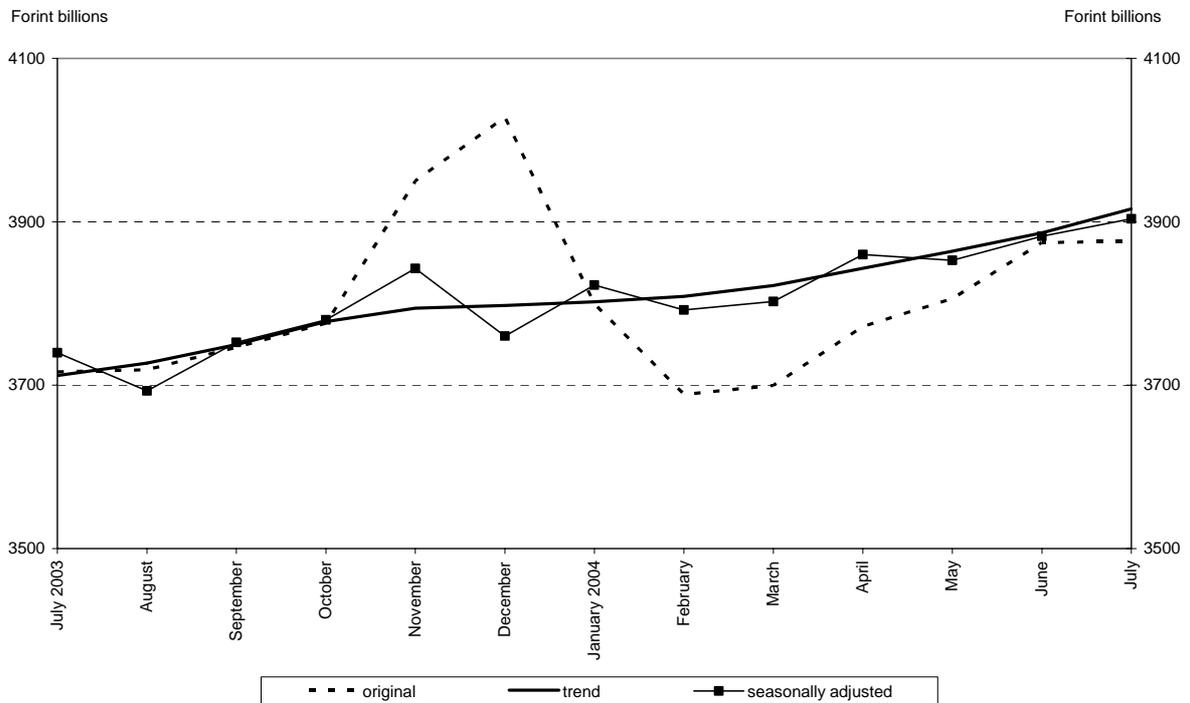
**Chart 1 Annualised month-on-month growth indices of the monetary aggregates**



**Chart 2** Developments in the monetary aggregates

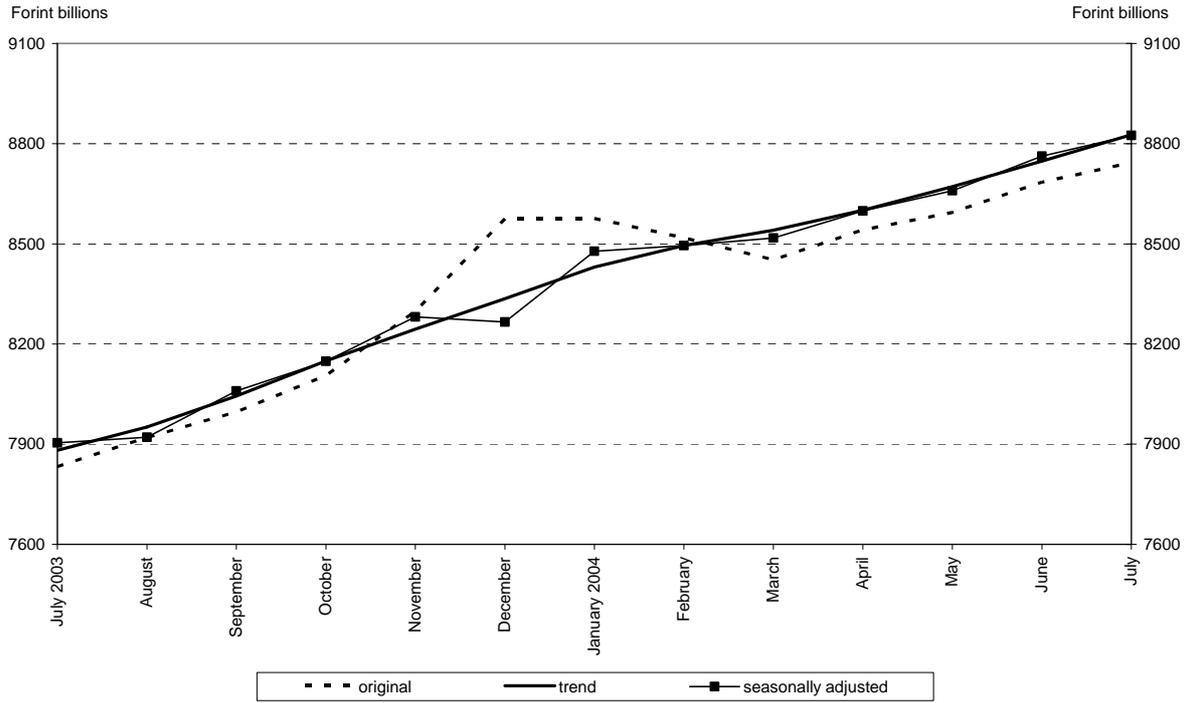


**Chart 3** M1



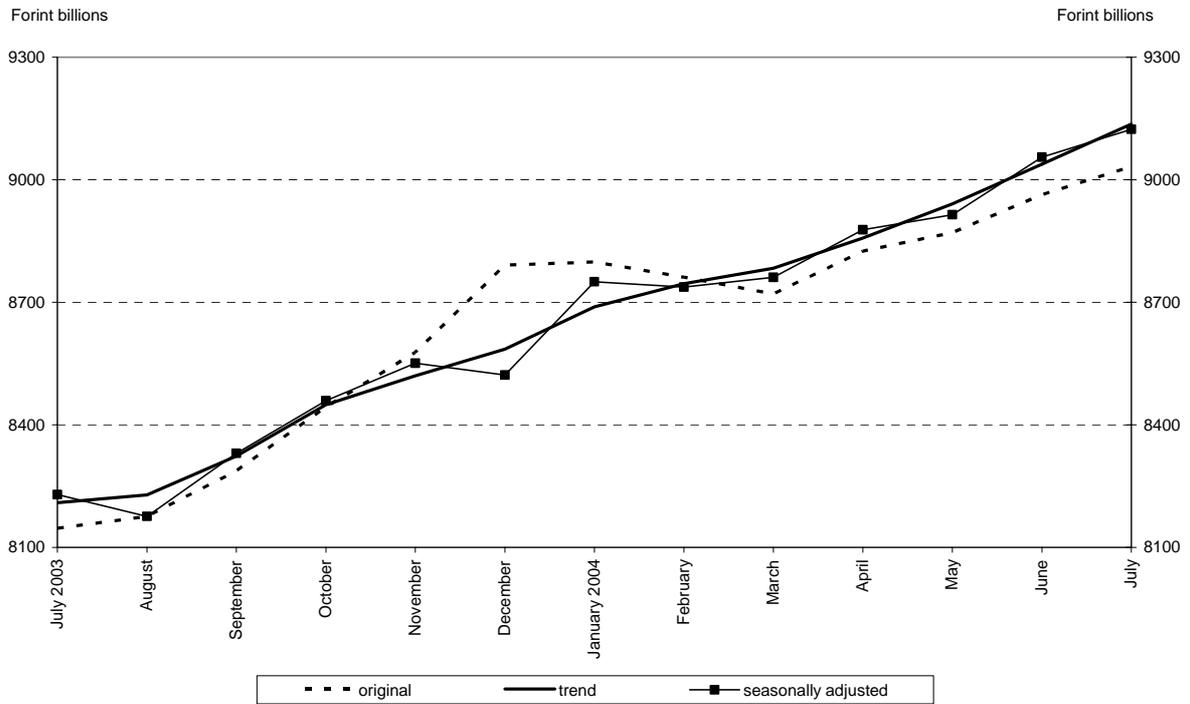
*Note:* The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 4 M2



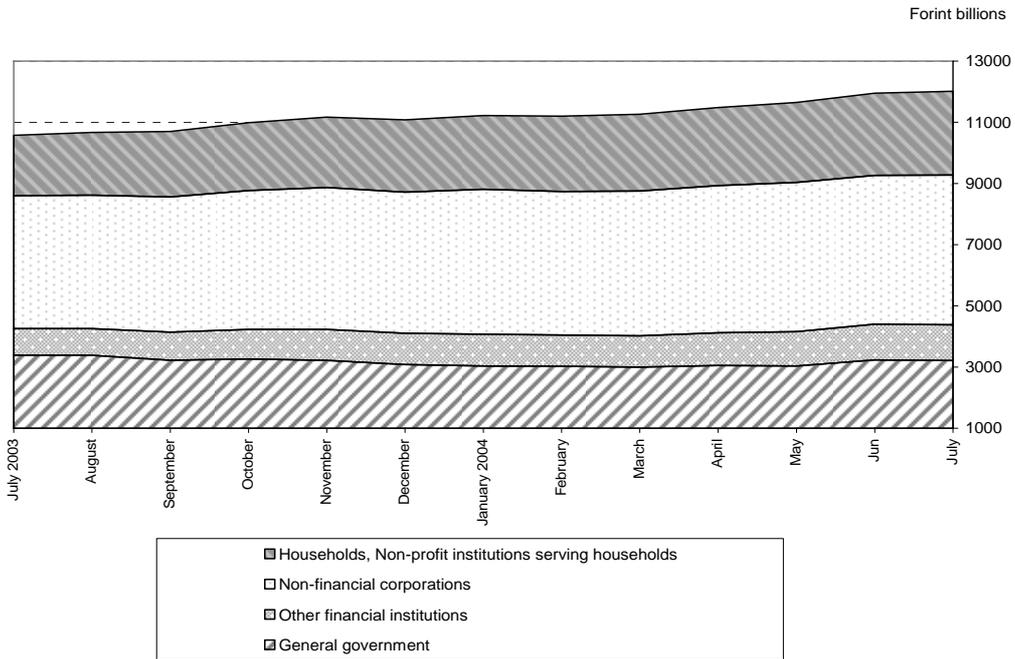
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

Chart 5 M3



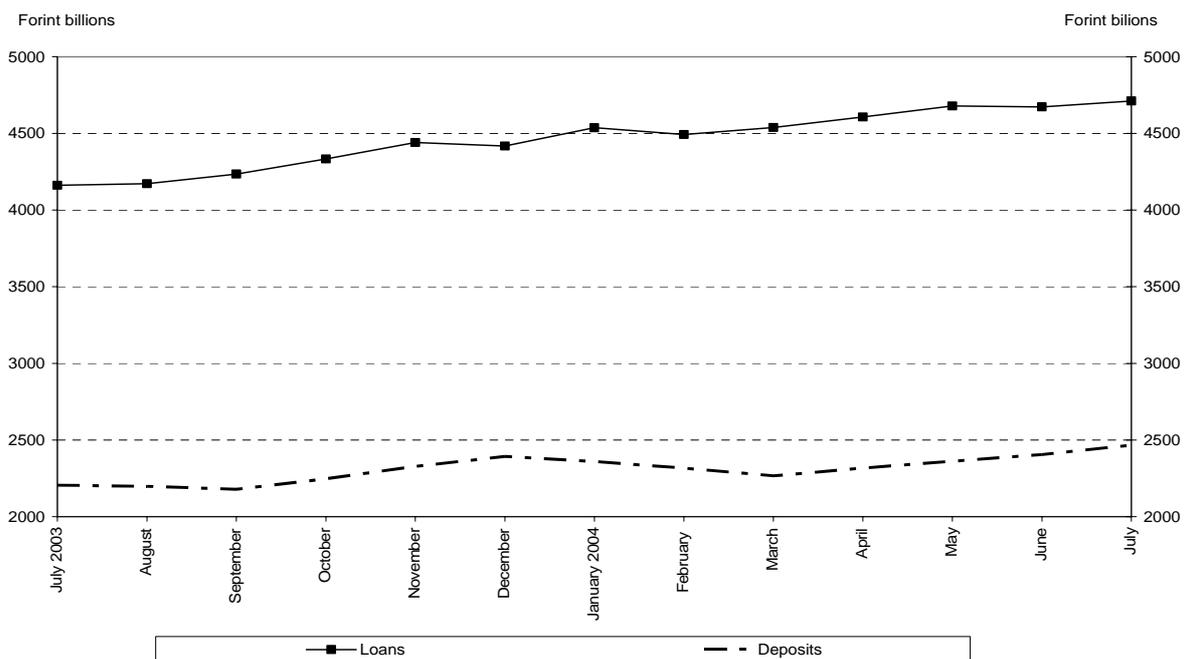
Note: The trend data do not include outliers, related to one-off effects and identified in seasonal adjustment.

**Chart 6 Outstanding domestic loans**



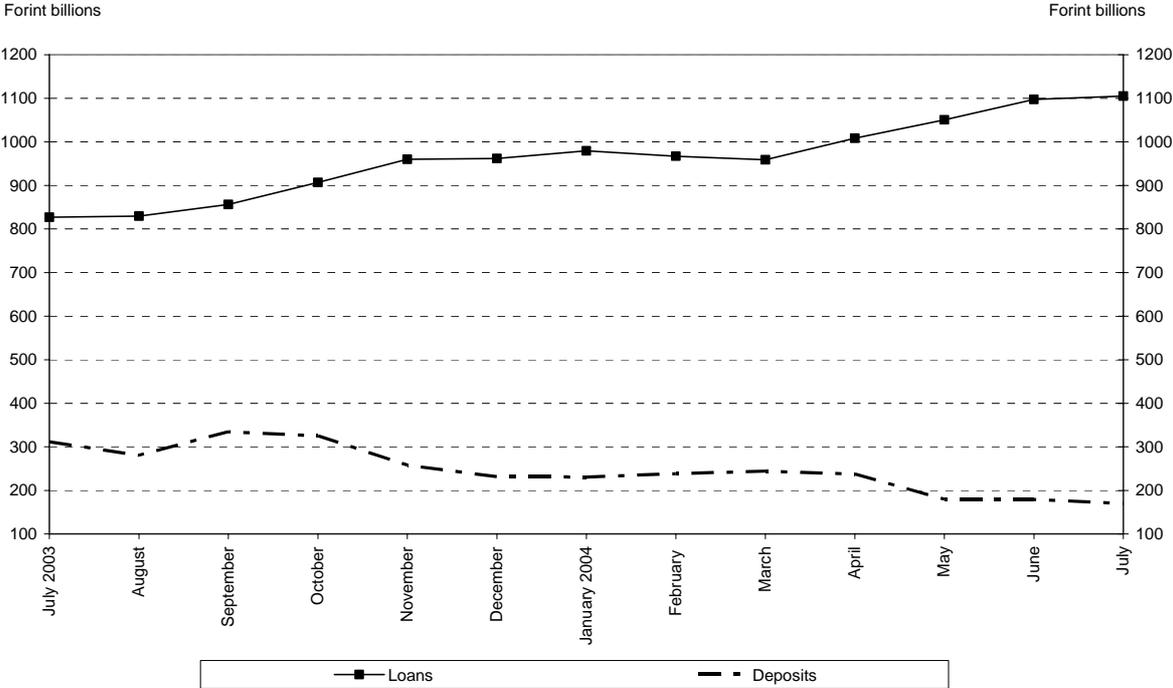
The stock of loans granted by monetary financial institutions to non-financial corporations increased by Ft 38.2 billion in July: outstanding short and long-term loans were Ft 13.9 billion and Ft 24.3 billion higher respectively relative to June. Loans with maturity up to 5 years increased by Ft 20.4 billion and those with maturity over 5 years by Ft 3.9 billion. The sector's deposits with MFIs were up Ft 61.6 billion on June: overnight and current account deposits fell by Ft 0.3 billion, while time deposits and outstanding repos rose by Ft 61.4 billion and Ft 0.5 billion respectively.

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



In July, outstanding borrowings of other financial corporations were down by Ft 9.4 billion, while the stock of their deposits was up by Ft 8.1 billion. Loans with maturity up to one year fell by Ft 5.9. By contrast, loans with maturity up to 5 years and those with maturity over 5 years, respectively, rose by Ft 5.6 billion and Ft 8.4 billion.

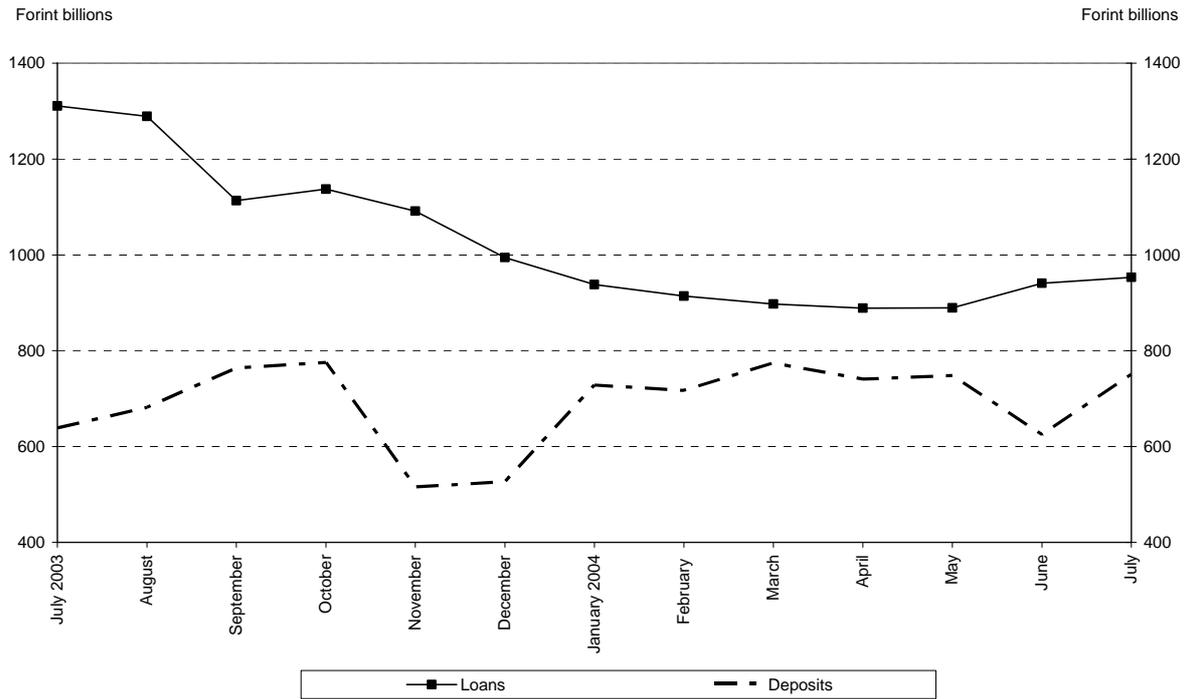
**Chart 8 Loans and deposits of other financial corporations**



The stock of loans granted by monetary financial institutions to general government increased by Ft 12.6 billion to end-July. Here, loans outstanding to the central government sub-sector rose by Ft 1.1 billion and those outstanding to the local government sub-sector by Ft 11.5 billion relative to end-June.

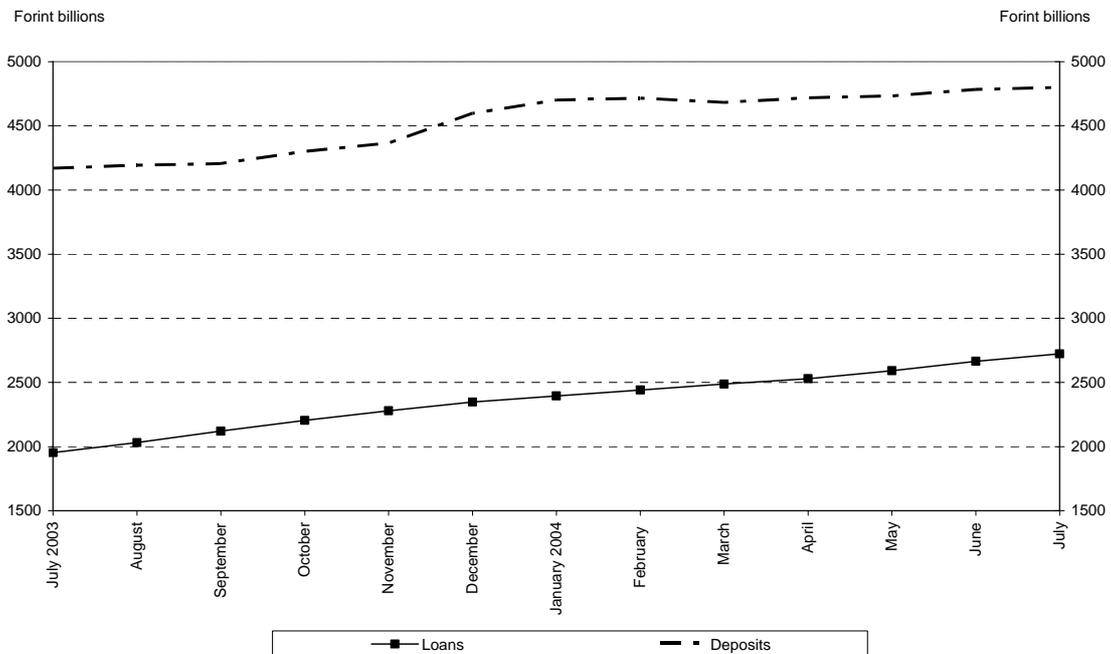
Deposits of general government with MFIs rose by Ft 125.7 billion in the month. That reflected an increase of Ft 136.1 billion in deposits of the central government and decline of Ft 10.4 billion in those of the local government sub-sector.

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



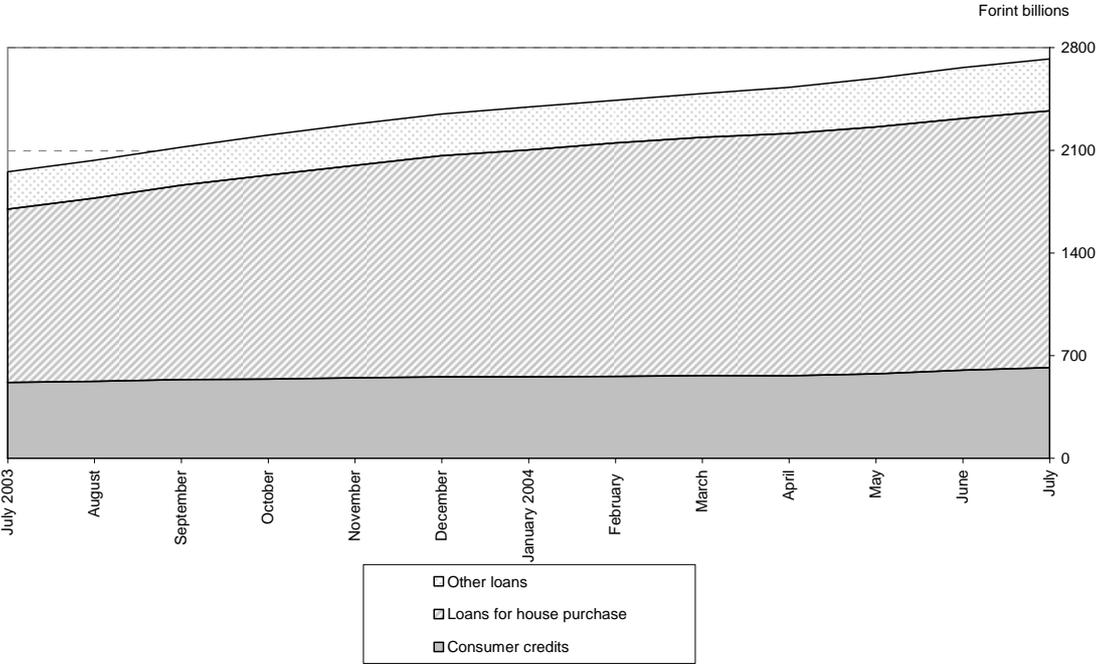
Households' deposits with MFIs were Ft 15.9 billion higher than in the preceding month. The outstanding total of loans granted by monetary financial institutions to the sector increased by Ft 57.6 billion in July.

**Chart 10 Loans and deposits of households**



Within loans outstanding to households, the stocks of housing loans, consumer credit and other loans rose by Ft 33.5 billion, Ft 18.5 billion and Ft 5.6 billion respectively. Housing loans, accounting for a 64.3% share in July compared with 64.4% in June, maintained their dominant share within the outstanding total of loans to the sector.

**Chart 11 Loans to households**

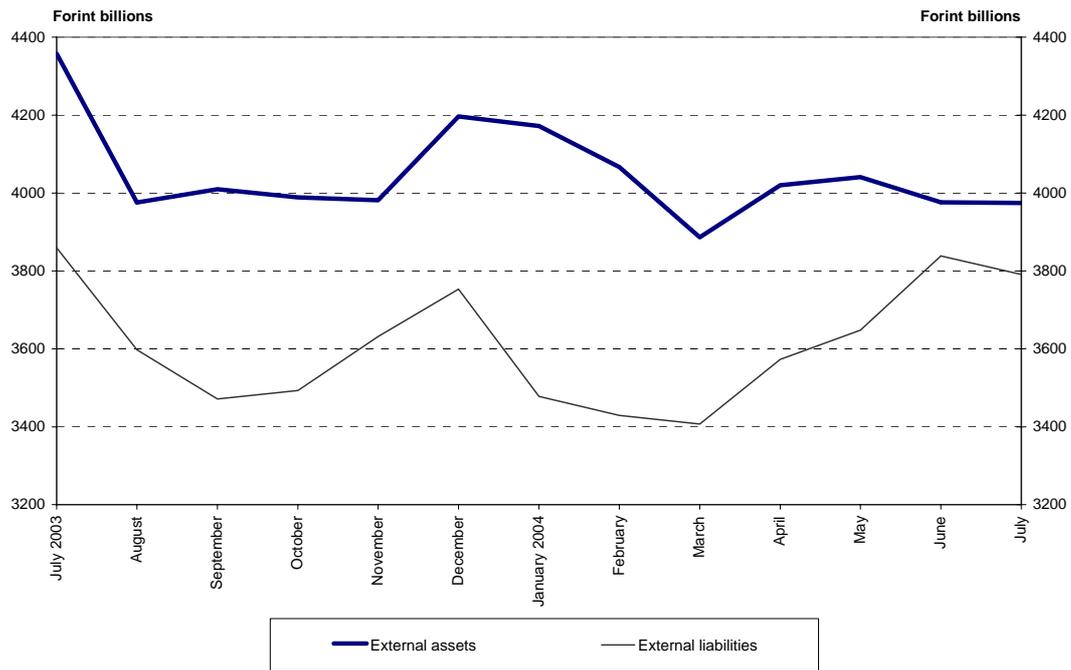


Assets and liabilities of monetary financial institutions vis-à-vis non-residents were Ft 2 billion and Ft 47.6 billion lower respectively in July. As a result, the sector’s net foreign assets rose by Ft 45.6 billion in one month.

Assets of the central bank vis-à-vis non-residents dropped by Ft 9.1 billion and its liabilities to non-residents by Ft 54.4 billion. On balance, the sector’s net foreign assets were Ft 45.3 billion higher than in June.

Net liabilities of other monetary financial institutions vis-à-vis non-residents were lower by Ft 0.3 billion in the month under review, reflecting increases of Ft 7.1 billion and Ft 6.8 billion respectively in assets and liabilities.

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



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The data underlying this press release are available on the MNB's website at [http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708\\_monstatpubl\\_enxls](http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708_monstatpubl_enxls).