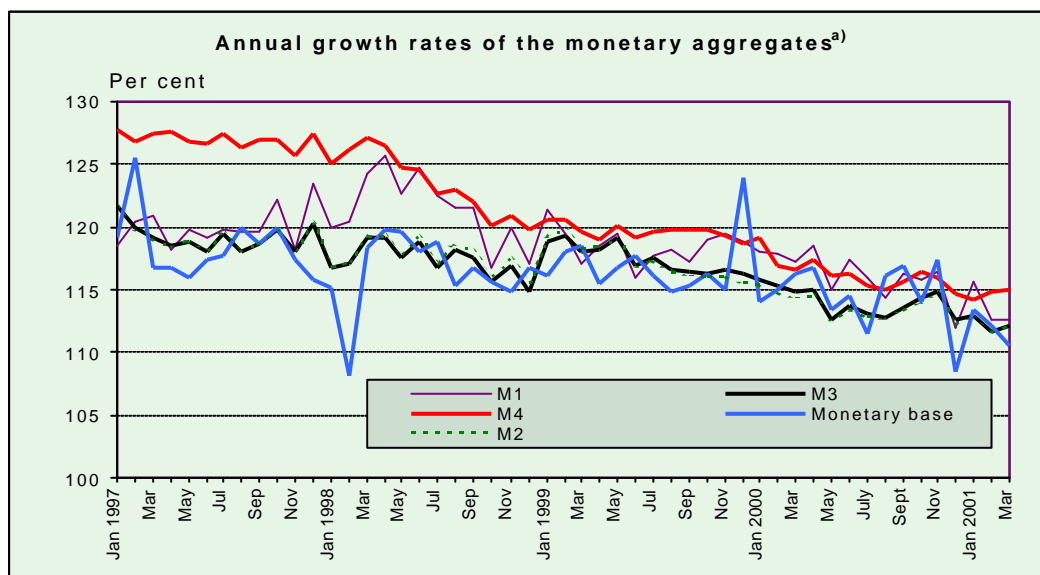


## PRESS RELEASE

### Banking survey and developments in the monetary aggregates

*March 2001 (preliminary)*

According to the preliminary data, the annual index M0 fell by 5.2 percentage points in March relative to a year ago. Annual growth in the aggregate, after eliminating the effect of the change to the reserve requirements system, was 110.6%, falling by 1.6 percentage points in one month. Preliminarily, the money aggregate M1, which is composed of currency outside banks plus forint sight deposits, grew at an unchanged rate in March – its end-of-month stock was 12.7% higher relative to twelve months previously. The annual indices of the broader aggregates showed slight increases in comparison with the preceding month. Annual growth in M2, a measure of sight foreign currency deposits plus time forint and foreign currency deposits, in addition to the elements of M1, picked up 0.4 of a percentage point, to run at a 12.0% rate. Broad money (M3) growth, at 12.2% annually, was 0.5 of a percentage point faster than in February. Annual broadest money (M4) growth increased the most moderately, rising by 0.2 of a percentage point, to 115%.



<sup>a)</sup> The Chart plots M0 indices after eliminating the effect of the change to the required reserves system in effect since 1 February 2001.

**Notes:**

M1 = Currency in circulation, plus forint sight deposits held at banks.

M2 = M1, plus forint time deposits, plus foreign currency deposits, plus bank securities.

M3 = M2, plus holdings of bank securities.

M4 = M3, plus government securities held by non-banks, plus MNB domestic bills held by non-banks.

M0 = Currency in circulation, plus banks' required reserves and other domestic currency accounts at the central bank.

*M0 is calculated from the month-end value of banknotes and coin, and the average of banks' reserve deposits and other forint balances with the central bank, taking the averages of the last two weeks up to end-August 1998 and monthly averages from September. M0 does not include the stock of central bank remunerated deposits.*

## Banking Survey

Ft billions

	2000				2001		
	30 Jan	29 Feb	31 Marc	31 Dec	31 Jan	Preliminary 28 Feb	Preliminary 31 Marc
<b>1.Domestic credit</b>	5832.3	5914.5	6014.9	6943.9	6937.9	6957.4	7005.3
Net credits to central government	2749.1	2806.1	2834.7	2903.3	2838.3	2816.8	2798.1
Consolidation government bonds	243.8	253.6	287.5	316.6	318.5	318.6	318.6
Securitisation of state debt	328.7	328.7	328.7	328.7	328.7	324.1	323.5
Foreign currency loans	1482.7	1489.5	1444.8	1365.9	1367.2	1369.1	1357.9
Other claims on central government, net	693.8	734.3	773.7	892.1	824.0	805.1	798.0
Credits to local governments	48.5	51.1	49.2	56.6	55.6	57.0	52.9
Credits to nonprofit institutions	40.2	42.4	46.3	66.4	62.1	62.6	69.0
Credits to enterprises	2381.7	2395.2	2447.9	3040.5	3106.6	3127.7	3179.5
Domestic currency credits	1558.4	1552.0	1567.7	1847.4	1916.4	1932.1	1965.3
Foreign currency credits	823.3	843.2	880.1	1193.1	1190.2	1195.6	1214.2
Credits to households and small entrepreneurs	483.4	488.5	502.8	674.1	679.9	694.5	702.8
Households	368.7	374.3	385.4	534.6	542.2	554.7	570.1
Small entrepreneurs	114.7	114.2	117.4	139.5	137.6	139.8	132.7
OFI credits	129.6	131.2	134.0	202.9	195.5	198.8	203.0
<b>2.Other domestic assets, net</b>	-538.6	-577.5	-572.2	-682.6	-856.2	-896.2	-869.2
<b>Net domestic assets (1+2-3+4+5+6)</b>	5293.7	5337.0	5442.8	6261.3	6081.7	6061.2	6136.1
<b>3.Net foreign liabilities</b>	50.5	25.6	-40.9	-122.9	-189.4	-296.2 <sup>a)</sup>	-329.2 <sup>a)</sup>
<b>4.+5.Broad money (M3)</b>	5243.3	5311.4	5337.0	6034.4	5920.1	5933.6	5989.5
<b>4.M2</b>	5189.7	5257.1	5282.7	5964.6	5855.6	5868.8	5916.0
Currency outside banks	751.4	747.3	762.9	876.2	819.5	820.6	832.6
Households	669.4	664.6	682.7	796.1	747.1	747.4	759.1
Other	82.1	82.8	80.3	80.2	72.5	73.2	73.5
Enterprise deposits	1139.7	1176.0	1172.1	1409.9	1332.5	1362.9	1345.0
Domestic currency deposits	910.0	943.0	932.6	1146.4	1076.7	1063.3	1051.9
Foreign currency deposits	229.7	233.0	239.5	263.4	255.8	299.6	293.1
Deposits of household and small entrepreneurs	2986.3	2998.2	3006.5	3323.0	3352.7	3362.0	3381.0
Household deposits	2861.3	2866.5	2879.1	3165.0	3200.0	3214.0	3232.1
Domestic currency deposits	2203.0	2210.6	2215.6	2430.0	2452.7	2460.2	2464.2
Foreign currency deposits	658.3	655.8	663.6	734.9	747.3	753.9	767.9
Deposits of small entrepreneurs	125.0	131.8	127.4	158.0	152.7	148.0	148.9
Other deposits	312.3	335.6	341.2	355.5	351.0	323.2	357.5
Local governments	111.7	103.0	121.9	141.4	116.4	107.0	156.6
Nonprofit institutions	106.8	111.1	113.2	119.5	123.5	126.2	128.8
OFI deposits	93.8	121.5	106.1	94.6	111.1	90.0	72.0
Items in transit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>5.Securities issued by credit institutions</b>	53.6	54.3	54.3	69.8	64.5	64.9	73.5
<b>6. Money market instruments</b>	0.0	0.0	73.3	349.8	351.0	423.7	475.8
Memorandum items:							
Monetary base	1318.5	1332.5	1373.5	1561.0	1496.4	1283.4 <sup>b)</sup>	1302.6
M1	1916.3	1938.6	1967.3	2378.8	2215.6	2184.7	2217.3
M4	7476.3	7518.1	7615.1	8636.7	8537.3	8631.9	8755.1

Foreign currency denominated assets and liabilities are converted into forint equivalent by using official midpoint exchange rates of the central bank.

The aggregates may not sum to the totals because of rounding.

a) Central bank data are preliminary; those for credit institutions reflect bank estimates.

b) On 1 February, 2001 the NBH decreased the ratio of compulsory reserve deposits by 4 percentage points from 11 per cent to 7 per cent.