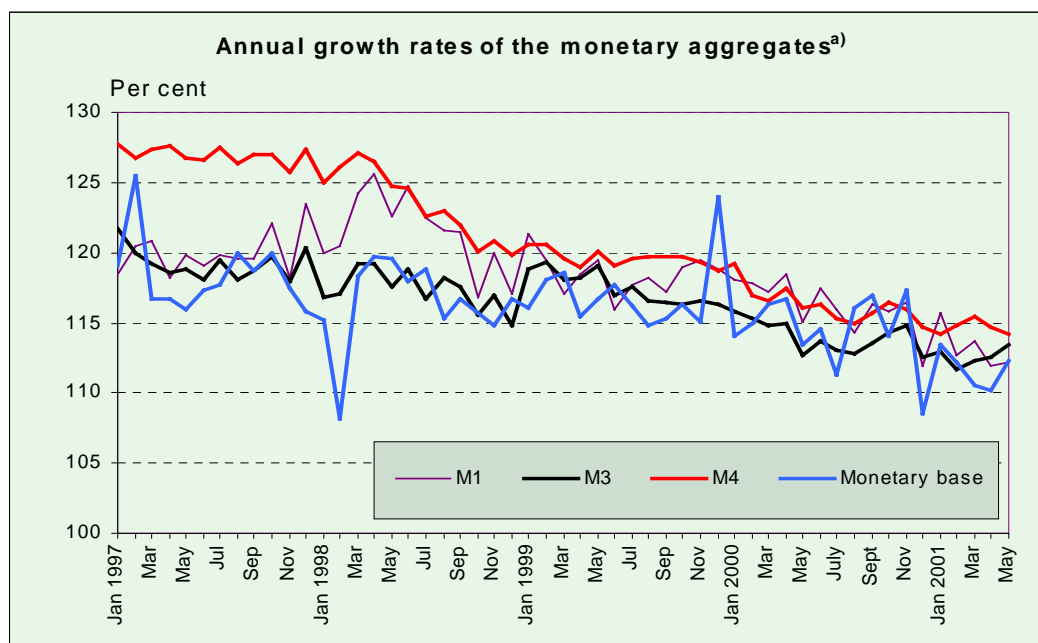


PRESS RELEASE

Banking survey and developments in the monetary aggregates

May 2001 (preliminary)

Eliminating the effect of the change to the reserve requirements system, the adjusted annual growth index of the monetary base rose by 2.1 percentage points to 112.3% in May. Preliminarily, the money aggregate M1, which is composed of currency outside banks plus forint sight deposits, grew at a 0.2 of a percentage point faster rate than in April. As a result, the end-of-month stock of M1 was 12.2% higher than twelve months previously. 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 0.8 of a percentage point in May, the end-of-month stock of M2 rising by 13.1%. The index of broad money (M3) rose by 0.9 of a percentage point relative to April, so the stock of M3 grew by 13.4% in one year. At 14.2%, annual broadest money (M4) growth moderated by 0.4 of a percentage point.



^{a)} 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 (not shown in the chart as it hardly plots differently from M3).

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.

Appendix

Banking Survey

Ft billions

	2000				2001		
	31 Marc	30 Apr	31 May	31 Dec	31 Marc	Preliminary 30 Apr	Preliminary 31 May
1.Domestic credit	6014.9	6103.1	6228.2	6943.9	6986.0	6995.4	6904.2
Net credits to central government	2834.7	2846.8	2909.9	2903.3	2764.1	2736.8	2589.7
Consolidation government bonds	287.5	311.5	316.1	316.6	319.2	320.2	320.2
Securitisation of state debt	328.7	328.7	328.7	328.7	323.5	323.1	324.5
Foreign currency loans	1444.8	1425.6	1439.3	1365.9	1357.9	1368.5	1278.1
Other claims on central government, net	773.7	781.0	825.8	892.1	763.5	725.1	666.9
Credits to local governments	49.2	48.3	50.9	56.6	53.0	53.8	58.1
Credits to nonprofit institutions	46.3	42.3	40.7	66.4	69.2	65.0	64.1
Credits to enterprises	2447.9	2503.2	2542.4	3040.5	3183.3	3199.4	3209.7
Domestic currency credits	1567.7	1568.0	1571.5	1847.4	1970.9	1969.4	2014.7
Foreign currency credits	880.1	935.2	970.9	1193.1	1212.4	1230.0	1195.0
Credits to households and small entrepreneurs	502.8	518.4	537.2	674.1	706.7	727.1	751.7
Households	385.4	397.7	413.8	534.6	571.5	588.8	612.8
Small entrepreneurs	117.4	120.8	123.4	139.5	135.2	138.3	138.9
OFI credits	134.0	144.1	147.1	202.9	209.7	213.3	230.9
2.Other domestic assets, net	-572.2	-478.1	-607.1	-682.3	-879.8	-884.4	-789.6
Net domestic assets (1+2-3+4+5+6)	5442.8	5466.7	5621.1	6261.6	6106.2	6111.0	6114.5
3.Net foreign liabilities	-40.9	-46.0	1.2	-122.9	-368.4	-412.4 ^{a)}	-501.9 ^{a)}
4.+5.Broad money (M3)	5337.0	5354.4	5384.2	6034.4	5990.5	6028.6	6108.3
4.M2	5282.7	5301.4	5331.5	5964.6	5918.0	5955.3	6031.2
Currency outside banks	762.9	785.1	784.3	876.2	832.9	844.3	865.1
Households	682.7	701.0	702.6	796.1	759.4	772.0	789.7
Other	80.3	84.1	81.7	80.2	73.5	72.3	75.3
Enterprise deposits	1172.1	1176.5	1215.6	1409.9	1346.0	1354.8	1405.1
Domestic currency deposits	932.6	925.7	961.0	1146.4	1054.3	1061.4	1114.1
Foreign currency deposits	239.5	250.8	254.6	263.4	291.6	293.4	290.9
Deposits of household and small entrepreneurs	3006.5	3015.6	3007.1	3323.0	3382.6	3412.9	3433.5
Household deposits	2879.1	2884.5	2868.1	3165.0	3230.8	3256.7	3270.6
Domestic currency deposits	2215.6	2205.0	2192.1	2430.0	2463.0	2496.2	2521.0
Foreign currency deposits	663.6	679.5	676.0	734.9	767.8	760.5	749.6
Deposits of small entrepreneurs	127.4	131.1	139.0	158.0	151.8	156.2	163.0
Other deposits	341.2	324.2	324.5	355.5	356.6	343.3	327.6
Local governments	121.9	110.9	104.3	141.4	158.1	130.5	111.6
Nonprofit institutions	113.2	113.7	112.2	119.5	129.3	132.6	132.7
OFI deposits	106.1	99.7	108.0	94.6	69.1	80.2	83.3
Items in transit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5.Securities issued by credit institutions	54.3	53.0	52.7	69.8	72.5	73.3	77.1
6. Money market instruments	73.3	158.3	235.7	350.1	484.1	494.8	508.1
Memorandum items:							
Monetary base	1373.5	1398.5	1383.7	1561.0	1302.6	1325.0	1337.6
M1	1967.3	1997.6	2031.6	2378.6	2236.7	2235.6	2278.7
M4	7615.0	7724.7	7805.2	8636.7	8791.7	8856.2	8916.7

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.