

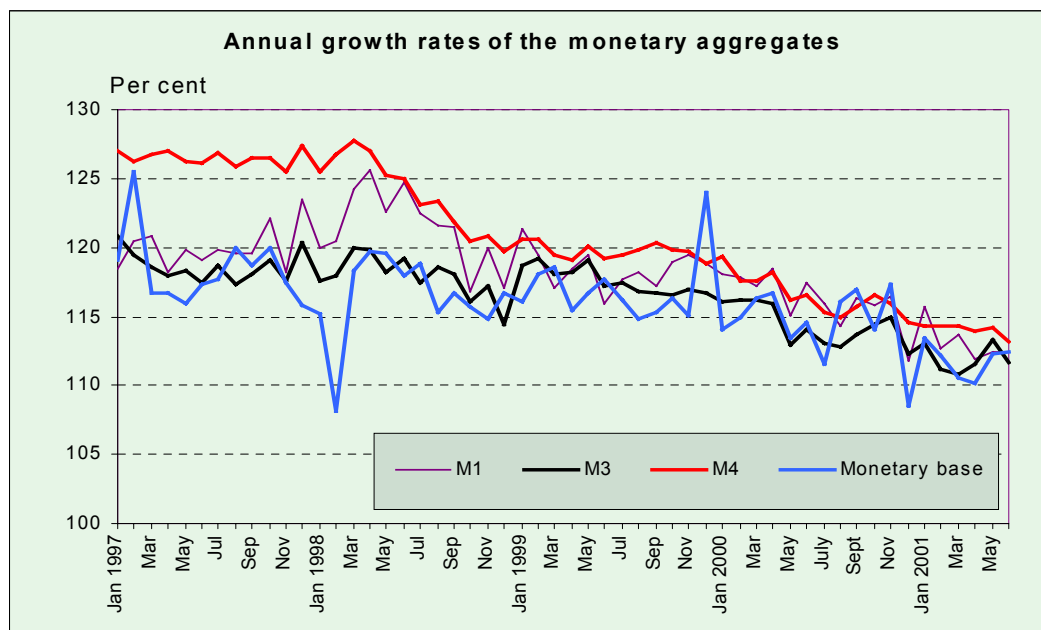
PRESS RELEASE

Monetary survey June 2001 (preliminary)

The sector classification and the structure of the aggregate balance sheet have changed in the press release. Appendix 2 summarises the changes. A detailed description of the modifications can be found on the Bank's web site at 'Financial Data', 'Statistics', 'Sector Classification from June 2001'.

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Eliminating the effect of the change to the reserve requirements system, the adjusted annual growth index of the monetary base rose by 0.2 of a percentage point to 112.5% in June 2001. Preliminarily, the money aggregate M1, which is composed of currency outside monetary institutions plus forint sight deposits, grew at a 0.1 of a percentage point slower rate than in May. As a result, the end-of-month stock of M1 was 12.4% 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, slowed by 1.2 percentage points, the end-of-month stock of M2 rising by 11.9%. The index of broad money (M3) fell by 1.6 percentage points relative to May, so the stock of the aggregate grew by 11.7% in one year. At 13.2%, annual broadest money (M4) growth slowed by 1 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.

Monetary survey (S.121+S.122)

Ft billions

	2001	
	May Preliminary	June Preliminary
I. Domestic claims (S.1) (1+...+7)	7228.4	6895.4
1. <i>Claims on non-financial corporations (S.11)</i>	3595.6	3448.0
1.1 Credits	3316.8	3201.9
1.1.1 Forint	2093.5	2074.1
1.1.2 Foreign currency	1223.3	1127.7
1.1.3 Sale and repurchase agreement	0.0	0.0
1.2 Bonds	12.5	11.7
1.3 Shares and other equities	266.4	234.4
2. <i>Claims on other financial corporations (S.123+S.124+S.125)</i>	310.7	353.0
2.1 Credits	247.9	290.1
2.1.1 Forint	136.0	151.7
2.1.2 Foreign currency	105.0	131.2
2.1.3 Repurchase agreements	6.9	7.2
2.2 Bonds	12.7	12.7
2.3 Shares and other equities	50.2	50.2
3. <i>Net claims on consolidated central government (S.1311)</i>	2562.7	2312.0
3.1 Government bonds	1214.6	1226.0
3.2 Treasury bill	208.2	208.2
3.3 Foreign currency loans	1547.7	1297.1
3.4 Derivatives	-269.6	-220.5
3.5 Other claims on central government, net	-677.4	-639.8
4. <i>Credits to social security funds (S.1314)</i>	0.0	0.0
5. <i>Credits to local governments (S.1313)</i>	58.7	58.2
5.1 Forint	53.4	53.4
5.2 Foreign currency	5.3	4.8
6. <i>Credits to households (S.14)</i>	682.9	713.0
6.1 Forint	669.2	703.1
6.2 Foreign currency	13.7	9.9
7. <i>Non-profit institutions serving households (S.15)</i>	23.0	16.2
7.1 Forint	9.5	6.7
7.2 Foreign currency	13.5	9.5
II. Net foreign assets (S.2)	60,9^{a)}	290,5^{a)}
1. Bonds	417.9	-
2. Shares and other equities	129.9	-
2.1 Portfolio investments	480.9	-
2.2 Foreign direct investments without inter-company loans	-350.9	-
3. Derivatives	386.3	-
4. Other	-873.1	-

Appendix 1 (contd.)

Ft billions

	2001	
	May Preliminary	June Preliminary
III. Broad money (M3) (1 + 2 + 3)	6148.9	6114.2
1. M2	6027.6	6007.6
1.1 Currency outside monetary institutions (S.1+S.2-S.121-S.122)	867.4	898.6
1.1.1 Households (S.14)	791.9	819.5
1.1.2 Other (S.1+S.2-S.121-S.122-S.14)	75.5	79.2
1.2 Deposits	5160.3	5108.9
1.2.1 Non-financial corporations (S.11)	1543.1	1521.4
1.2.2.1 Forint	1238.4	1221.1
1.2.2.2 Foreign currency	304.7	300.3
1.2.2 Other financial corporations (S.123+S.124+S.125)	82.3	81.8
1.2.2.1 Forint	65.0	70.1
1.2.2.2 Foreign currency	17.2	11.7
1.2.3 Local governments (S.1313)	112.4	110.6
1.2.3.1 Forint	111.7	110.1
1.2.3.2 Foreign currency	0.7	0.5
1.2.4 Households (S.14)	3325.5	3303.3
1.2.4.1 Forint	2568.3	2587.4
1.2.4.2 Foreign currency	757.2	715.8
1.2.5 Non-profit institutions serving households (S.15)	97.0	91.9
1.2.5.1 Forint	85.2	81.5
1.2.5.2 Foreign currency	11.8	10.4
1.2.6 Items not broken down by sectors	0.0	0.0
1.2.6.1 Transit items	0.0	0.0
2. Sale and repurchase agreements	40.6	17.7
2.1 Non-financial corporations (S.11)	13.3	7.9
2.2 Other financial corporations (S.123+S.124+S.125)	24.6	7.1
2.3 Local governments (S.1313)	2.2	2.2
2.4 Households (S.14)	0.6	0.6
3. Securities issued by other monetary financial institutions (S.122)	80.7	89.0
IV. Money market instruments	499.6	518.8
V. Other claims net (III.+IV.-I.-II.)	-640.8	-552.8
Memorandum item:		
Domestic credit (I.1.1+I.2.1+I.3+I.4+I.5+I.6+I.7)	6892.0	6591.3

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.

Changes affecting the Monetary survey statistical press release

The changes affecting the statistical press release beginning with the publication of data for June 2001 can be grouped around three distinct issues.

- ÷ All statistical press releases of the National Bank of Hungary will be compiled on the basis of sector classification according to the System of National Accounts (SNA), internationally accepted as a macrostatistical standard and also used by the CSO. Consistently with the SNA guidelines, the names of sectors will be shown together with their SNA codes in the balance sheets, in the sequence defined by the codes. The detailed description of the new sectorisation can be found on the Bank's web site at 'Financial Data', 'Statistics', 'Sector Classification from June 2001'. (The table showing the relationships between the old and the new sector classifications can be found after the description of changes to the press release, at the end of this Appendix.) The statistical balance sheet of credit institutions comprising the banking sector will also be renamed from *Banking survey* to *Monetary survey*.
- ÷ In addition to the new sector classification, the structure of the balance sheet will also change at the instrument level:
 - 1 In the balance sheet, financial claims and liabilities arising from securities repurchase agreements will be recorded in a separate line, provided that it is relevant for a given sector. Under a repurchase agreement, one party to the transaction sells a financial asset (in most cases a security) to the other party, who agrees to subsequently resell the same asset at a specified date and price to the original holder.
 - 2 The principal asset items will be complemented with data on claims arising from holdings of securities (broken down into bonds and shares).
 - 3 This creates the opportunity to calculate an asset-side aggregate, not published previously, which is a broader category than domestic credit, called *domestic claims*. Domestic claims are the sum of domestic credit and securities held by monetary institutions.
 - 4 Unlike the earlier practice, derivative transactions of the central government and non-resident sectors will be shown separately from loans.
 - 5 The position of monetary institutions vis-à-vis non-residents will not be shown as a net liability but as a net asset, of which direct investment and inter-company loans will be constituting parts in the future. The final data for net assets vis-à-vis non-residents will be further disaggregated by instrument.
 - 6 The changed sectorisation will not affect the stocks of monetary aggregates, but the inclusion of liabilities arising from repurchase agreements will increase the stock of M3 and M4. In order to produce comparable indices, the stocks of the aggregates mentioned have been increased by the amount outstanding under repurchase agreements going back to 1996. Consequently, the annual growth indices of the aggregates are not comparable with those published in earlier periods.

- 7 Due to the changed sectorisation, only the final data for May and the preliminary data for June are being published in the press release. The long time series, published on the Bank's web site simultaneously with the press release, are available in the old balance sheet structure for the period January 1992–May 2001.¹ The final data for May 2001 and the preliminary data for June 2001 are being published in the new structure as well. As a result, the data for May, an overlapping month, will be available in both structures. The values of the aggregates, increased by the stocks outstanding under repurchase agreements, going back to January 1996, are also being published together with the newly structure balance sheet. On 14 August, simultaneously with the press release containing preliminary data for July, the time series recalculated for the period from January 2000 will also be published on the Bank's web site.

¹ In the old extended time series for the period January 1992–May 2001, the aggregates do not include the stocks of liabilities-side repurchase agreements.

Old and new sector classification

Sector classification until 31 May, 2001			Sector classification from June 2001			
NBH			S.121 Central bank	S.121+S.122 Monetary institutions	S.12 Financial corporations	S.1 Domestic sector
Credit institutions			S.122 Other monetary financial institutions			
Other financial institutions (insurance companies and other financial intermediaries)			S.123 Other financial intermediaries	S.123+S.124+ S.125 Other financial corporations		
			S.124 Financial auxiliaries			
			S.125 Insurance corporations and pension funds			
Households	Natural persons	Natural persons	S.14 Households			
	Small entrepre- neurs	Self- employed persons Non- incorporated enterprises	S.11 Non-financial corporations			
Enterprises ² (incorporated non-financial enterprises)						
Non-profit institutions ³	Non-profit institutions serving non-financial corporations		S.124 Financial auxiliaries			
	Non-profit institutions serving financial corporations		S.15 Non-profit institutions serving households			
	Non-profit institutions serving households		S.1313 Local government	S.13 General government		
	Non-profit institutions serving local governments		S.1311 Central government			
	Non-profit institutions financed by general government		S.1314 Social security funds			
Government/Consolidated central government			S.1313 Local government			
Local government/authorities						
Non-residents			S.2 Rest of the world			

² In some statistics: Enterprises + Small entrepreneurs = Enterprise sector.

³ Earlier, all non-profit institutions were published together with Government/Consolidated central government and Local government/authorities under the name of General government and non-profit sector in the monetary statistics. The breakdown of the non-profit sector is consistent with the new terminology.