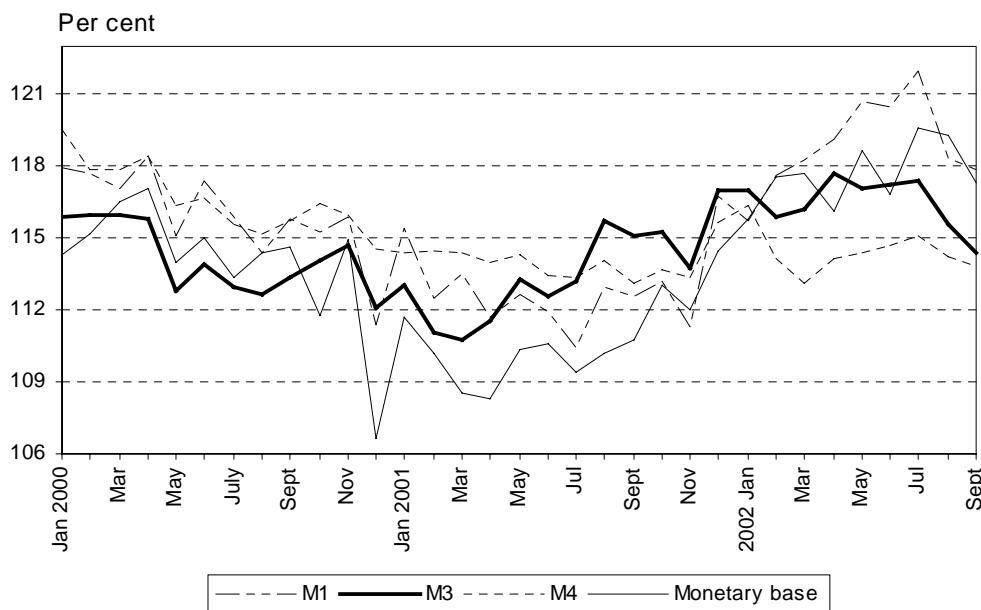


## PRESS RELEASE

### Monetary survey September 2002 (preliminary)

The annual growth rates of every monetary aggregate slowed in September. After eliminating the effect of the change to reserve requirements,<sup>a)</sup> the annual rate of growth of the monetary base fell by 2.0 percentage points relative to August, the aggregate growing by 17.3% in twelve months. The monetary aggregate M1 is composed of currency outside monetary institutions plus forint sight deposits. Its growth rate slowed by 0.5 percentage points in comparison with the preceding month. Consequently, M1 grew by 17.8% year on year. M2 is a measure of sight foreign currency deposits plus time forint and foreign currency deposits, in addition to the constituents of M1. Annual growth in the aggregate moderated by 1.3 percentage points relative to August, with the result that M2 grew at a 11.8% year-on-year rate in September. The annual growth rate of broad money M3 fell by 1.2 percentage points in one month, the aggregate growing by 14.4% in one year. Annual broadest money M4 growth slowed by 0.4 percentage points relative to August. This resulted in the aggregate growing by 13.8% in twelve months.

Annual growth rates of the monetary aggregates



<sup>a)</sup> As of 1 August 2002, the Bank lowered the reserve ratio from 6% to 5%, with a reduction in the range of bank liabilities subject to reserve requirements.

## Appendix 1

## Monetary survey (S.121+S.122)

Ft billions

	2001			2002		
	Jul	Aug	Sept	Jul	Preliminary Aug	Preliminary Sept
<b>I. Domestic claims (S.1) (1+...+7)</b>	<b>6985.4</b>	<b>7165.4</b>	<b>7271.5</b>	<b>8142.4</b>	<b>8250.9</b>	<b>8318.5</b>
1. Claims on non-financial corporations (S.11)	3563.7	3638.2	3690.3	4007.6	4069.6	4141.1
1.1 Credits	3323.6	3391.9	3446.9	3720.2	3770.4	3839.2
1.1.1 Forint	2146.5	2194.9	2226.4	2466.4	2499.6	2547.2
1.1.2 Foreign currency	1176.9	1196.9	1212.4	1253.8	1270.8	1292.0
1.1.3 Sale and repurchase agreements	0.2	0.0	8.1	0.0	0.0	0.0
1.2 Bonds	14.4	9.4	9.0	16.6	16.9	12.3
1.3 Shares and other equities	225.7	236.9	234.4	270.8	282.4	289.6
2. Claims on other financial corporations (S.123+S.124+S.125)	336.6	363.5	368.0	546.8	557.3	572.8
2.1 Credits	293.8	321.6	326.1	507.0	516.4	537.8
2.1.1 Forint	147.9	150.1	147.4	165.7	163.4	169.7
2.1.2 Foreign currency	141.7	162.8	176.7	339.0	351.4	365.0
2.1.3 Sale and repurchase agreements	4.3	8.7	2.0	2.3	1.6	3.1
2.2 Bonds	1.0	0.2	0.2	0.1	0.1	0.3
2.3 Shares and other equities	41.7	41.7	41.7	39.6	40.8	34.8
3. Net claims on consolidated central government (S.1311)	2273.6	2320.9	2354.3	2319.8	2290.6	2211.2
3.1 Government bonds	1248.2	1290.9	1319.8	1316.9	1340.5	1277.2
3.2 Treasury bills	203.2	203.6	202.8	278.3	287.0	280.4
3.3 Foreign currency loans	1283.2	1307.5	1327.2	972.0	977.2	953.9
3.4 Derivatives	-283.0	-264.3	-269.4	-149.7	-156.0	-132.0
3.5 Other claims on central government, net	-178.1	-216.9	-226.2	-97.7	-158.0	-168.4
4. Credits to social security funds (S.1314)	0.0	0.0	0.0	0.0	0.0	0.0
5. Credits to local governments (S.1313)	63.1	68.2	58.7	92.9	95.6	86.7
5.1 Forint	58.6	63.2	53.5	87.8	90.4	81.7
5.2 Foreign currency	4.6	5.1	5.2	5.1	5.2	5.0
6. Credits to households (S.14)	742.7	768.9	794.4	1162.7	1225.0	1294.2
6.1 Forint	726.9	751.7	776.2	1131.4	1193.0	1260.2
6.2 Foreign currency	15.7	17.2	18.2	31.2	32.0	34.0
7. Non-profit institutions serving households (S.15)	5.7	5.7	5.8	12.6	12.7	12.4
7.1 Forint	2.6	2.7	2.7	9.2	9.3	9.4
7.2 Foreign currency	3.1	3.0	3.1	3.4	3.4	3.0
<b>II. Net foreign assets (S.2)</b>	<b>619.2</b>	<b>709.2</b>	<b>770.1</b>	<b>417.4</b>	<b>509.2</b>	<b>377.9<sup>a)</sup></b>
1. Bonds	653.2	593.4	675.1	603.0	632.6	-
2. Shares and other equities	567.7	522.9	461.3	339.0	285.8	-
2.1 Portfolio investments <sup>b)</sup>	549.3	504.6	442.6	313.3	260.1	-
2.2 Foreign direct investments without intercompany loans <sup>c)</sup>	18.4	18.3	18.7	25.7	25.7	-
3. Intercompany loans	-80.4	-81.4	-82.7	-73.4	-73.4	-
4. Derivatives	260.8	239.9	230.5	132.8	132.5	-
5. Other	-782.1	-565.7	-514.0	-583.9	-468.3	-
<b>III. Broad money (M3) (1 + 2 + 3)</b>	<b>6233.0</b>	<b>6507.6</b>	<b>6536.2</b>	<b>7317.8</b>	<b>7519.5</b>	<b>7476.0</b>
1. M2	6114.5	6404.6	6410.5	7088.8	7242.0	7164.2
1.1 Currency outside monetary institutions (S.1+S.2-S.121-S.122)	907.8	932.2	957.4	1136.2	1150.0	1147.8
1.1.1 Households (S.14)	829.2	851.9	873.8	1040.9	1053.0	1050.2
1.1.2 Other (S.1+S.2-S.121-S.122-S.14)	78.6	80.2	83.6	95.2	96.9	97.6
1.2 Deposits	5206.8	5472.4	5453.1	5952.6	6092.0	6016.4
1.2.1 Non-financial corporations (S.11)	1566.1	1688.9	1585.8	1865.2	1953.4	1830.6
1.2.2.1 Forint	1231.1	1343.6	1278.2	1481.4	1564.6	1458.0
1.2.2.2 Foreign currency	335.0	345.3	307.6	383.8	388.8	372.6
1.2.2 Other financial corporations (S.123+S.124+S.125)	99.7	180.1	176.0	128.3	132.2	134.2
1.2.2.1 Forint	83.5	163.6	157.8	109.4	113.8	117.8
1.2.2.2 Foreign currency	16.2	16.5	18.2	18.8	18.4	16.4
1.2.3 Local governments (S.1313)	112.1	106.0	171.2	123.8	129.3	194.5
1.2.3.1 Forint	111.7	105.7	170.9	112.9	118.4	183.5
1.2.3.2 Foreign currency	0.4	0.4	0.4	10.9	10.9	11.0
1.2.4 Households (S.14)	3335.9	3404.8	3426.5	3725.5	3768.2	3750.9
1.2.4.1 Forint	2614.8	2676.4	2689.1	3046.8	3094.8	3086.8
1.2.4.2 Foreign currency	721.1	728.4	737.4	678.7	673.4	664.1
1.2.5 Non-profit institutions serving households (S.15)	93.0	92.6	93.6	109.8	108.9	106.2
1.2.5.1 Forint	83.0	82.9	82.8	100.9	99.6	96.1
1.2.5.2 Foreign currency	10.1	9.7	10.8	8.9	9.3	10.1
2. Sale and repurchase agreements	40.1	20.1	38.8	52.9	85.9	95.3
2.1 Non-financial corporations (S.11)	10.1	10.7	14.0	30.6	32.4	26.7
2.2 Other financial corporations (S.123+S.124+S.125)	26.1	6.1	16.7	19.8	52.4	57.2
2.3 Local governments (S.1313)	3.4	2.9	7.4	2.2	0.8	11.1
2.4 Households (S.14) + Non-profit institutions serving households (S.15)	0.4	0.4	0.7	0.3	0.4	0.4
3. Securities issued by other monetary financial institutions (S.122)	78.4	82.9	86.9	176.1	191.6	216.5
<b>IV. Money market instruments</b>	<b>476.6</b>	<b>417.1</b>	<b>444.0</b>	<b>0.2</b>	<b>1.3</b>	<b>1.3</b>
<b>V. Other claims net (III.+IV.-I.-II.)</b>	<b>-895.0</b>	<b>-949.9</b>	<b>-1061.3</b>	<b>-1241.9</b>	<b>-1239.4</b>	<b>-1218.9</b>
Memorandum item:						
Domestic credit (I.1.1+I.2.1+I.3+I.4+I.5+I.6+I.7)	6702.5	6877.2	6986.2	7815.2	7910.8	7981.6

Foreign currency denominated assets and liabilities are converted into forint equivalent using official mid-point 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) From 15 April 2002, portfolio investments of non-residents in other monetary financial institutions have been recorded as part of registered capital, under 'Other claims, net'. The change has been made retroactively from the beginning of 1996.

c) From 21 January 2002, ownership shares of non-residents in other monetary financial institutions have been moved from 'Foreign direct investments' under 'Net foreign assets' to 'Other claims, net'. The change has been made retroactively from the beginning of 2000.

## Monetary aggregates

Ft billions

	2001			2002		
	31 Jul	31 Aug	30 Sept	31 Jul	Preliminary 31 Aug	Preliminary 30 Sept
Monetary base (M0)	1388.2	1421.0	1447.5	1660.1	1695.4	1593.7
M1	2319.5	2438.3	2457.9	2830.0	2885.4	2896.2
M2	6114.5	6404.6	6410.5	7088.8	7242.0	7164.2
M3	6233.0	6507.6	6536.2	7317.8	7519.5	7476.0
M4	9094.7	9358.6	9427.5	10467.8	10686.6	10732.0

## Notes:

*Monetary base (M0) = Currency in circulation plus other monetary financial institutions' reserves and other domestic currency balances at the central bank. M0 is calculated from the month-end value of banknotes and coin, and the average of other monetary financial institutions' reserves 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.*

*M1 = Currency outside monetary institutions plus forint sight deposits.*

*M2 = M1 plus foreign currency deposits plus forint time deposits.*

*M3 = M2 plus outstanding repos plus holdings of securities issued by other monetary financial institutions.*

*M4 = M3 plus resident holdings of government securities outside monetary institutions plus MNB domestic bills held by non-banks.*