

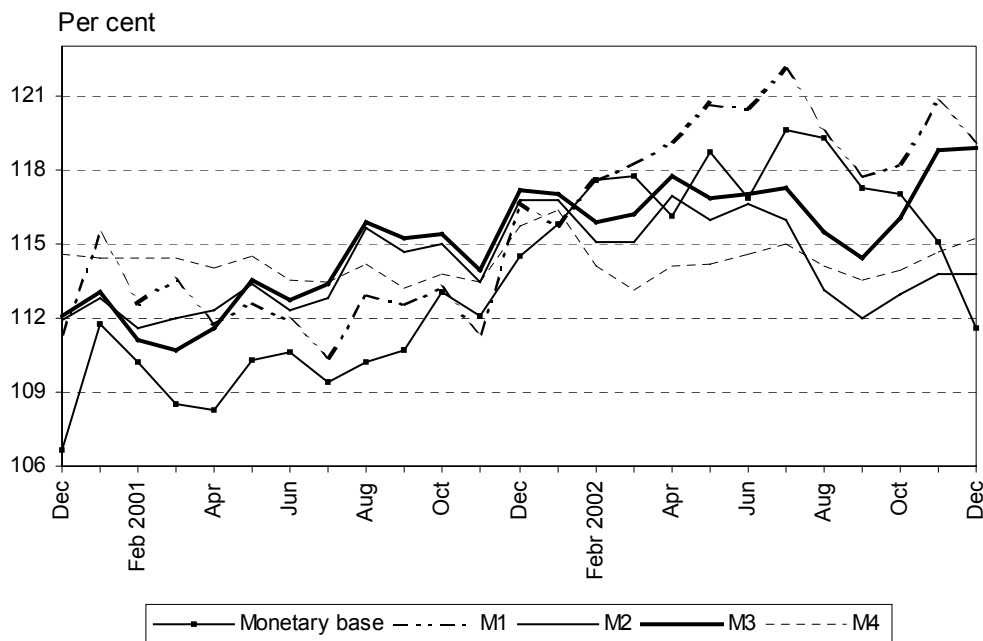
PRESS RELEASE

Monetary survey

December 2002 (preliminary)

In December 2002, the annual rate of growth of the monetary base^{a)} fell by 3.5 percentage points relative to November, the aggregate growing by 11.6% in twelve months. The monetary aggregate M1 is composed of currency outside monetary institutions plus forint sight deposits. Its growth rate fell by 1.6 percentage points in comparison with the preceding month. Consequently, M1 grew by 19.1% 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 slowed by 0.1 percentage points relative to November, with the result that M2 grew at a 13.7% year-on-year rate in December. The annual growth rate of broad money M3 increased by 0.1 percentage points in one month. As a result, M3 grew by 18.9% in one year. Annual broadest money M4 growth picked up 0.6 percentage points relative to November, the end-of-month stock of the aggregate being 15.3% higher than twelve months previously.

Annual growth rates of the monetary aggregates



^{a)} 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. The Chart plots the index for M0 calculated after eliminating the effects of the change to reserve requirements.

Appendix 1

Monetary survey (S.121+S.122)

Ft billions

	2001			2002		
	Oct	Nov	Dec	Oct	Preliminary Nov	Preliminary Dec
I. Domestic claims (S.1) (1+...+7)	7307.1	7315.1	7431.3	8458.8	8634.3	8924.4
1. Claims on non-financial corporations (S.11)	3732.1	3769.6	3739.0	4178.4	4244.5	4061.4
1.1 Credits	3493.2	3525.3	3486.6	3855.5	3920.4	3885.1
1.1.1 Forint	2271.8	2313.0	2326.9	2552.7	2616.6	2607.4
1.1.2 Foreign currency	1213.2	1204.2	1159.7	1302.8	1303.8	1277.7
1.1.3 Sale and repurchase agreements	8.1	8.1	0.0	0.0	0.0	0.0
1.2 Bonds	10.4	9.7	9.5	17.5	17.8	9.9
1.3 Shares and other equities	228.5	234.6	242.9	305.4	306.3	166.4
2. Claims on other financial corporations (S.123+S.124+S.125)	376.4	392.1	401.3	596.6	626.7	635.4
2.1 Credits	335.0	350.7	357.2	553.0	574.4	597.2
2.1.1 Forint	144.8	148.5	154.5	166.7	171.9	168.5
2.1.2 Foreign currency	184.4	192.6	201.0	384.8	401.2	426.7
2.1.3 Sale and repurchase agreements	5.7	9.6	1.7	1.5	1.3	2.0
2.2 Bonds	0.2	0.2	0.2	0.0	0.0	0.2
2.3 Shares and other equities	41.3	41.2	43.8	43.6	52.4	38.1
3. Net claims on consolidated central government (S.1311)	2310.2	2229.3	2332.5	2225.8	2239.3	2641.8
3.1 Government bonds	1327.3	1306.3	1318.1	1311.6	1285.6	1371.9
3.2 Treasury bills	210.0	207.3	241.8	280.2	319.3	304.3
3.3 Foreign currency loans	1310.2	1297.3	1166.9	891.5	872.8	851.2
3.4 Derivatives	-258.0	-263.1	-208.2	-115.1	-99.1	-65.9
3.5 Other claims on central government, net	-279.4	-318.5	-186.1	-142.4	-139.3	180.4
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)	62.7	67.1	72.2	90.6	96.2	108.4
5.1 Forint	57.8	61.9	68.6	85.7	91.1	95.6
5.2 Foreign currency	4.9	5.1	3.6	4.8	5.0	12.9
6. Credits to households (S.14)	816.2	842.6	871.3	1354.6	1414.8	1464.8
6.1 Forint	796.7	822.0	849.7	1319.8	1379.9	1428.3
6.2 Foreign currency	19.5	20.6	21.6	34.8	34.9	36.5
7. Non-profit institutions serving households (S.15)	9.6	14.5	15.1	12.8	12.8	12.5
7.1 Forint	3.9	8.8	9.5	9.4	9.5	9.4
7.2 Foreign currency	5.7	5.6	5.6	3.4	3.3	3.2
II. Net foreign assets (S.2)	820.5	830.2	943.6	477.8	497.6	472.3^{a)}
1. Bonds	697.9	674.2	783.1	624.8	608.2	-
2. Shares and other equities	409.2	355.3	373.4	297.3	277.7	-
2.1 Portfolio investments ^{b)}	390.5	336.6	356.1	265.9	247.1	-
2.2 Foreign direct investments without intercompany loans ^{c)}	18.7	18.7	17.3	31.4	30.6	-
3. Intercompany loans	-82.2	-86.5	-83.6	-84.3	-84.8	-
4. Derivatives	239.3	244.7	190.3	104.4	92.8	-
5. Other	-443.7	-357.5	-319.6	-464.4	-396.2	-
III. Broad money (M3) (1 + 2 + 3)	6637.4	6715.1	7089.8	7701.1	7975.1	8426.8
1. M2	6496.5	6570.2	6954.6	7337.9	7477.2	7910.2
1.1 Currency outside monetary institutions (S.1+S.2-S.121-S.122)	965.6	1006.8	1037.6	1161.7	1191.5	1175.1
1.1.1 Households (S.14)	883.4	976.9	951.9	1064.4	1083.9	1081.7
1.1.2 Other (S.1+S.2-S.121-S.122-S.14)	82.2	89.9	85.6	97.3	107.6	93.4
1.2 Deposits	5530.8	5563.4	5917.0	6176.2	6285.7	6735.1
1.2.1 Non-financial corporations (S.11)	1677.3	1706.2	1780.7	1920.6	1966.7	2122.2
1.2.2 Forint	1342.3	1358.5	1422.0	1520.0	1549.5	1719.5
1.2.2.2 Foreign currency	334.9	347.8	358.8	400.6	417.2	402.7
1.2.2.3 Other financial corporations (S.123+S.124+S.125)	125.9	89.9	138.5	172.1	223.1	270.4
1.2.2.1 Forint	107.4	75.5	123.7	152.7	202.9	260.3
1.2.2.2 Foreign currency	18.5	14.4	14.8	19.4	20.2	10.0
1.2.3 Local governments (S.1313)	126.6	114.8	194.7	142.9	139.3	218.7
1.2.3.1 Forint	126.2	114.4	179.6	132.9	129.6	180.9
1.2.3.2 Foreign currency	0.4	0.4	15.2	10.0	9.6	37.8
1.2.4 Households (S.14)	3503.3	3554.3	3702.8	3826.2	3845.7	4016.4
1.2.4.1 Forint	2764.4	2809.0	2936.8	3168.1	3204.5	3385.8
1.2.4.2 Foreign currency	738.9	745.2	766.0	658.2	641.2	630.6
1.2.5 Non-profit institutions serving households (S.15)	97.7	98.2	100.2	114.4	110.9	107.4
1.2.5.1 Forint	87.3	87.9	90.0	102.2	99.1	96.3
1.2.5.2 Foreign currency	10.4	10.4	10.2	12.1	11.8	11.1
2. Sale and repurchase agreements	40.8	37.0	21.0	136.5	193.0	108.6
2.1 Non-financial corporations (S.11)	20.8	18.6	7.3	30.9	34.0	23.9
2.2 Other financial corporations (S.123+S.124+S.125)	12.8	7.6	10.3	91.4	147.6	77.1
2.3 Local governments (S.1313)	6.5	10.3	2.9	13.9	10.7	6.9
2.4 Households (S.14) + Non-profit institutions serving households (S.15)	0.8	0.5	0.5	0.3	0.7	0.7
3. Securities issued by other monetary financial institutions (S.122)	100.1	107.9	114.2	226.7	304.9	408.0
IV. Money market instruments	470.9	428.9	402.7	0.2	0.9	0.2
V. Other claims net (III.+IV.-I.-II.)	-1019.3	-1001.3	-882.4	-1235.3	-1155.9	-969.7
Memorandum item:						
Domestic credit (I.1.1+I.2.1+I.3+I.4+I.5+I.6+I.7)	7026.8	7029.4	7134.8	8092.3	8257.8	8709.8

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 Oct	30 Nov	31 Dec	31 Oct	Preliminary 30 Nov	Preliminary 31 Dec
Monetary base (M0)	1475.9	1514.2	1554.9	1621.8	1638.5	1633.8
M1	2478.7	2537.4	2775.9	2930.6	3062.8	3306.1
M2	6496.5	6570.2	6954.6	7337.9	7477.2	7910.2
M3	6637.4	6715.1	7089.8	7701.1	7975.1	8426.8
M4	9602.4	9696.0	10058.9	10939.0	11119.4	11593.5

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.