

8 January 2004

PRESS RELEASE

Preliminary statistical balance sheet of the MNB December 2003

In December 2003, the monetary base increased by Ft 193.8 billion, from Ft 1,898 billion in the preceding month to Ft 2,091.8 billion. Of the components of the monetary base, the monthly average stock of currency in circulation increased by Ft 107.5 billion to Ft 1,572.2 billion, the monthly average stock of other monetary financial institutions' current account deposits by Ft 8.6 billion to Ft 421 billion and the average stock of other monetary financial institutions' overnight deposits by Ft 77.7 billion to Ft 98.5 billion.

Chart 1 Components of the monetary base

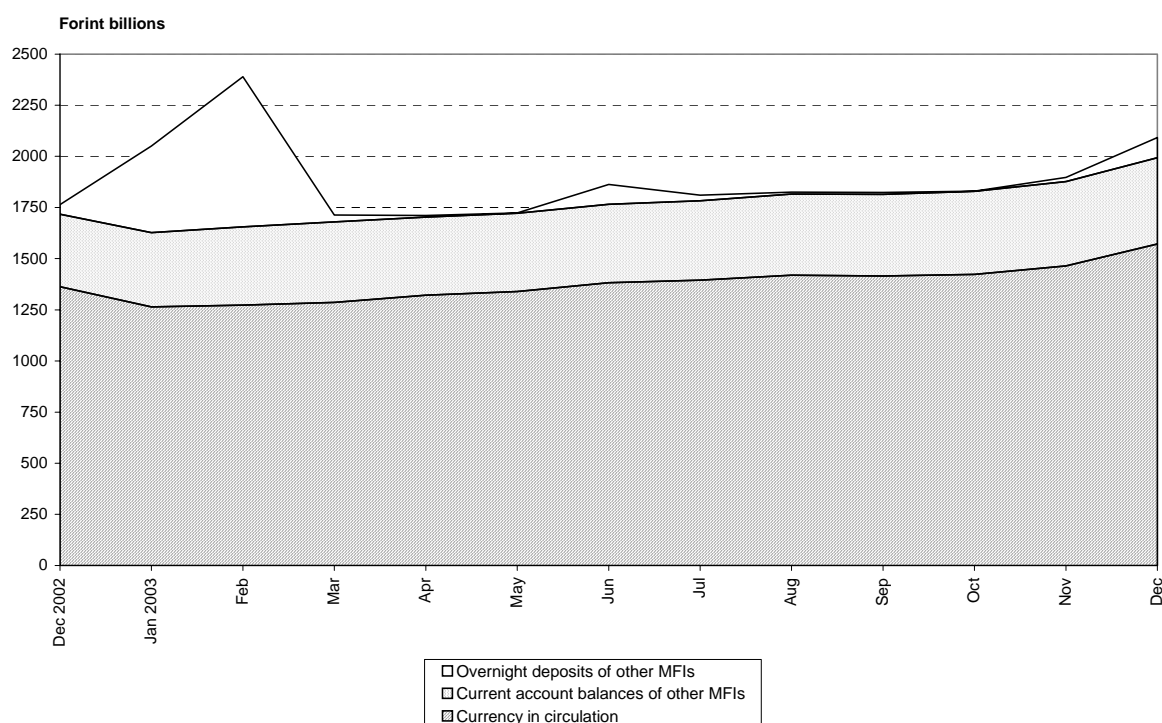
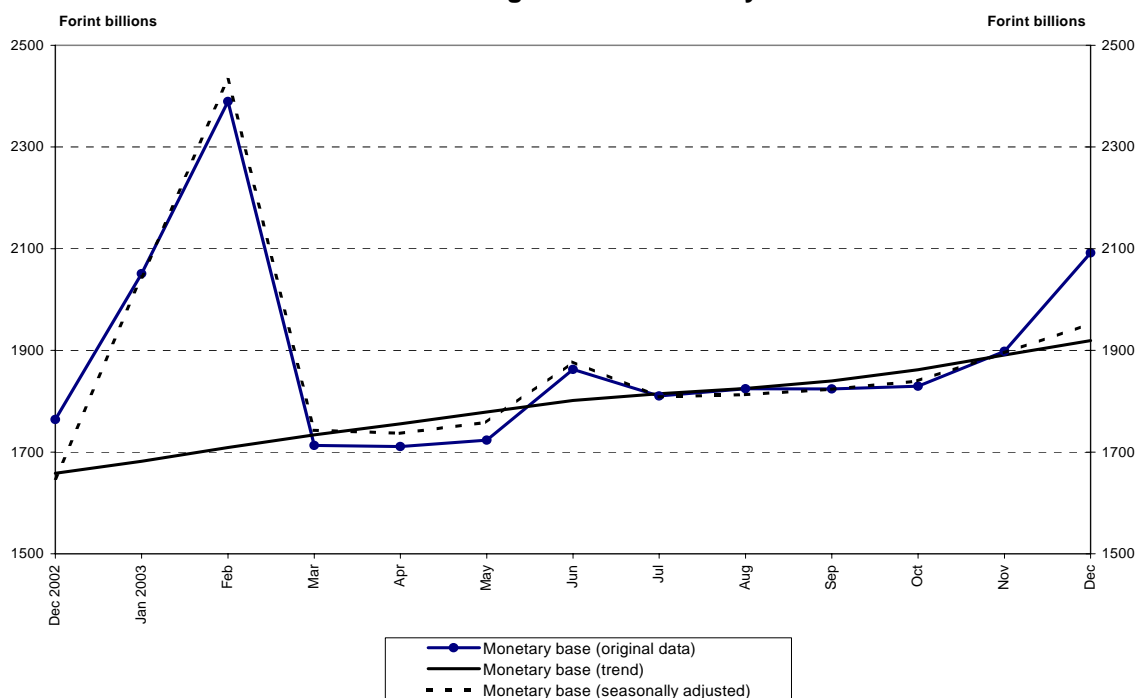


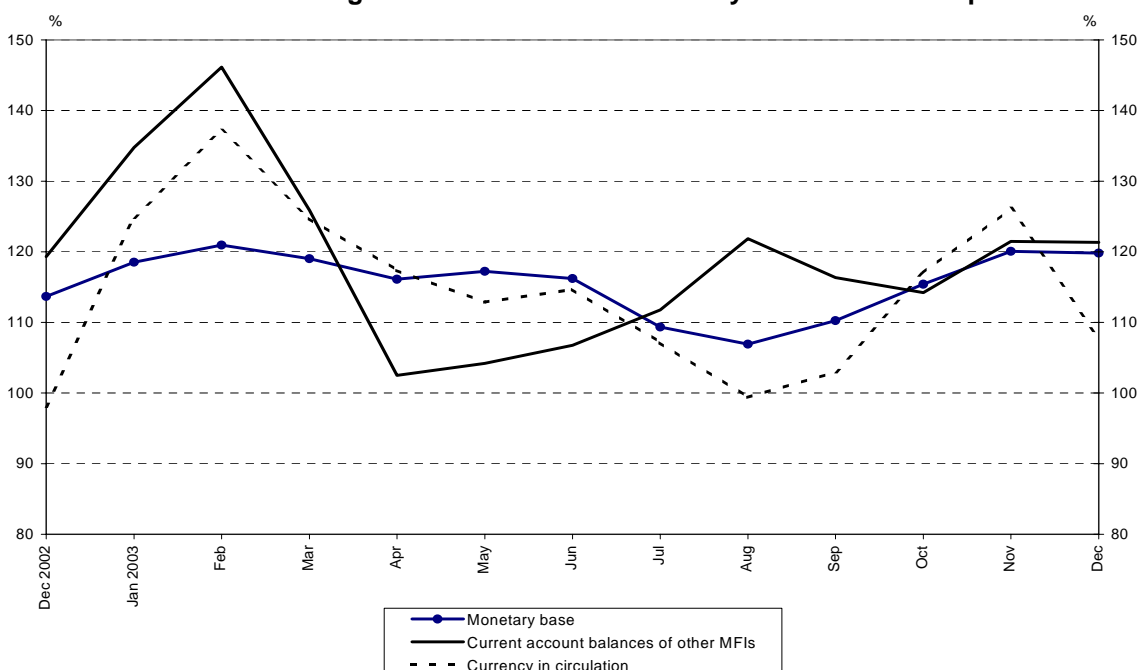
Chart 2 Changes in the monetary base



Note: The trend does not reflect one-off effects, such as the changes to the reserve requirement regulation or the outliers in the January–February 2003 statistical data for overnight deposits.

The annualised month-on-month growth index of the monetary base, derived from trend data, stood at 119.8% in December, up 0.3 percentage points on November.

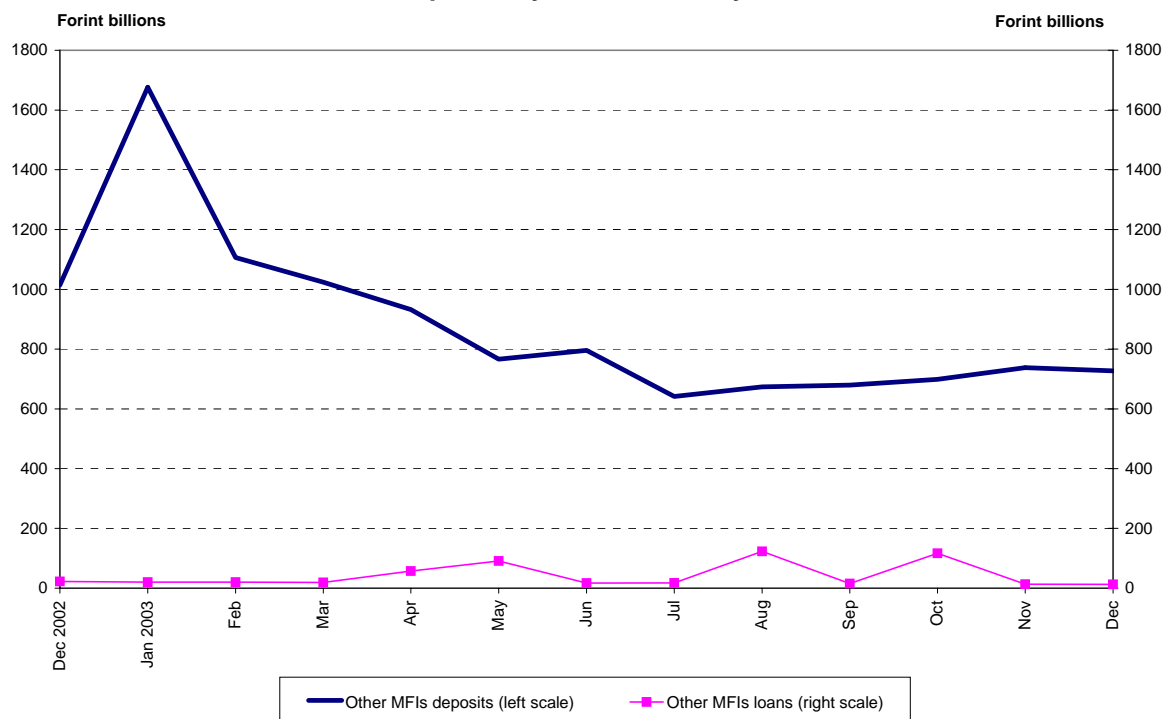
Chart 3 Annualised growth indices of the monetary base and its components



Note: Annualised month-on-month growth indices derived from trend data. The Bank does not publish a separate index for overnight deposits, which are also a component of the monetary base, as the stock of overnight deposits fluctuates considerably (frequently moving to zero) and it shows no seasonal patterns. By contrast, the monetary base includes overnight deposits.

Deposits by other monetary financial institutions fell by Ft 10.1 billion to Ft 727.6 billion and outstanding loans to other monetary financial institutions by Ft 0.7 billion to Ft 12.5 billion.

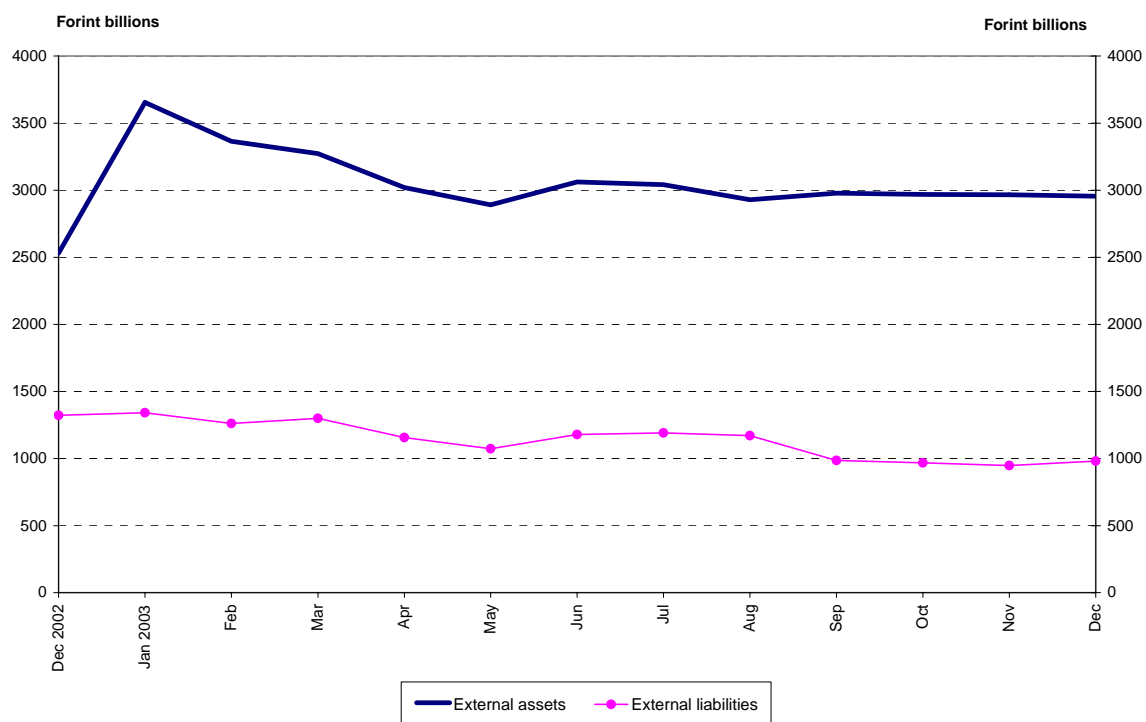
Chart 4 Loans and deposits by other monetary financial institutions



The stock of lending to the central government fell by Ft 41.2 billion to Ft 608.6 billion and deposits by the central government by Ft 13.1 billion to Ft 251.4 billion.

Net assets of the central bank vis-à-vis non-residents were lower by Ft 44.1 billion relative to November. Assets vis-à-vis non-residents fell by Ft 10.1 billion to Ft 2,955.9 billion and liabilities by Ft 34 billion to Ft 981.2 billion.

Chart 5 Assets and liabilities of the central bank vis-à-vis non-residents



The data used for the purposes of this press release are available on the MNB's website at http://www.mnb.hu/dokumentumok/0708_monstatpubl_en.xls.xls.