

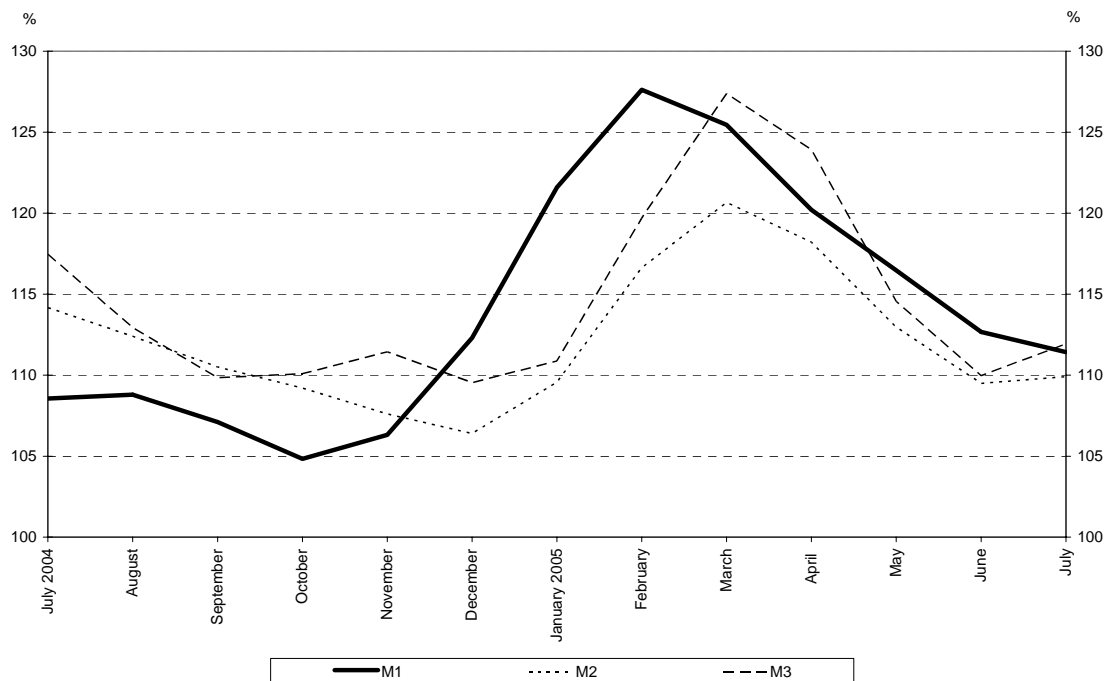
**PRESS RELEASE**

**Consolidated balance sheet of MFIs: July 2005**

In July 2005, the monetary base rose by HUF 8.1 billion to HUF 2,079.9 billion. The monthly average stock of other monetary financial institutions' current account deposits rose by HUF 8.8 billion to HUF 507.9 billion and that of overnight deposits fell by HUF 12.0 billion to HUF 2.2 billion. The monthly average stock of currency in circulation, at HUF 1,569.8 billion, was HUF 11.4 billion higher than in the preceding month. The annualised month-on-month growth index of the monetary base (M0),<sup>1</sup> calculated from trend data, was 100.1% in the month under review.

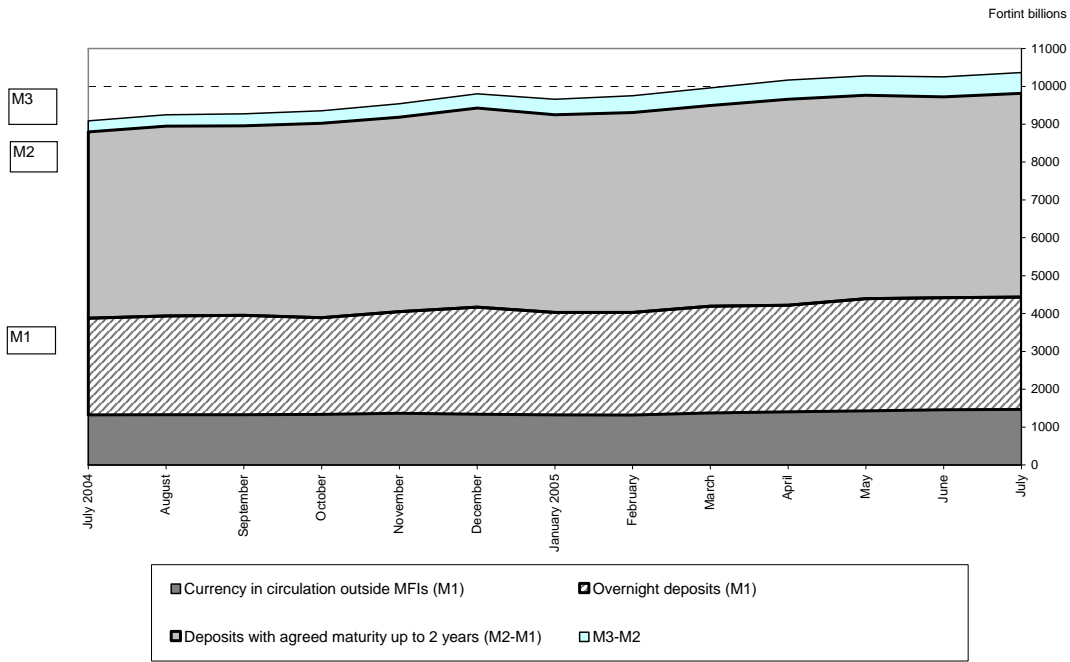
The growth index of the narrow monetary aggregate M1 fell by 1.2 percentage points, from 112.7% to 111.4%; that of M2 rose by 0.4 percentage points, from 109.5% to 109.9%; and that of M3 rose by 2.0 percentage points, from 110.0% to 111.9% in July.

**Chart 1 Annualised month-on-month growth indices of the monetary aggregates**



<sup>1</sup> For an explanation, see the methodological notes at the end of this press release.

**Chart 2 Developments in the monetary aggregates**



**Chart 3 M1**

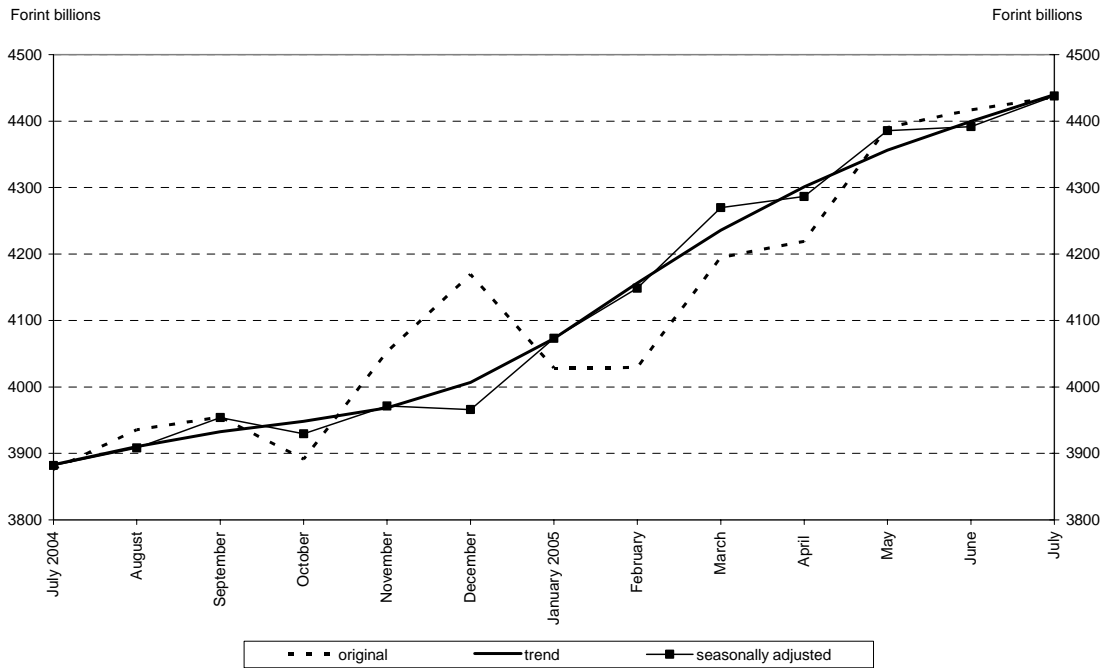


Chart 4 M2

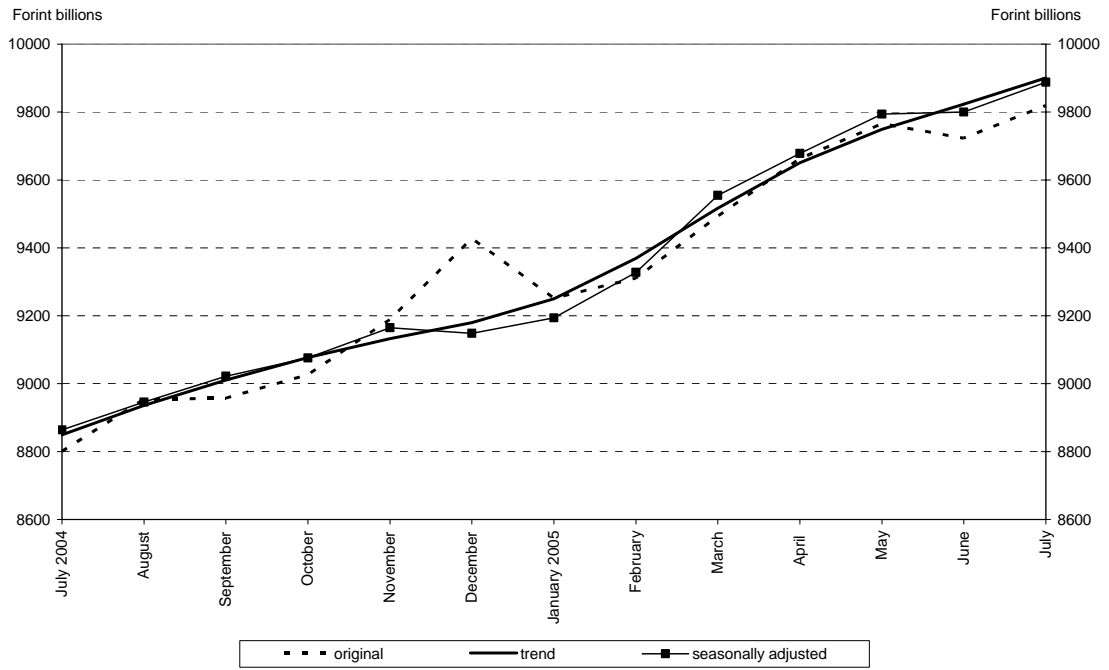
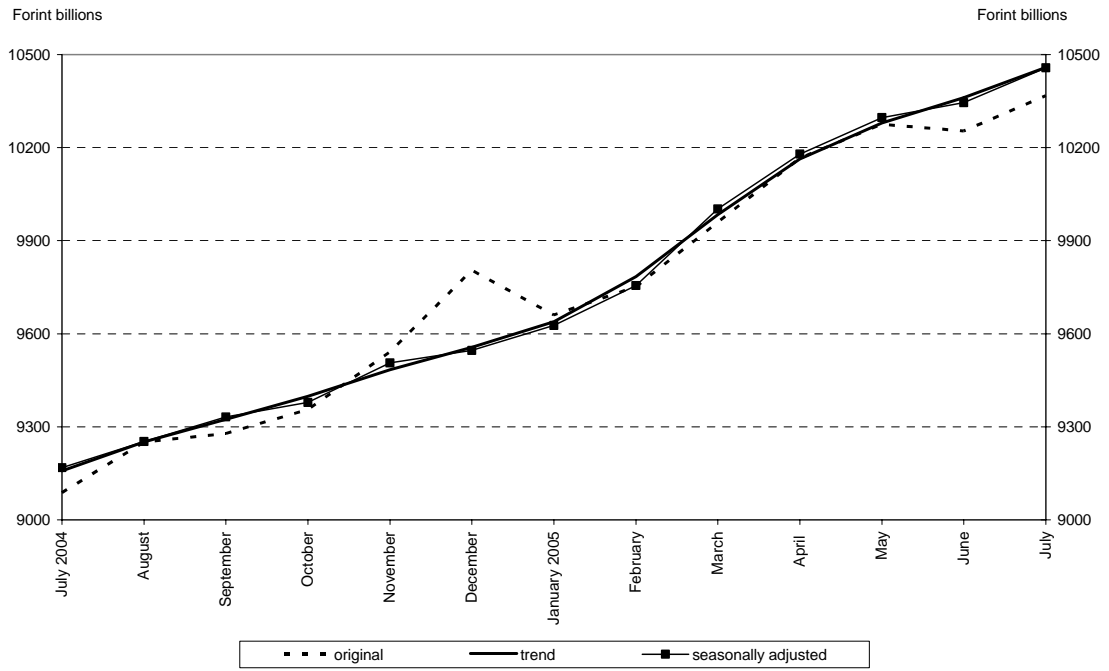
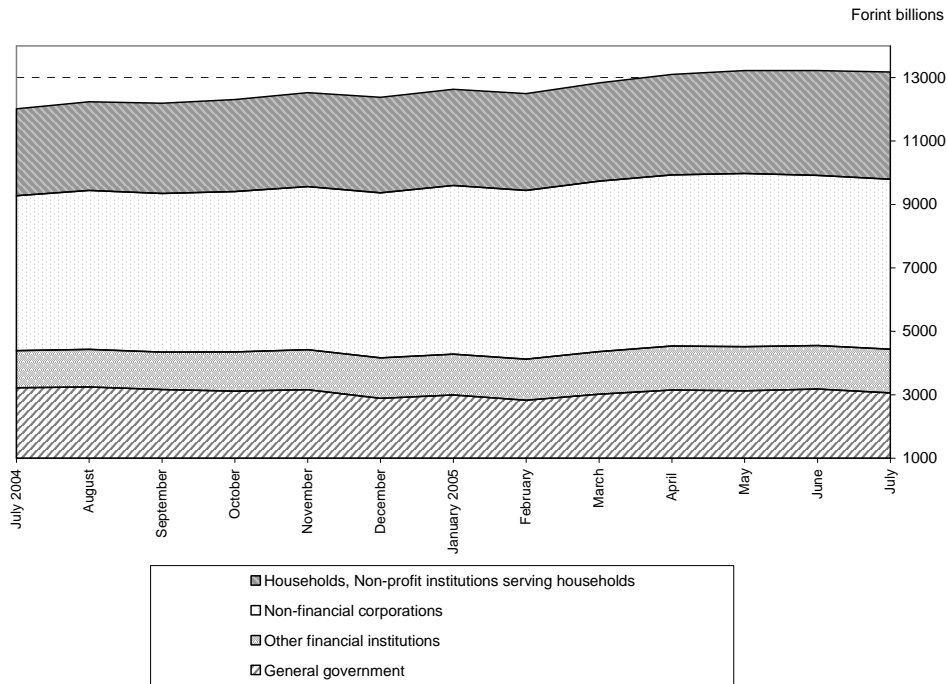


Chart 5 M3

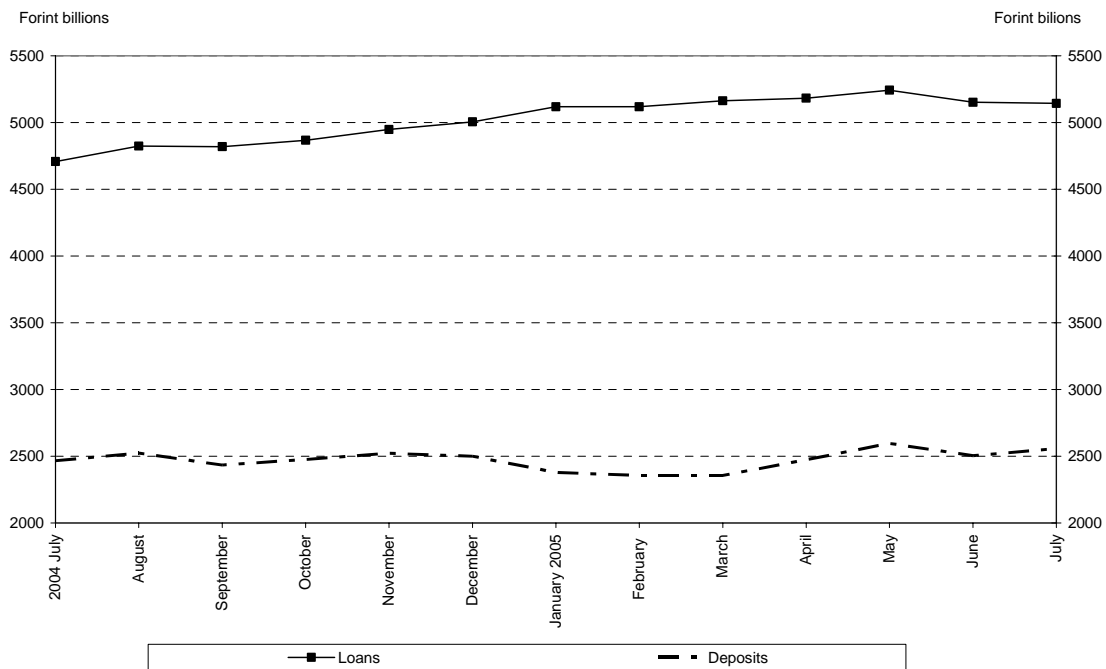


**Chart 6 Outstanding domestic loans**



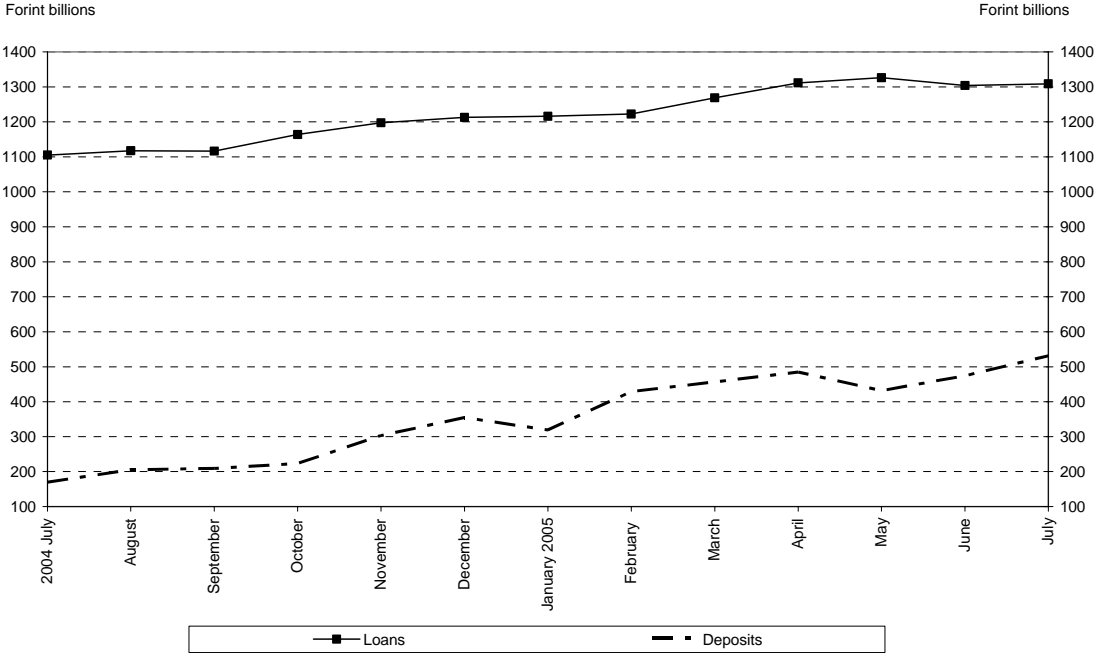
The total stock of loans granted by monetary financial institutions to non-financial corporations fell by HUF 8.2 billion in July: outstanding short-term loans were HUF 20.7 billion lower than in June, long-term loans rising by HUF 12.5 billion. Loans with maturity up to 5 years increased by HUF 5.0 billion and those with maturity over 5 years by HUF 7.5 billion. The sector's deposits with MFIs were up by a total HUF 53.1 billion on June: overnight and current account deposits fell by HUF 6.5 billion, deposits with agreed maturity up to one year rose by HUF 59.9 billion and deposits with agreed maturity over one year by HUF 0.2 billion. Outstanding repos were lower by HUF 0.5 billion in the review month.

**Chart 7 Non-financial corporations' loans and deposits**



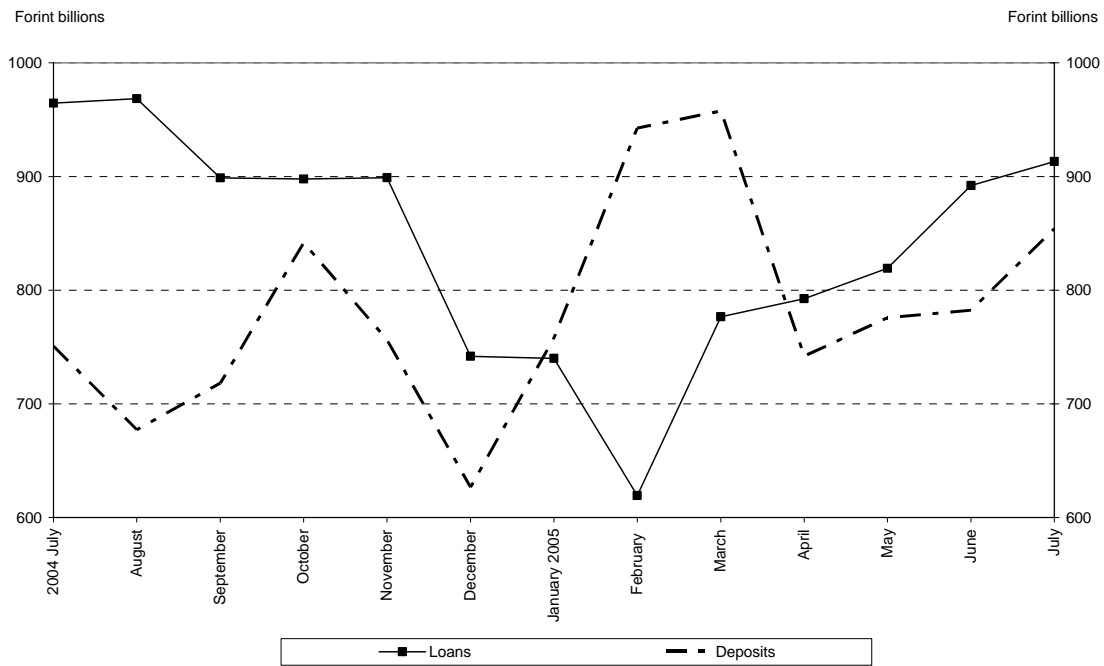
In July, outstanding loans to other financial corporations rose by HUF 5.1 billion relative to June. Loans with maturity up to one year fell by HUF 103.7 billion, those with maturity up to five years rose by HUF 102.0 billion and those with maturity over five years by HUF 6.8 billion. The sector's deposits with monetary financial institutions were up by HUF 57.3 billion. Overnight and current account deposits fell by HUF 0.3 billion and time deposits rose by HUF 55.7 billion. Outstanding repos were up by HUF 1.9 billion on June.

**Chart 8 Loans and deposits of other financial corporations**



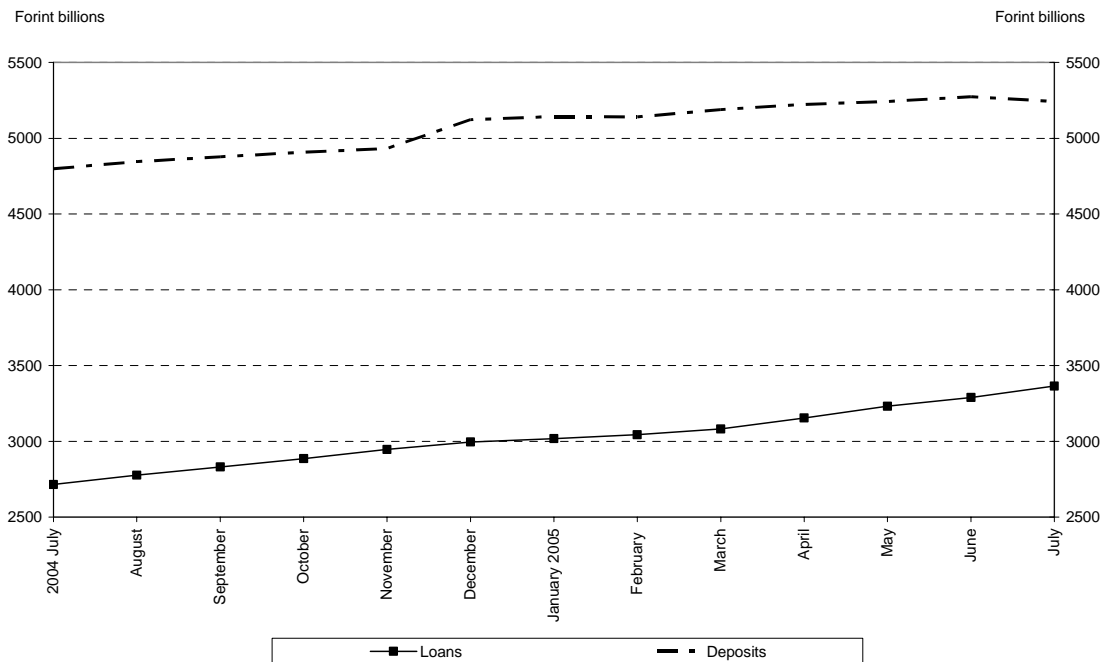
The stock of loans granted by monetary financial institutions to general government was higher by HUF 21.2 billion relative to end-June. The sector's with MFIs rose by HUF 71.7 billion in one month. That reflected increases of HUF 65.4 billion and HUF 6.2 billion respectively in deposits of the central government and the local government sub-sector.

**Chart 9 Loans and deposits of general government**



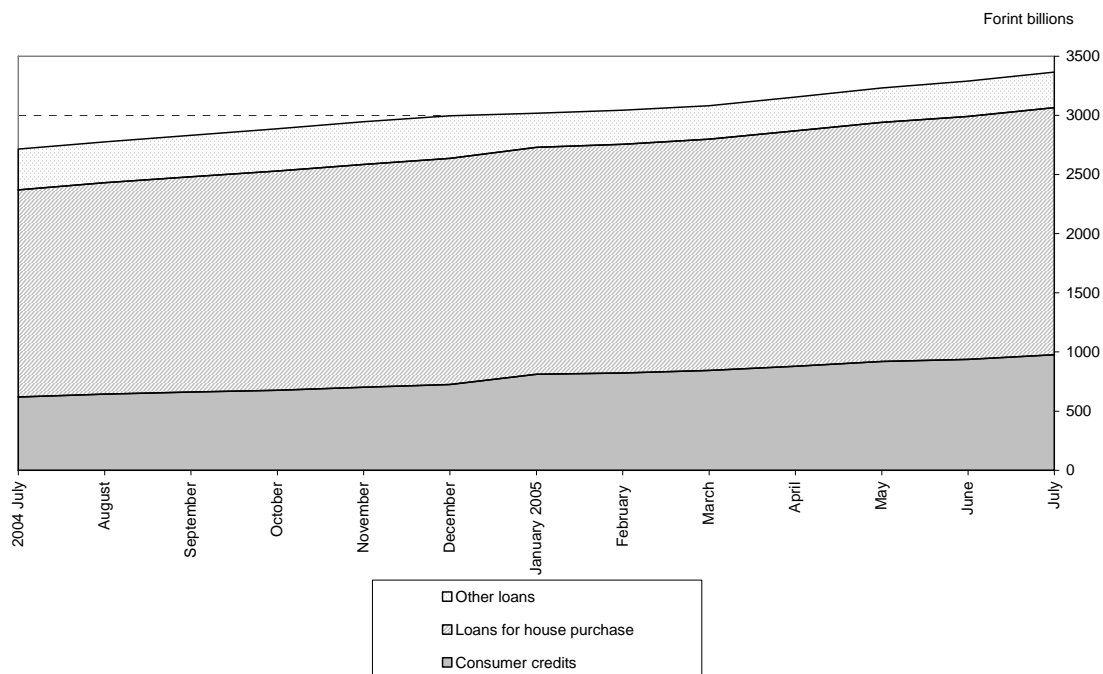
The outstanding total of loans granted by monetary financial institutions to households rose by HUF 75.6 billion in July. The sector's deposits with MFIs were HUF 30.1 billion lower than in the preceding month.

**Chart 10 Loans and deposits of households**



Within loans outstanding to households, housing loans fell from 62.4% to 62.1% as a percentage of the total, their stock rising by HUF 33.8 billion. Consumer credit rose from 28.5% to 29% as a proportion of the total, the outstanding amount of consumer credit increasing by HUF 39.0 billion. Other loans rose by HUF 2.8 billion in the month under review.

**Chart 11 Loans to households**

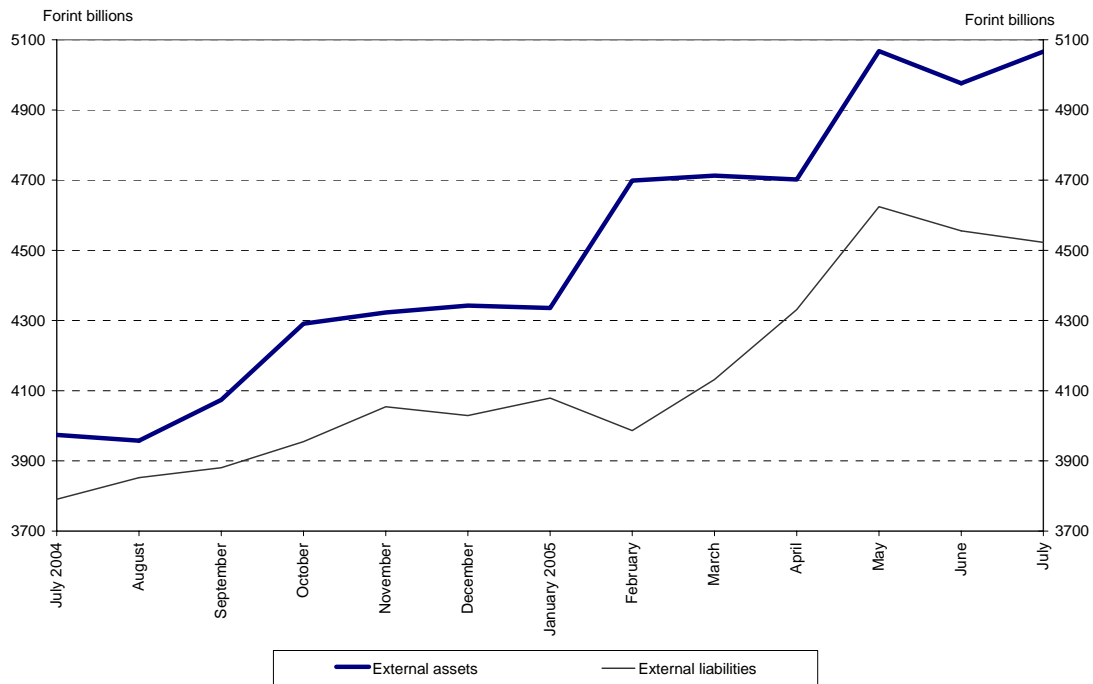


Assets of monetary financial institutions vis-à-vis non-residents were HUF 90.2 billion higher in July than in June, their liabilities falling by HUF 32.8 billion. As a result, the sector's net assets rose by HUF 123.0 billion in one month.

Net assets of the central bank vis-à-vis non-residents were HUF 100.3 billion higher than in the preceding month: its assets rose by HUF 89.5 billion, its liabilities falling by HUF 10.9 billion.

Assets of other monetary financial institutions vis-à-vis non-residents rose by HUF 0.8 billion, their liabilities falling by HUF 22.0 billion. On balance, the sector's net assets rose by HUF 22.7 billion in the month under review.

**Chart 12 External assets and liabilities**



### Methodological notes to the press release

Ensuring comparability of data over different periods requires eliminating seasonal variations and distortions. Consequently, the time series for the monetary aggregates are individually seasonally adjusted. Trend data are obtained from the seasonally adjusted data by eliminating outliers relating to deterministic effects and irregular components identified in the seasonal adjustment process. The annualised month-on-month growth indices in this press release are generated from trend data by dividing the trend data for the base period by that for the previous period, and by raising the quotient to the 12<sup>th</sup> power. The month-on-month growth rates derived using this method better reflect developments of the most recent period than year-on-year growth indices.

Percentages and ratios are calculated from data before rounding. The sums of subtotals may not add to total due to rounding.

\* \* \* \* \*

The data underlying this press release are available on the MNB's website at [http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708\\_monstatpubl\\_enxls](http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708_monstatpubl_enxls).

**MAGYAR NEMZETI BANK**  
STATISTICS DEPARTMENT