

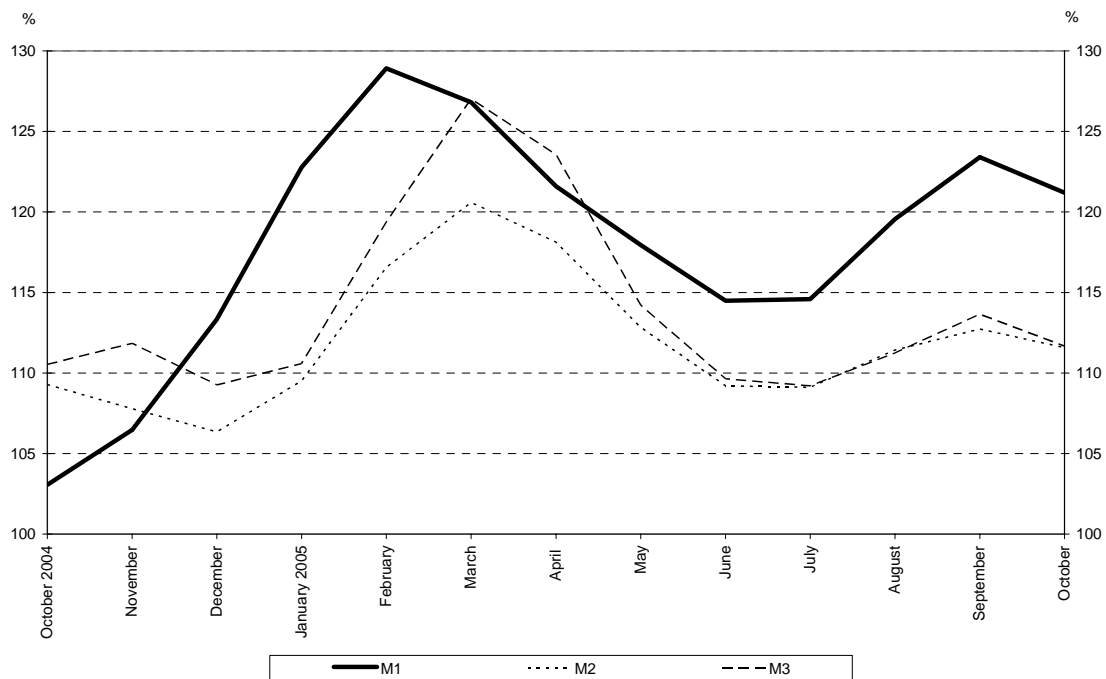
PRESS RELEASE

Consolidated balance sheet of MFIs: October 2005

In October 2005, the monetary base rose by HUF 53.3 billion to HUF 2,162.3 billion. The monthly average stock of other monetary financial institutions' current account deposits rose by HUF 13.4 billion to HUF 512.6 billion and that of overnight deposits by HUF 6.4 billion to HUF 17.2 billion. The monthly average stock of currency in circulation, at HUF 1,632.5 billion, was HUF 33.6 billion higher than in the preceding month. The annualised month-on-month growth index of the monetary base (M0)¹ was 118.0% in the month under review.

The growth index of the narrow monetary aggregate M1 fell by 2.2 percentage points, from 123.4% to 121.2%, that of M2 by 2.1 percentage points, from 112.7% to 111.6%, and that of M3 by 2.0 percentage points, from 113.6% to 111.7%.

Chart 1 Annualised month-on-month growth rates of the monetary aggregates



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

Chart 2 Components of the monetary aggregates

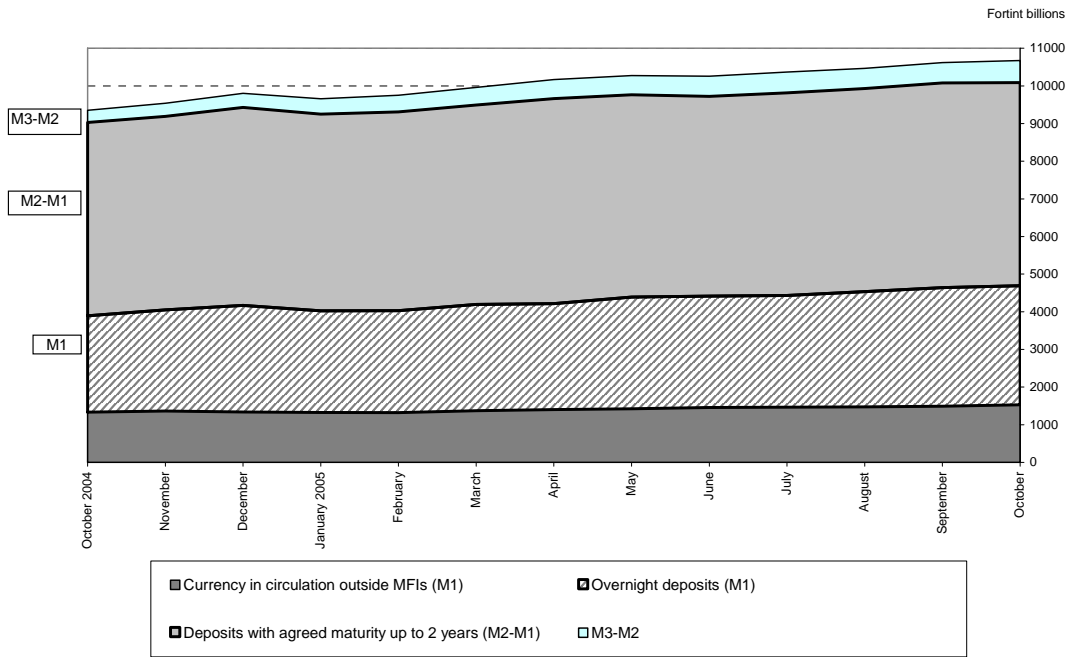


Chart 3 Seasonally adjusted M1

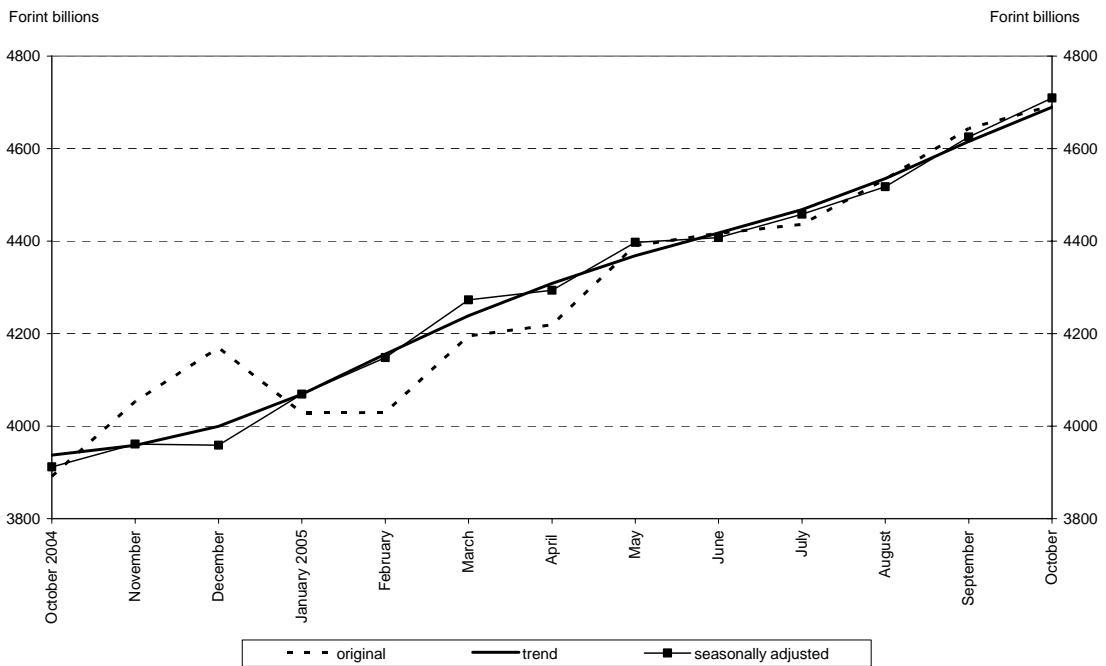


Chart 4 Seasonally adjusted M2

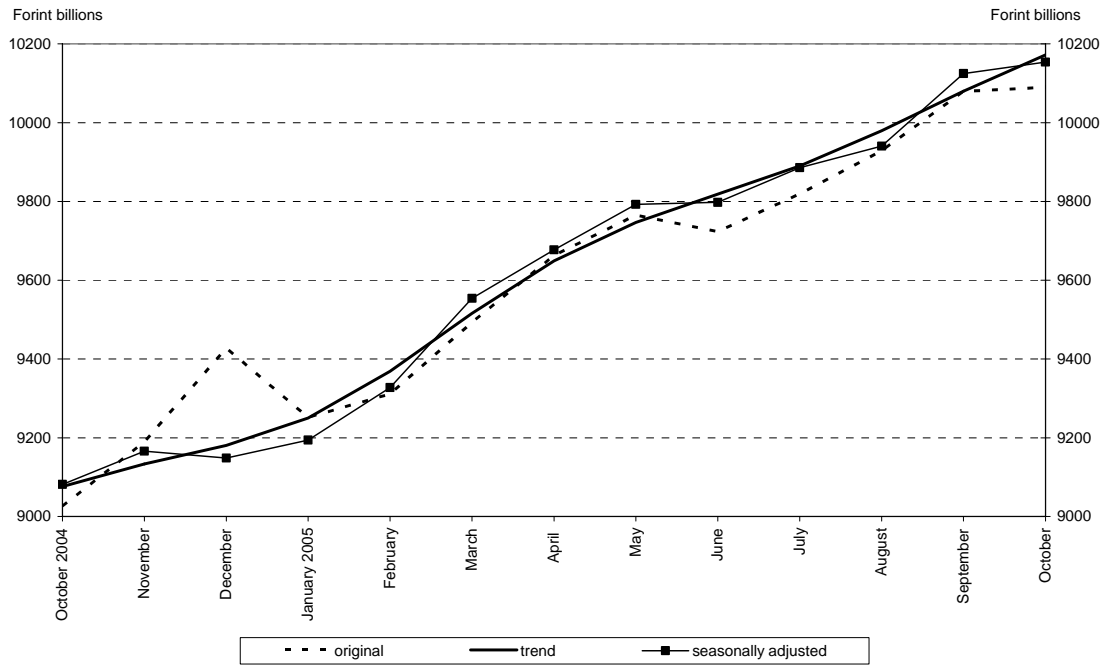


Chart 5 Seasonally adjusted M3

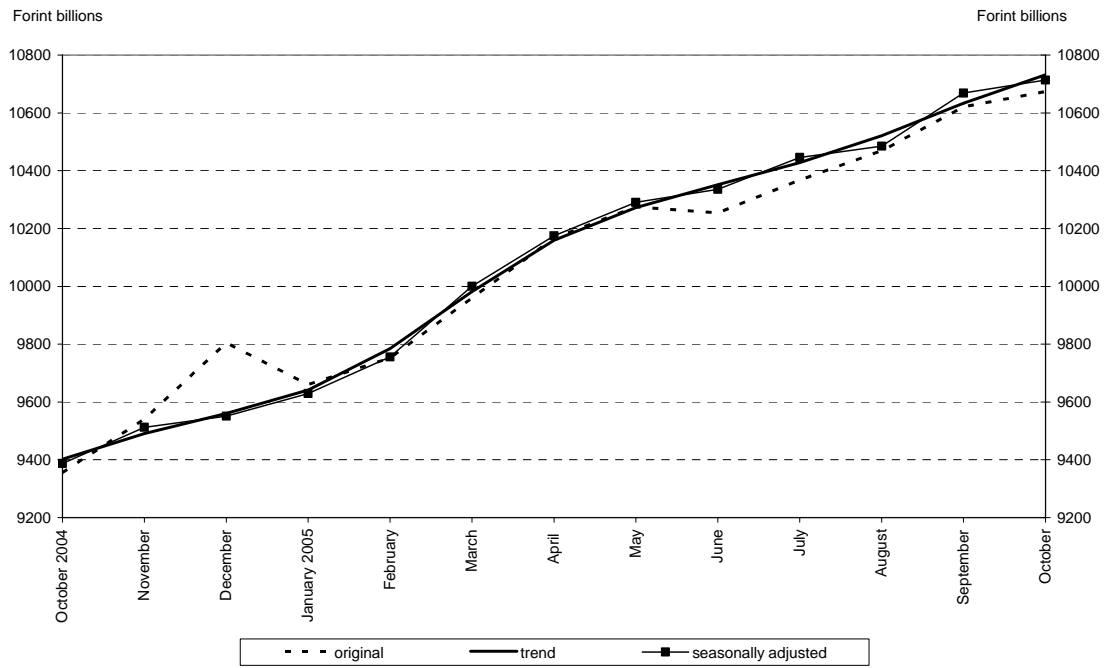
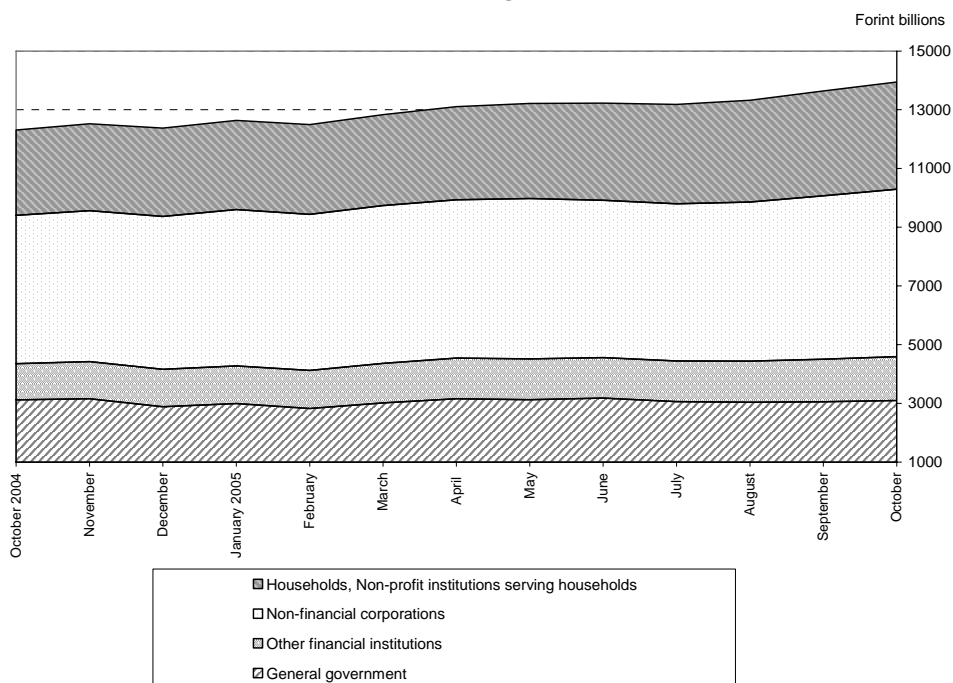
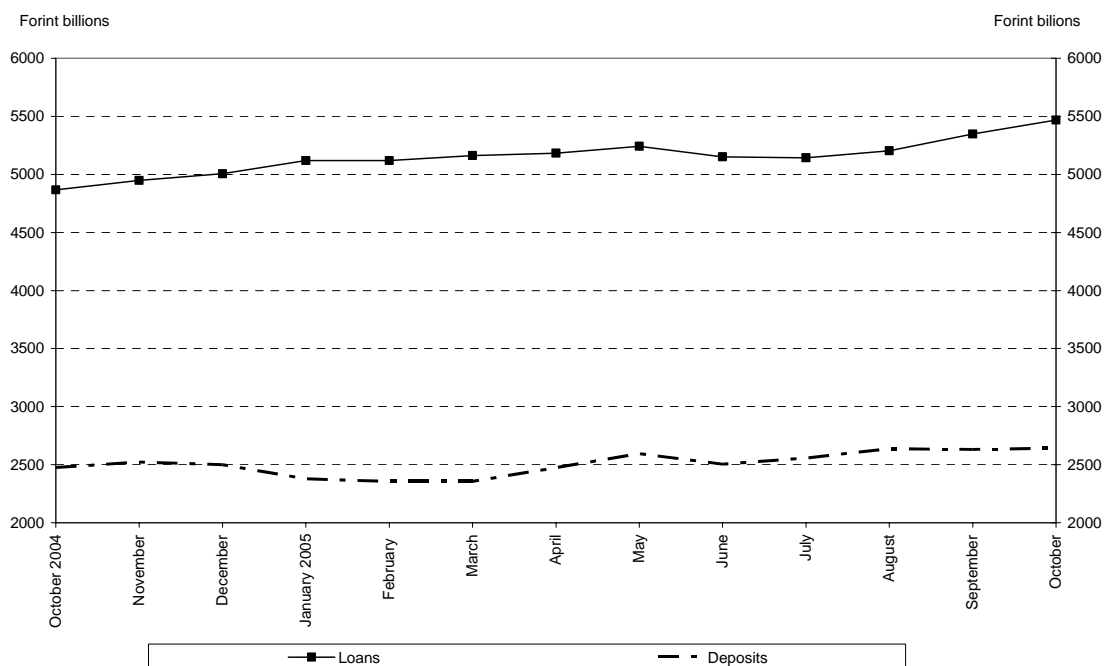


Chart 6 Outstanding domestic loans



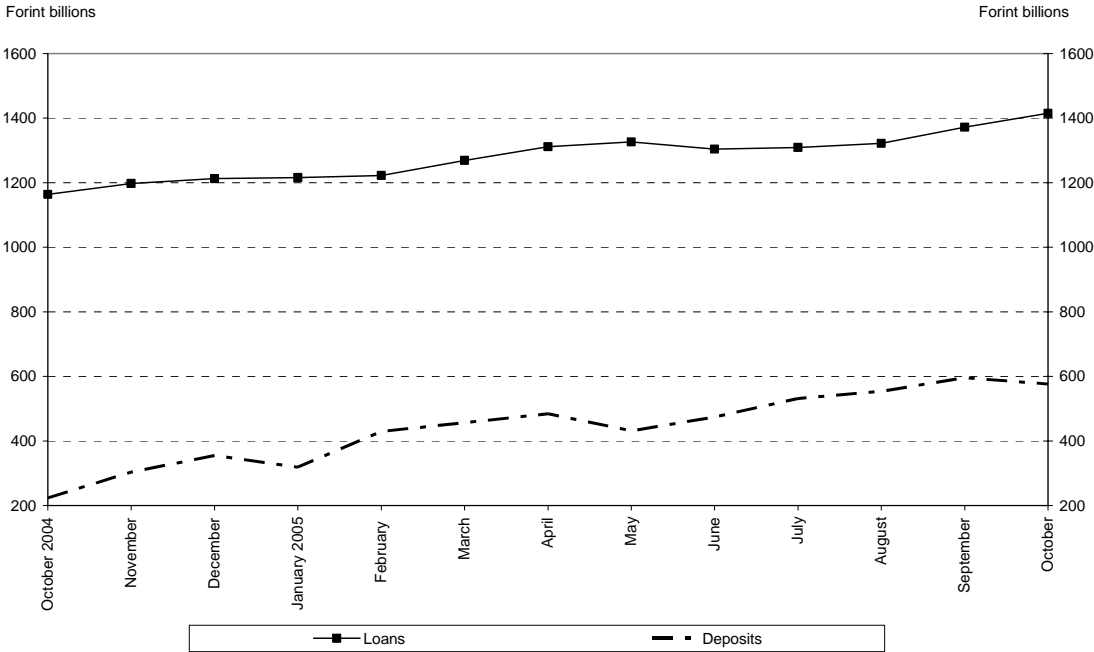
The total stock of loans granted by monetary financial institutions to non-financial corporations rose by HUF 120.3 billion in one month: outstanding short and long-term loans respectively were HUF 69.7 billion and HUF 50.6 billion higher than in September. Loans with maturity up to 5 years increased by HUF 0.8 billion and those with maturity over 5 years by HUF 49.8 billion. The sector's deposits with MFIs were up by HUF 10.3 billion on the preceding month: overnight and current account deposits remained unchanged, deposits with agreed maturity up to one year rose by HUF 7.2 billion and deposits with agreed maturity over one year by HUF 0.2 billion. Outstanding repos were higher by HUF 3.0 billion relative to September.

Chart 7 Non-financial corporations' loans and deposits



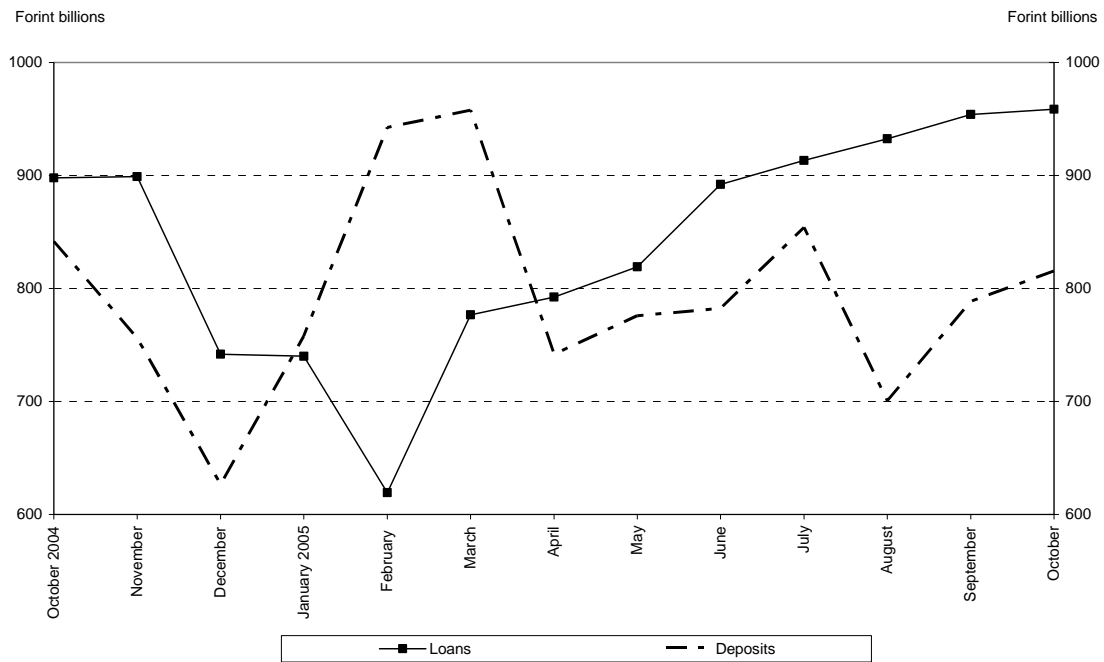
Outstanding loans to other financial corporations rose by HUF 43.1 billion in October. Loans with maturity up to one year rose by HUF 11.4 billion, those with maturity up to five years by HUF 19.0 billion and those with maturity over five years by HUF 12.6 billion. The sector's deposits with monetary financial institutions were down by HUF 19.6 billion. Overnight and current account deposits rose by HUF 11.5 billion and time deposits fell by HUF 36.4 billion. Outstanding repos were up by HUF 5.3 billion on September.

Chart 8 Loans and deposits of other financial corporations



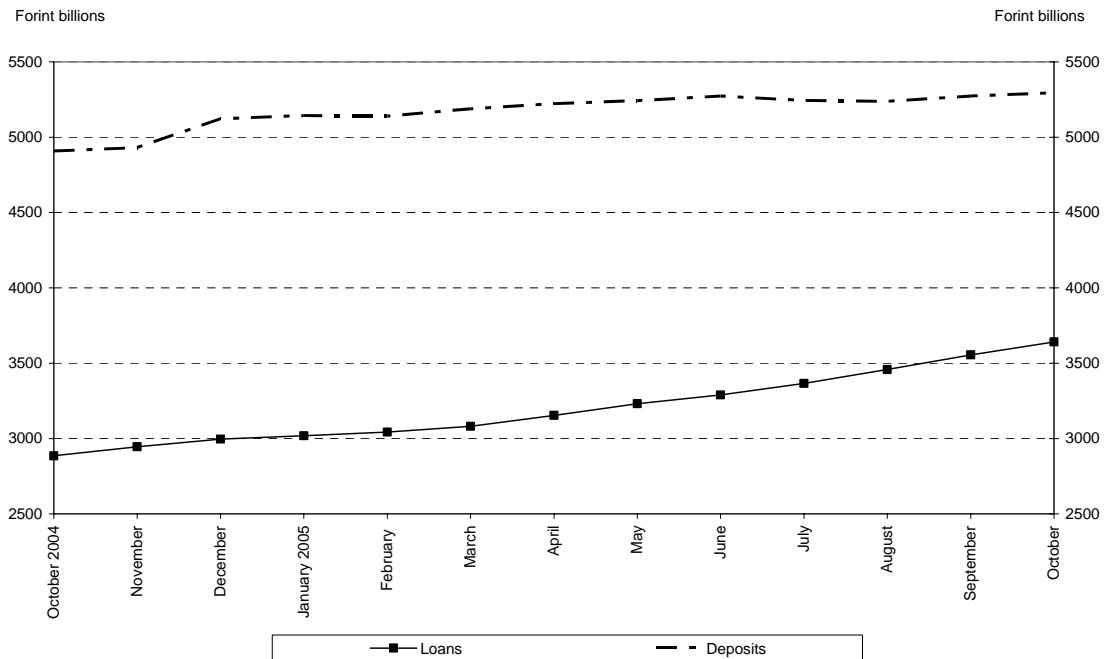
The stock of loans granted by monetary financial institutions to general government was higher by HUF 4.5 billion relative to end-September. The sector's deposits with MFIs rose by HUF 26.8 billion in one month: deposits of the central government rose by HUF 61.2 billion and those of the local government sub-sector fell by HUF 34.4 billion.

Chart 9 Loans and deposits of general government



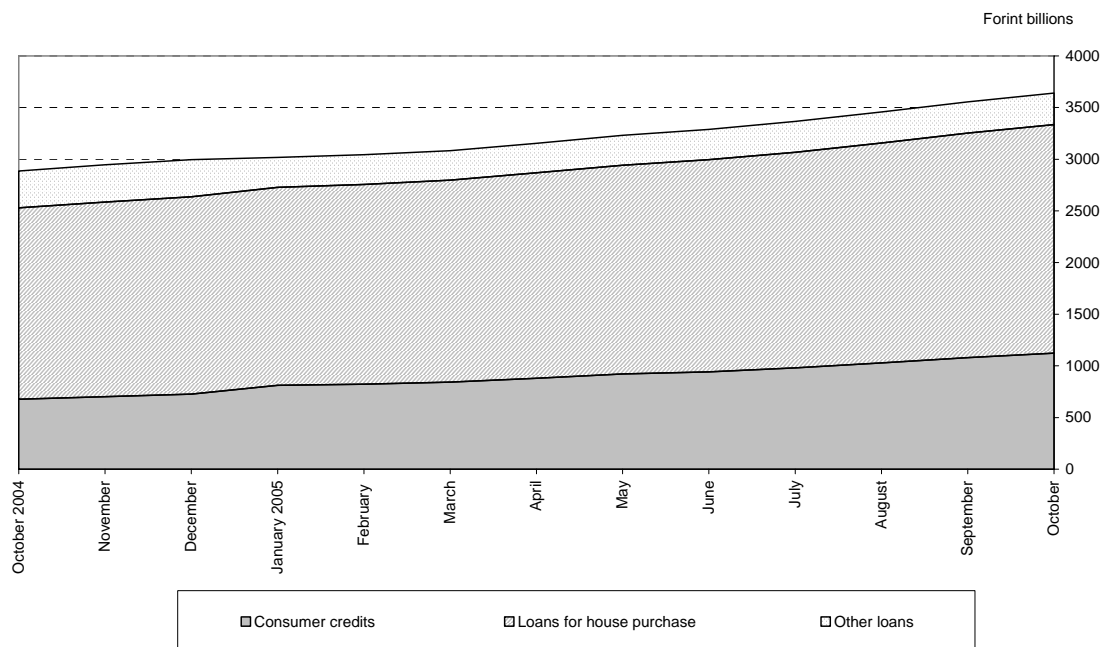
The outstanding total of loans granted by monetary financial institutions to households rose by HUF 85.9 billion in October. The sector's deposits with MFIs were HUF 22.3 billion higher in a one-month comparison.

Chart 10 Loans and deposits of households



Within loans outstanding to households, housing loans fell from 61.1% to 60.8% as a percentage of the total, their stock rising by HUF 38.7 billion. Consumer credit edged up from 30.4% to 30.8% as a proportion of the total, the outstanding amount of consumer credit increasing by HUF 43.3 billion. Other loans rose by HUF 3.9 billion in the month under review.

Chart 11 Loans to households

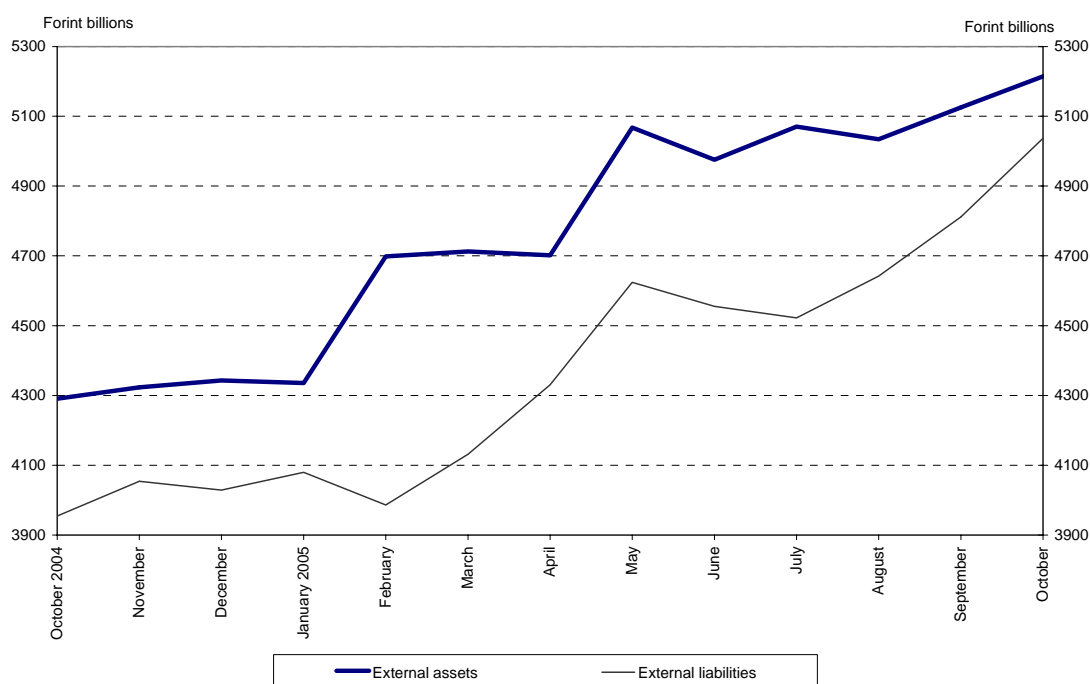


Assets and liabilities of monetary financial institutions vis-à-vis non-residents were HUF 88.8 billion and HUF 224.8 billion higher respectively in October than in September. As a result, the sector's net assets fell by HUF 136.0 billion.

Net assets of the central bank vis-à-vis non-residents were HUF 25.5 billion lower than in the preceding month: its assets fell by HUF 9.4 billion, its liabilities rising by HUF 16.0 billion.

Assets and liabilities of other monetary financial institutions vis-à-vis non-residents rose by HUF 98.2 billion and HUF 208.7 billion respectively. On balance, the sector's net assets fell by HUF 110.5 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 12th 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 sub-totals 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=mnbfilc&resourcename=0708_monstatpubl_en.xls.

MAGYAR NEMZETI BANK
STATISTICS DEPARTMENT