

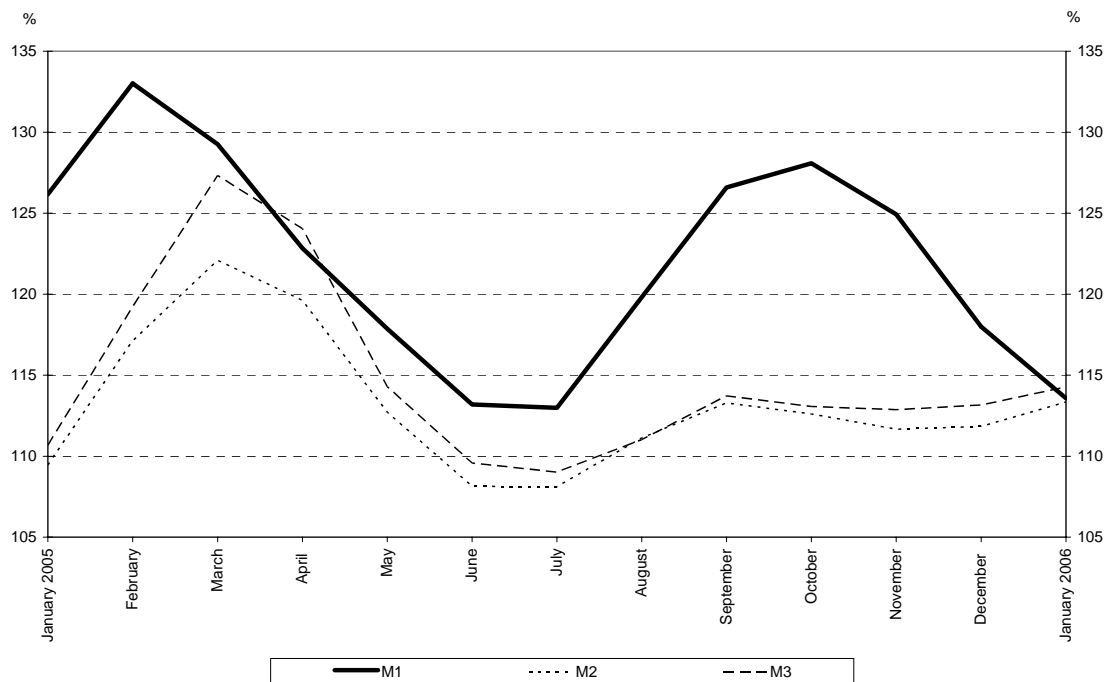
PRESS RELEASE

Consolidated balance sheet of MFIs: January 2006

In January 2006, the monetary base fell by HUF 165.2 billion to HUF 2,239.8 billion. Currency in circulation was lower by HUF 103.5 billion at HUF 1,684.7 billion, the monthly average stock of other monetary financial institutions' current account deposits rose by HUF 5.9 billion to HUF 534.5 billion and that of other monetary financial institutions' overnight deposits fell by HUF 67.6 billion to HUF 20.6 billion. The annualised month-on-month growth index of the monetary base (M0)¹ was 107.0% in the month under review.

The growth index of the narrow monetary aggregate M1 fell by 4.4 percentage points, from 118.0% to 113.6%, and that of M2 rose by 1.5 percentage points, from 111.8% to 113.3%. A one-off market effect was responsible for M1 growth falling and M2 growth remaining unchanged: a significant part of households' overnight deposits were reclassified into deposits with agreed maturity up to one year. The growth index of M3 increased by 1.1 percentage points, from 113.2% to 114.3%.

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

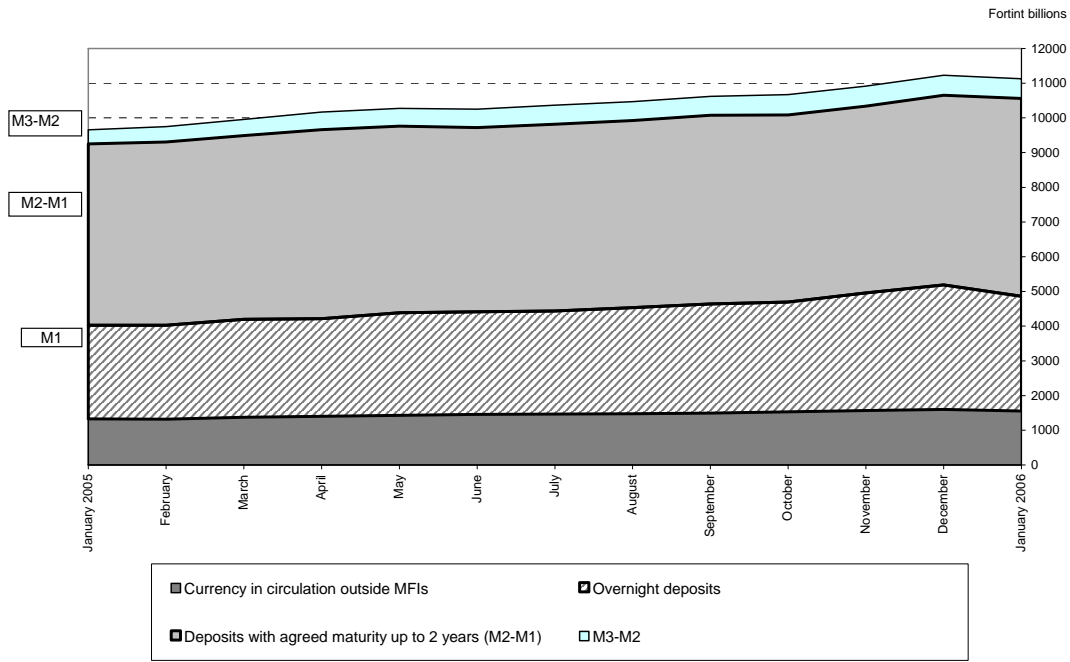


Chart 3 Seasonally adjusted M1

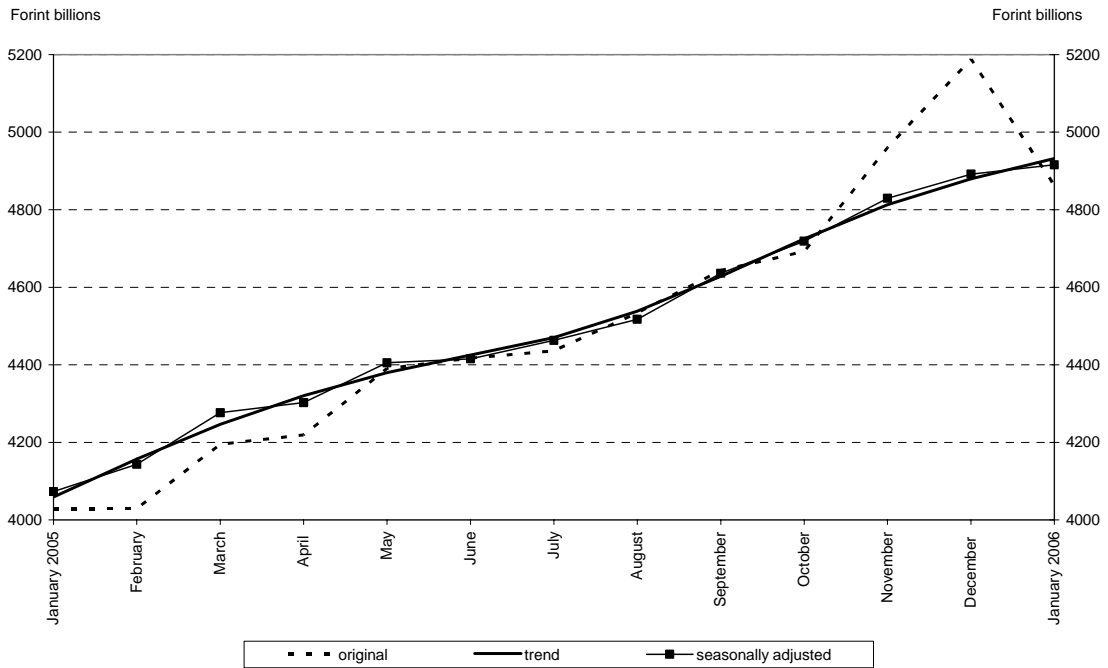


Chart 4 Seasonally adjusted M2

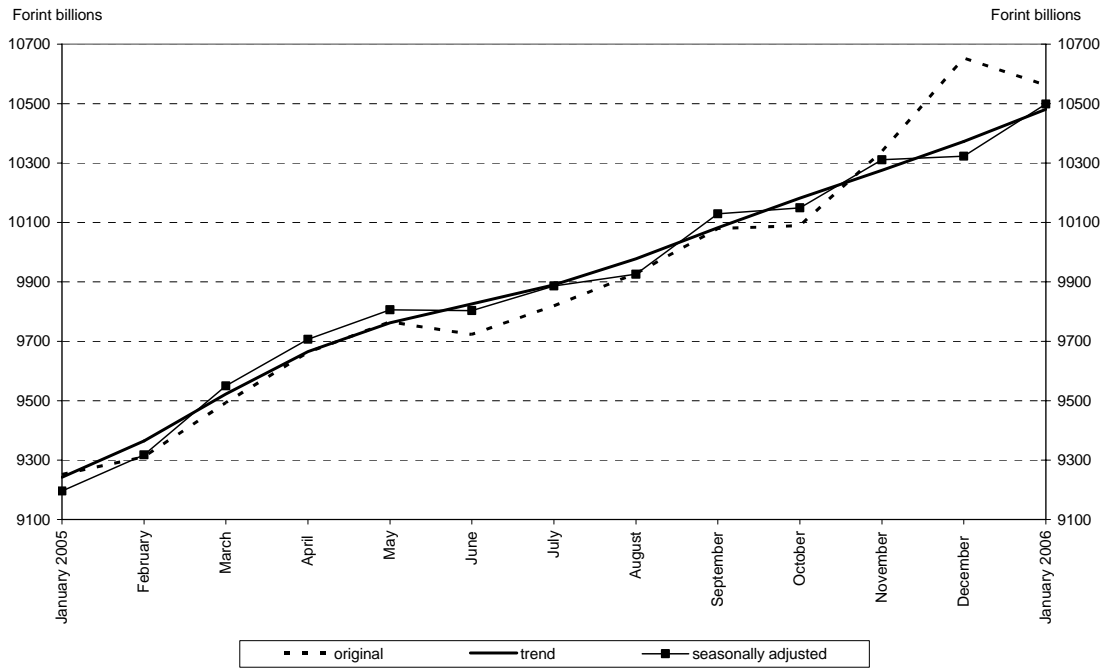


Chart 5 Seasonally adjusted M3

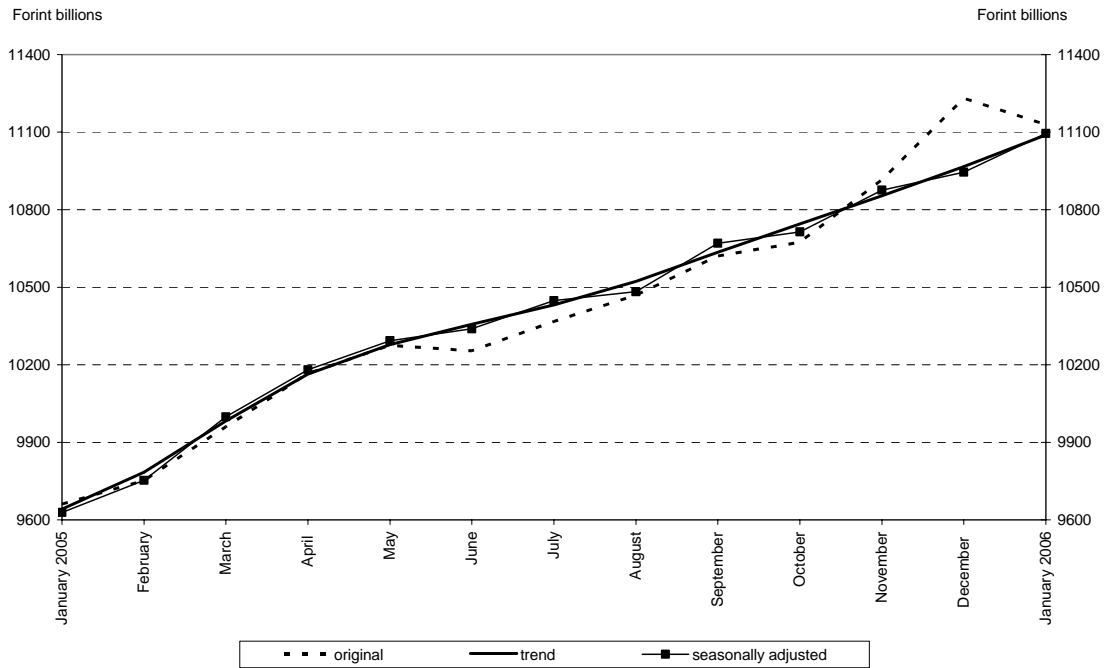
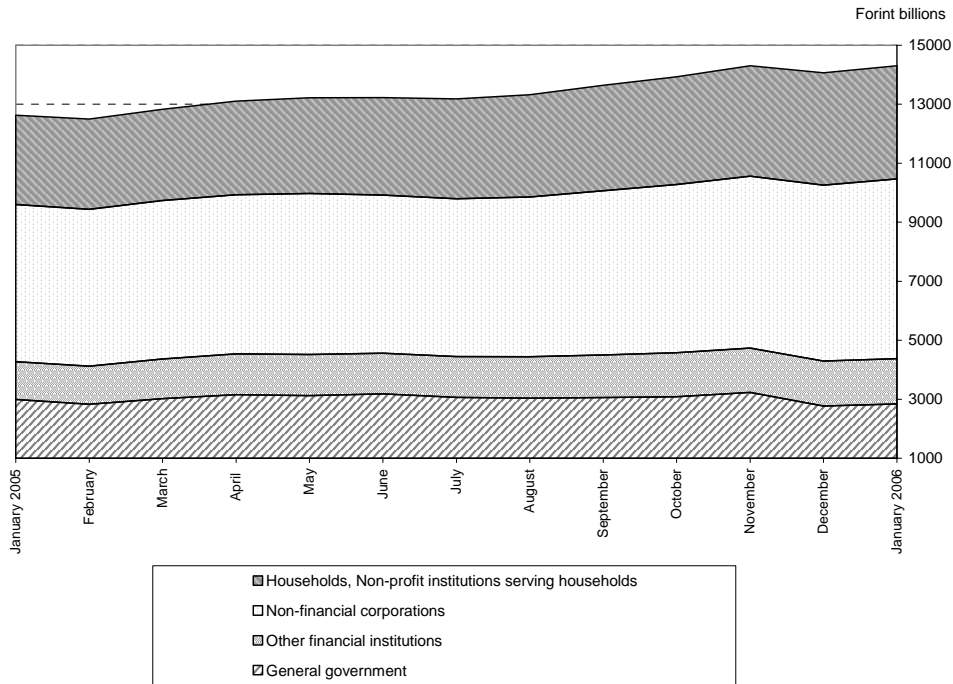
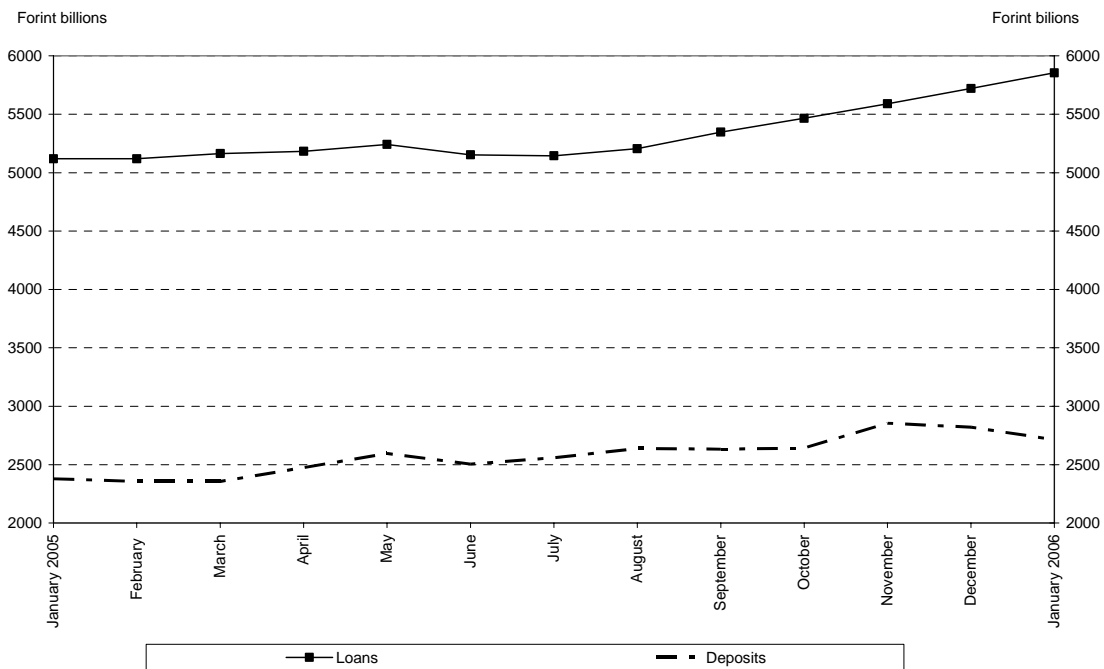


Chart 6 Outstanding domestic loans



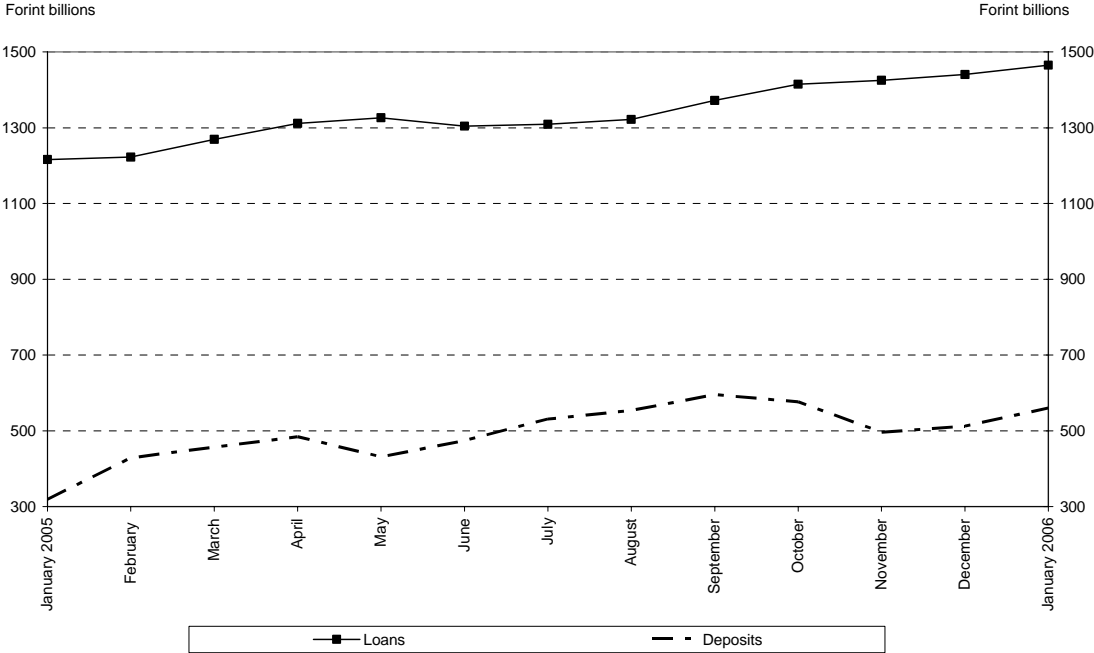
The total stock of loans granted by monetary financial institutions to non-financial corporations rose by HUF 134.9 billion in one month: outstanding short and long-term loans respectively were HUF 92.1 billion and HUF 42.8 billion higher than in December 2005. Loans with maturity up to 5 years increased by HUF 20.7 billion and those with maturity over 5 years by HUF 22.1 billion. NFCs' deposits with MFIs were down by HUF 107.5 billion on the preceding month: overnight deposits fell by HUF 72.4 billion, deposits with agreed maturity up to one year by HUF 30.2 billion and deposits with agreed maturity over one year by HUF 2.1 billion. Outstanding repos were down HUF 2.8 billion on December.

Chart 7 Non-financial corporations' loans and deposits



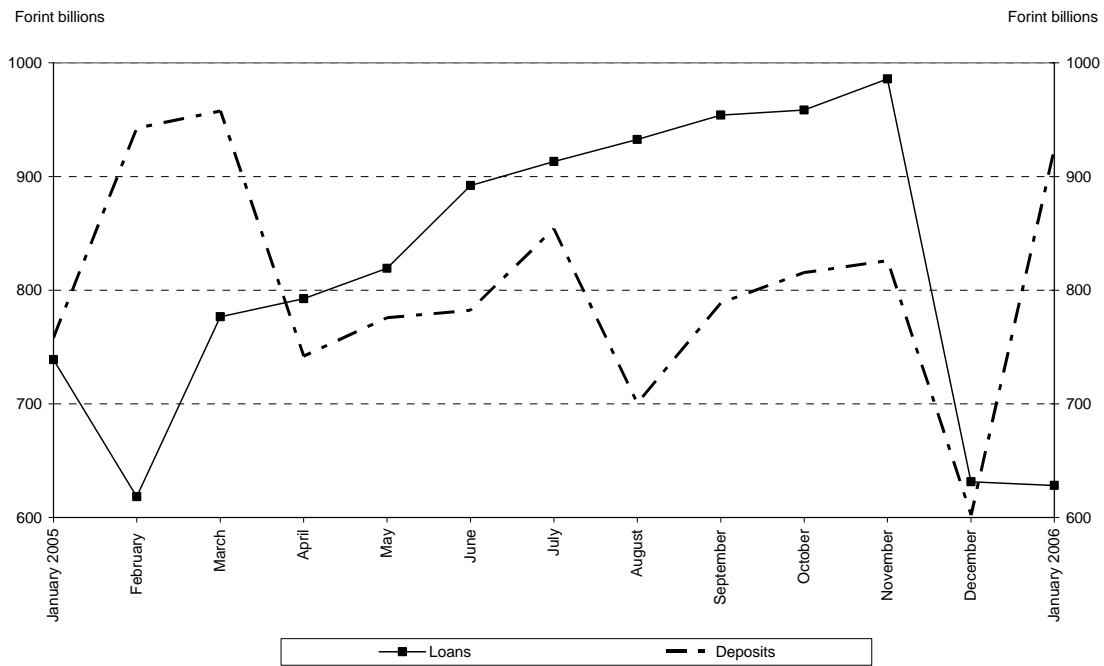
Outstanding loans to other financial corporations rose by HUF 24.7 billion in January: loans with maturity up to one year rose by HUF 152.7 billion and those with maturity over one year fell by HUF 127.9 billion. Loans with maturity up to 5 years fell by HUF 127.0 billion and those with maturity over 5 years by HUF 0.9 billion. The sector’s deposits with monetary financial institutions were up by HUF 47.6 billion. Overnight deposits rose by HUF 11.9 billion and time deposits by HUF 34.0 billion. Outstanding repos were up HUF 1.7 billion on December.

Chart 8 Loans and deposits of other financial corporations



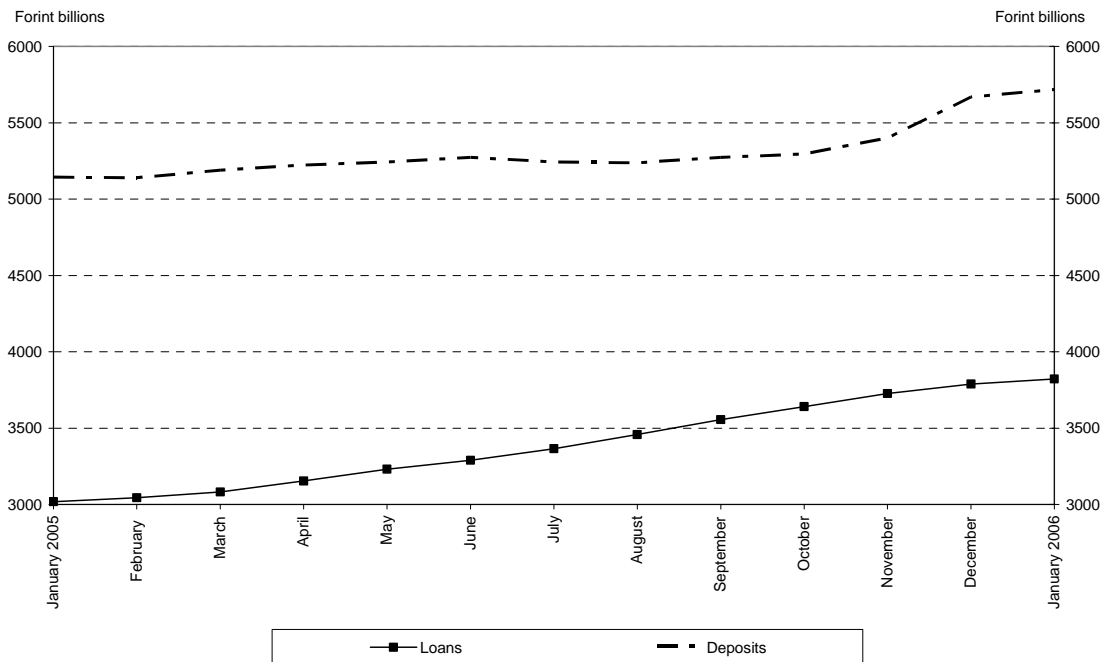
The stock of loans granted by monetary financial institutions to general government fell by HUF 3.3 billion relative to end-December. The sector’s deposits with MFIs were up HUF 322.1 billion on the preceding month: deposits of the central government increased by HUF 362.3 billion and those of the local government sub-sector fell by HUF 40.2 billion.

Chart 9 Loans and deposits of general government



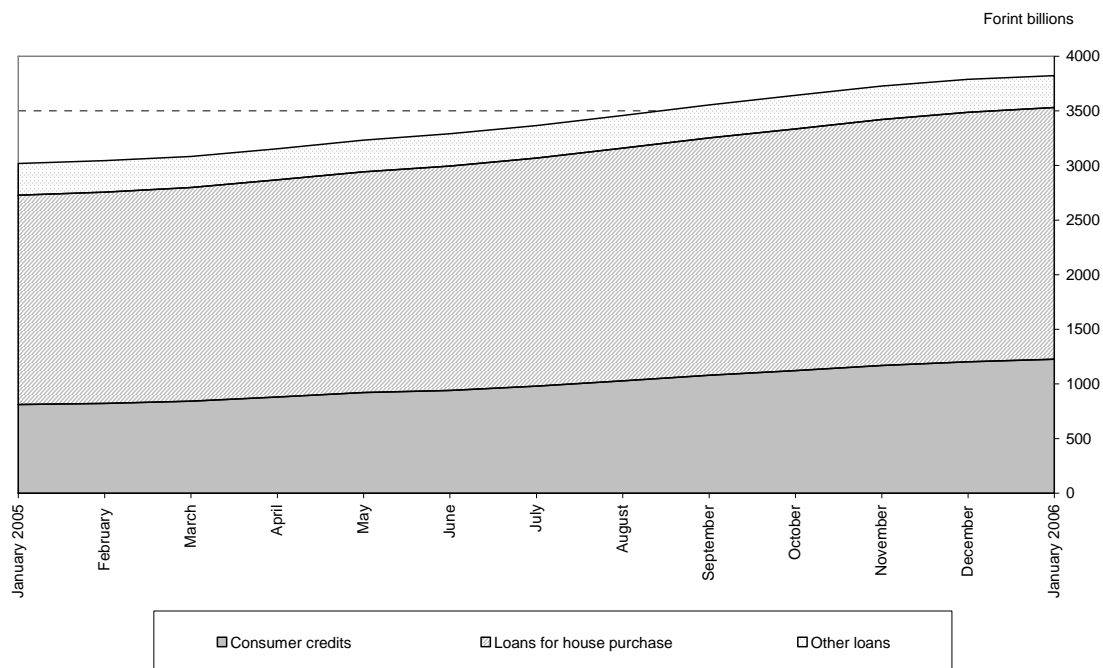
The outstanding total of loans granted by monetary financial institutions to the household sector rose by HUF 33.4 billion in January. Households' deposits with MFIs were HUF 49.6 billion higher in a one-month comparison.

Chart 10 Loans and deposits of households



Within loans outstanding to households, housing loans remained unchanged at 60.3% as a percentage of the total, with the stock of loans rising by HUF 19.9 billion. Consumer credit edged up from 31.8% to 32.1% as a proportion of the total, with the outstanding amount of consumer credit increasing by HUF 23.3 billion. Other loans to the household sector fell by HUF 9.9 billion in the month under review.

Chart 11 Loans to households

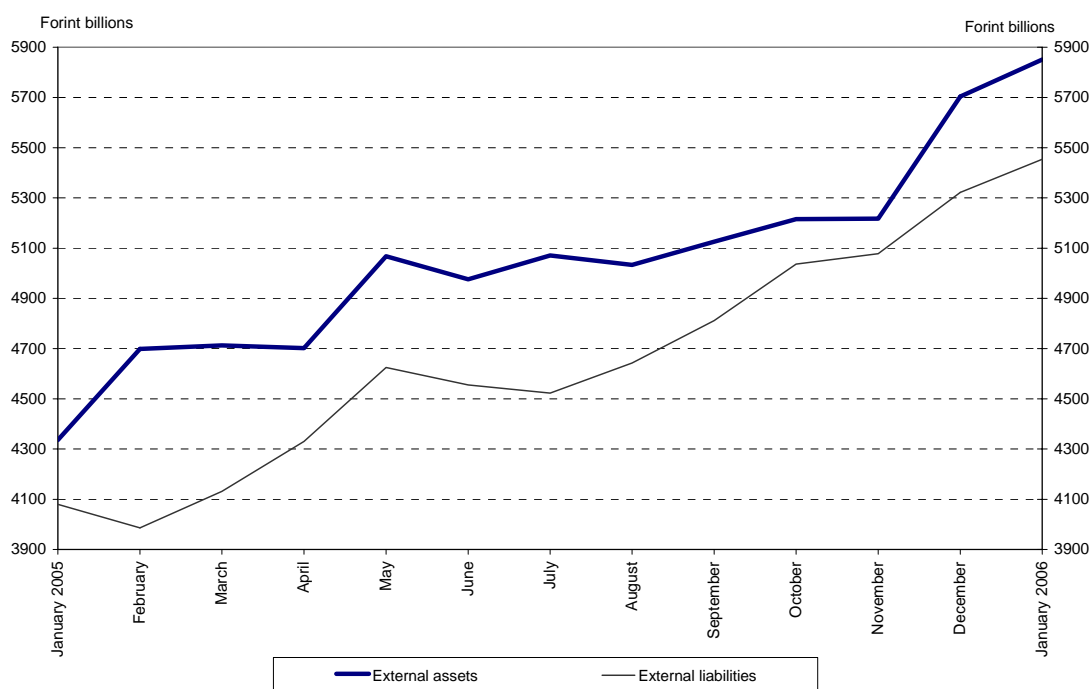


Net assets of monetary financial institutions vis-à-vis non-residents were HUF 15.4 billion higher in January 2006 than in December 2005. MFIs' external assets and liabilities respectively rose by HUF 147.3 billion and HUF 131.9 billion.

Assets and liabilities of the central bank vis-à-vis non-residents rose by HUF 220.5 billion and HUF 6.5 billion respectively relative to the preceding month. As a result, the sector's net external assets rose by HUF 213.9 billion.

Net assets of other monetary financial institutions vis-à-vis non-residents fell by HUF 198.5 billion. The sector's external assets were down HUF 73.1 billion on December, its liabilities rising by HUF 125.3 billion.

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=mnbfiler&resourcename=0708_monstatpubl_en.xls.

MAGYAR NEMZETI BANK
STATISTICS DEPARTMENT