

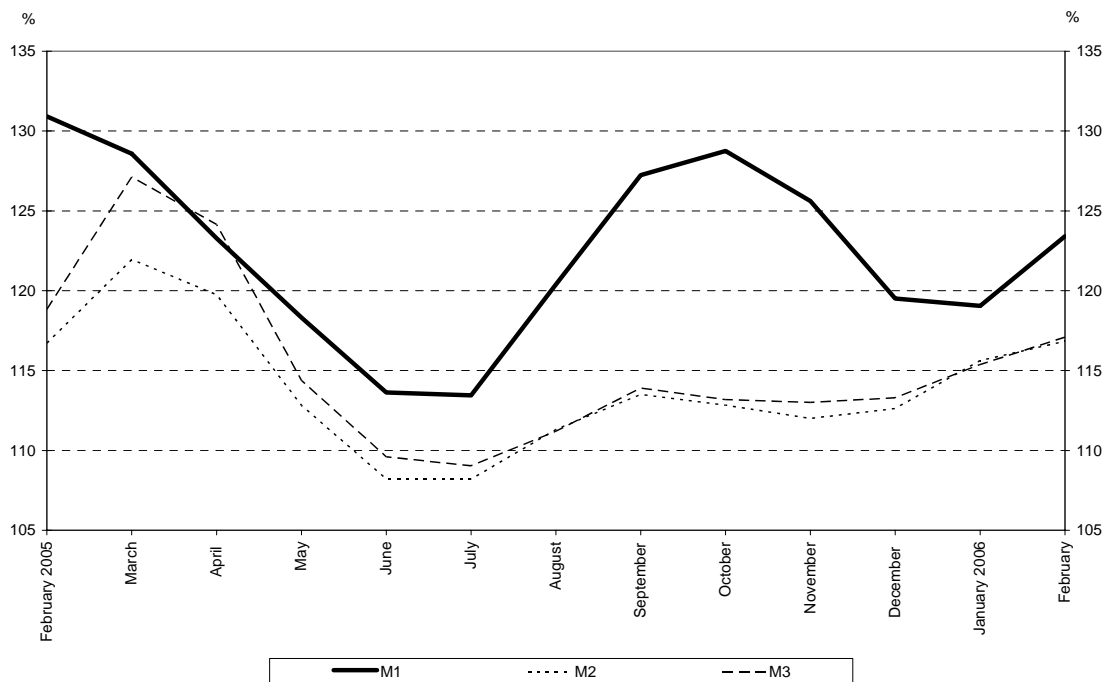
**PRESS RELEASE**

**Consolidated balance sheet of MFIs: February 2006**

In February 2006, the monetary base rose by HUF 3.6 billion to HUF 2,243.4 billion. Currency in circulation was lower by HUF 5.6 billion at HUF 1,679.1 billion, the monthly average stock of other monetary financial institutions' current account deposits rose by HUF 22.4 billion to HUF 556.8 billion and that of other monetary financial institutions' overnight deposits fell by HUF 13.1 billion to HUF 7.5 billion. The annualised month-on-month growth index of the monetary base (M0)<sup>1</sup> was 112.8% in the month under review.

The month-on-month growth index of the narrow monetary aggregate M1 rose by 4.4 percentage points, from 119.1% to 123.4%. A one-off market effect was responsible for the significant fall in M1 growth: a part of households' deposits with agreed maturity up to one year, reclassified in the preceding month, was restated as overnight deposits in February. The month-on-month growth index of M2 rose by 1.2 percentage points, from 115.6% to 116.8%. The month-on-month growth index of M3 changed by 1.7 percentage points, from 115.4% to 117.1%.

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



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

Chart 2 Components of the monetary aggregates

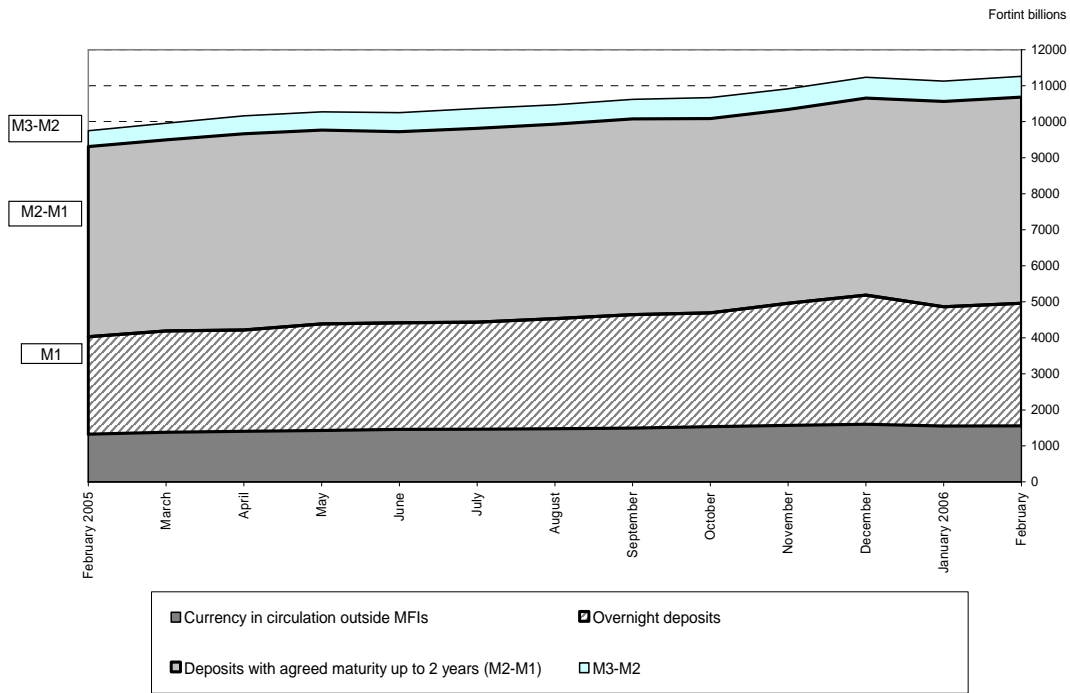
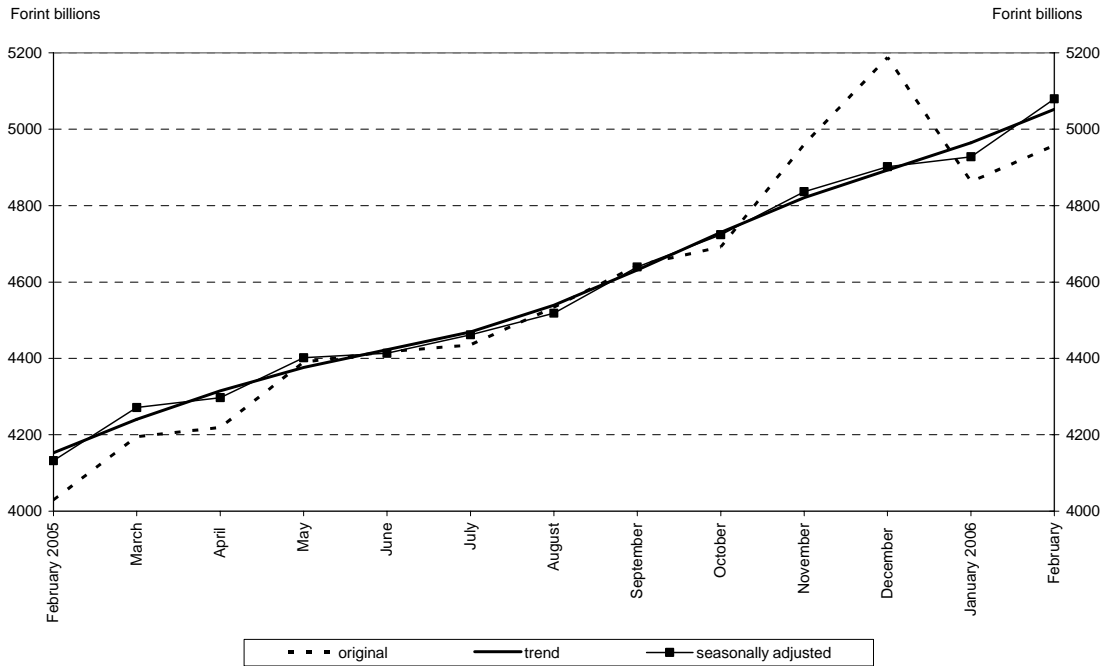
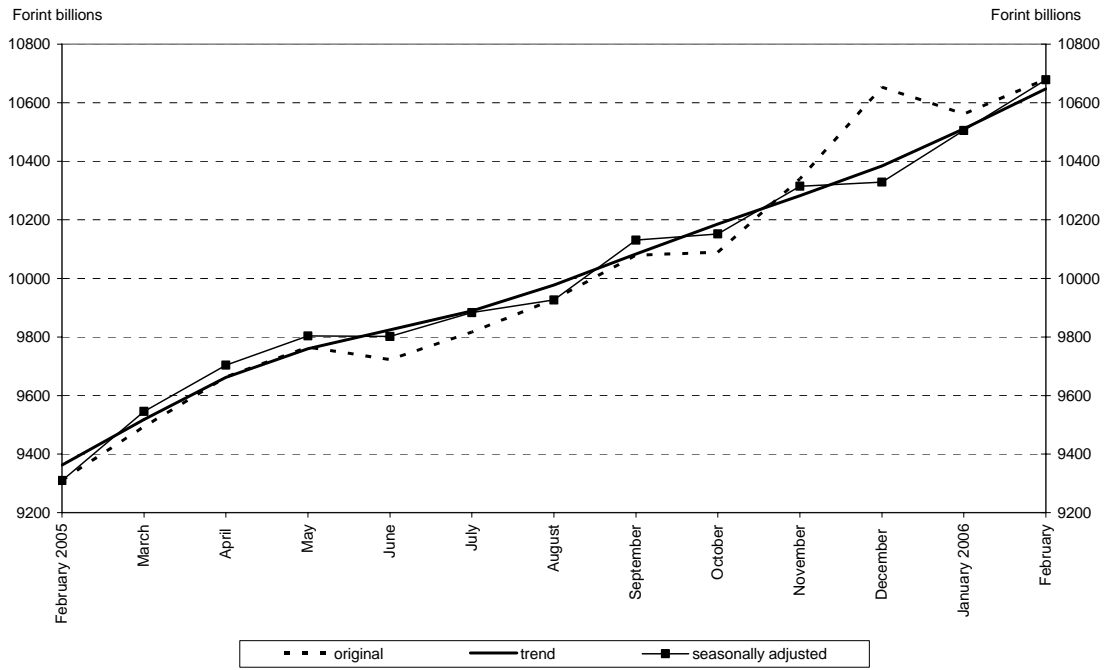


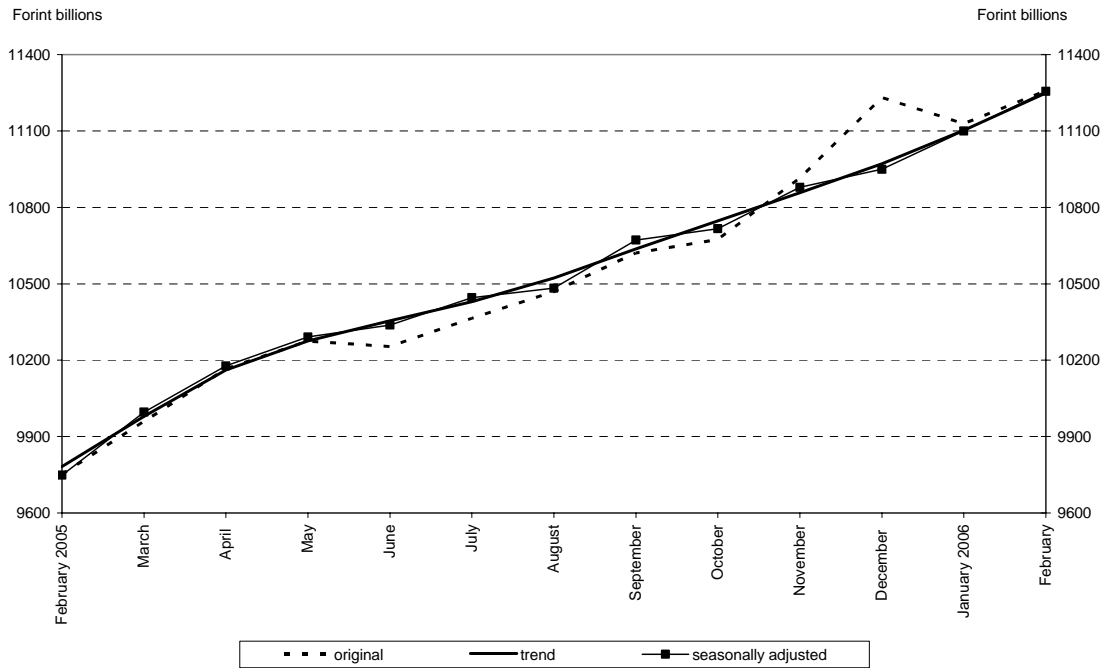
Chart 3 Seasonally adjusted M1



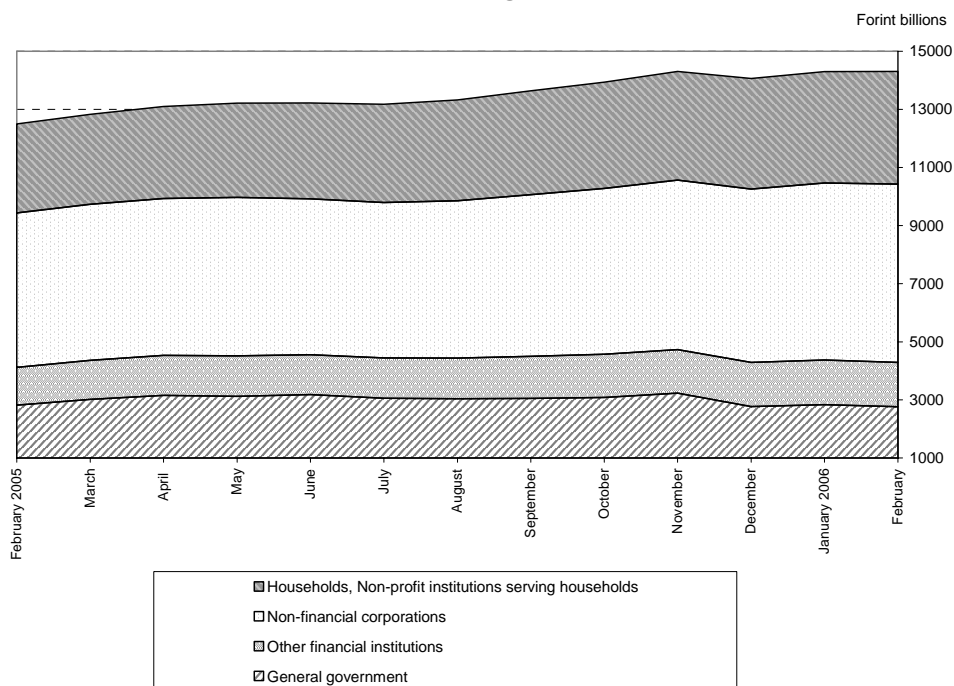
### Chart 4 Seasonally adjusted M2



### Chart 5 Seasonally adjusted M3

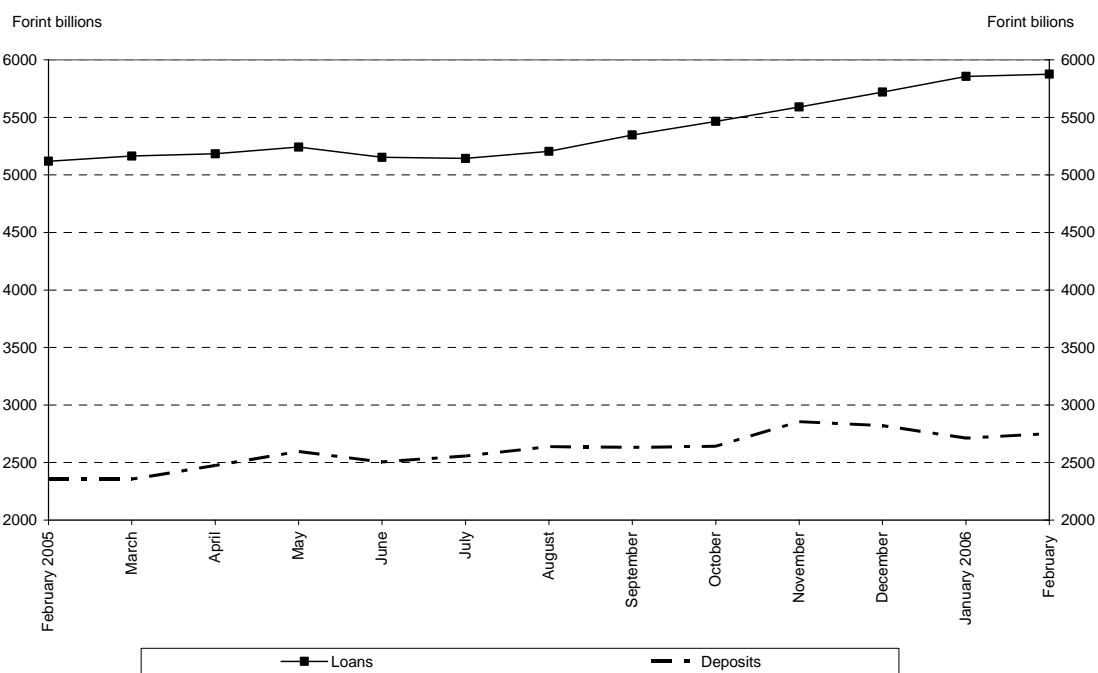


**Chart 6 Outstanding domestic loans**



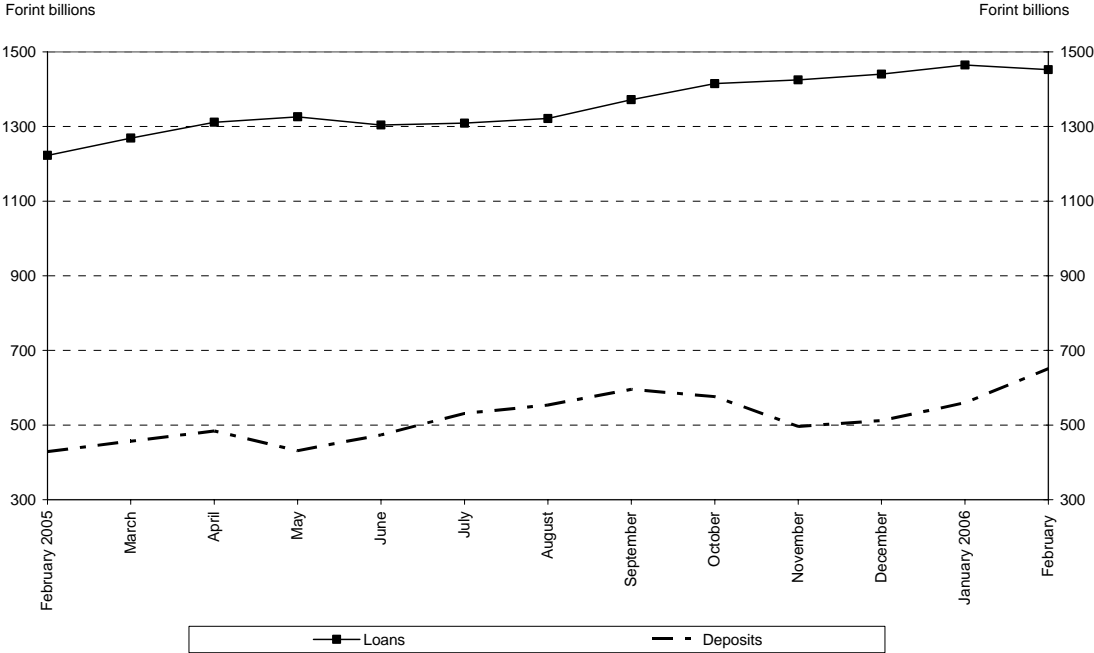
The total stock of loans granted by monetary financial institutions to non-financial corporations rose by HUF 19.9 billion in one month: outstanding short-term loans fell by HUF 26.6 billion and long-term loans rose by HUF 46.5 billion relative to January. Loans with maturity up to 5 years fell by HUF 10.1 billion and those with maturity over 5 years rose by HUF 56.6 billion. NFCs' deposits with MFIs were up by HUF 39.0 billion on the preceding month: overnight deposits fell by HUF 53.0 billion, deposits with agreed maturity up to one year rose by HUF 91.8 billion and deposits with agreed maturity over one year also rose by HUF 0.5 billion. Outstanding repos were down HUF 0.2 billion on January.

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



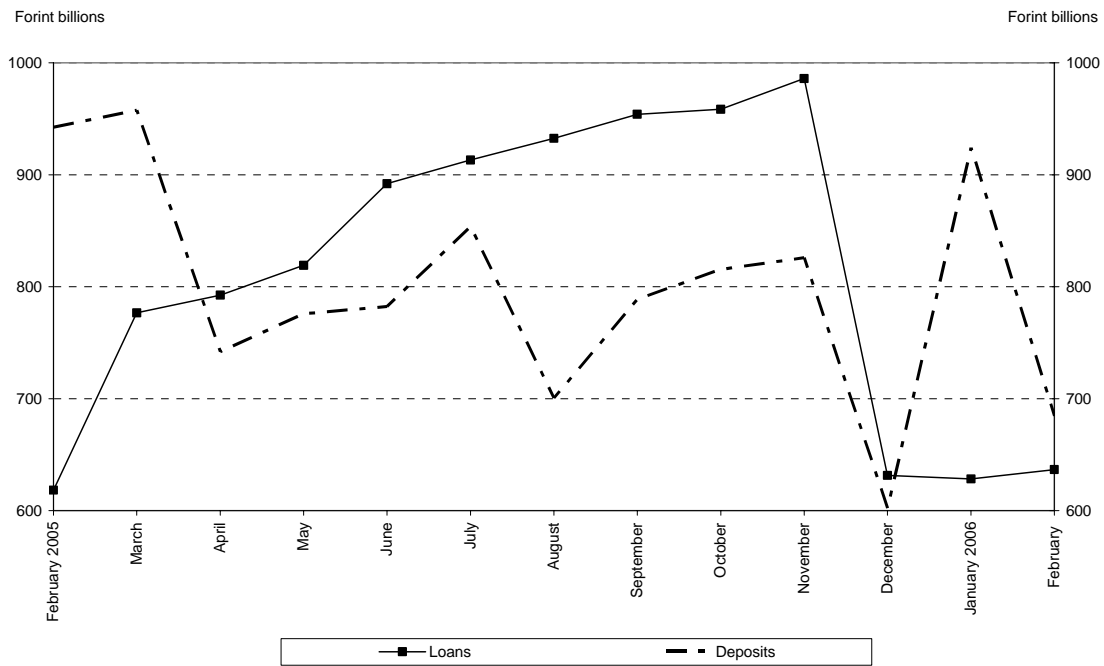
Outstanding loans to other financial corporations fell by HUF 12.6 billion in February: loans with maturity up to one year fell by HUF 15.0 billion and those with maturity over one year rose by HUF 2.4 billion. Loans with maturity up to 5 years fell by HUF 8.2 billion and those with maturity over 5 years rose by HUF 10.7 billion. The sector's deposits with monetary financial institutions were up by HUF 91.0 billion. Overnight deposits rose by HUF 5.2 billion and time deposits by HUF 82.1 billion. Outstanding repos were up HUF 3.7 billion on January.

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



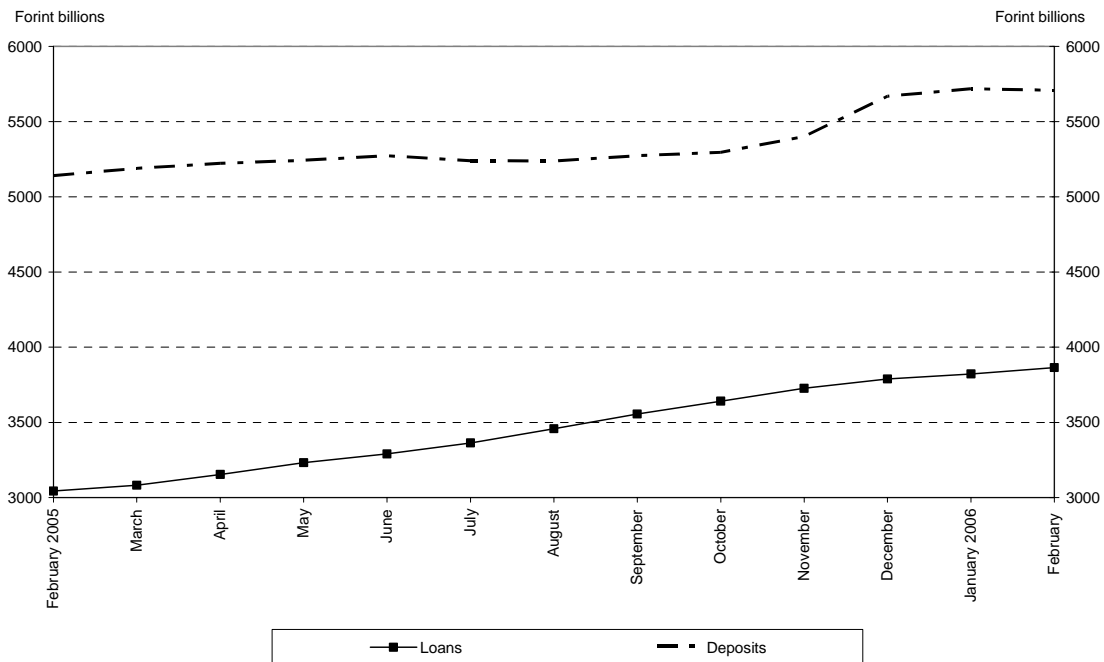
The stock of loans granted by monetary financial institutions to general government rose by HUF 8.4 billion relative to end-January. The sector's deposits with MFIs were down HUF 239.7 billion on the preceding month: deposits of the central government fell by HUF 241.3 billion and those of the local government sub-sector rose by HUF 1.6 billion.

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



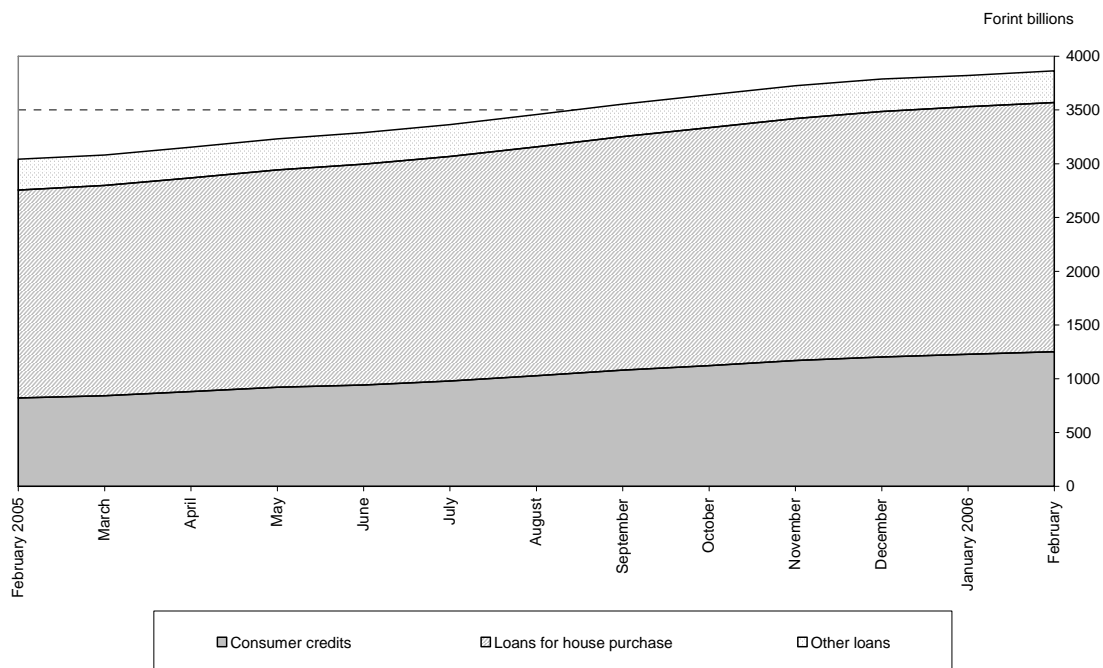
The outstanding total of loans granted by monetary financial institutions to the household sector rose by HUF 42.2 billion in February. Households' deposits with MFIs were HUF 10.2 billion lower than in the preceding month.

**Chart 10 Loans and deposits of households**



Within loans outstanding to households, housing loans fell from 60.3% to 60.0% as a percentage of the total, with the stock of loans rising by HUF 15.3 billion. Consumer credit edged up from 32.1% to 32.4% as a proportion of the total, with the outstanding amount of consumer credit increasing by HUF 24.8 billion. Other loans to the household sector rose by HUF 2.1 billion in the month under review.

**Chart 11 Loans to households**

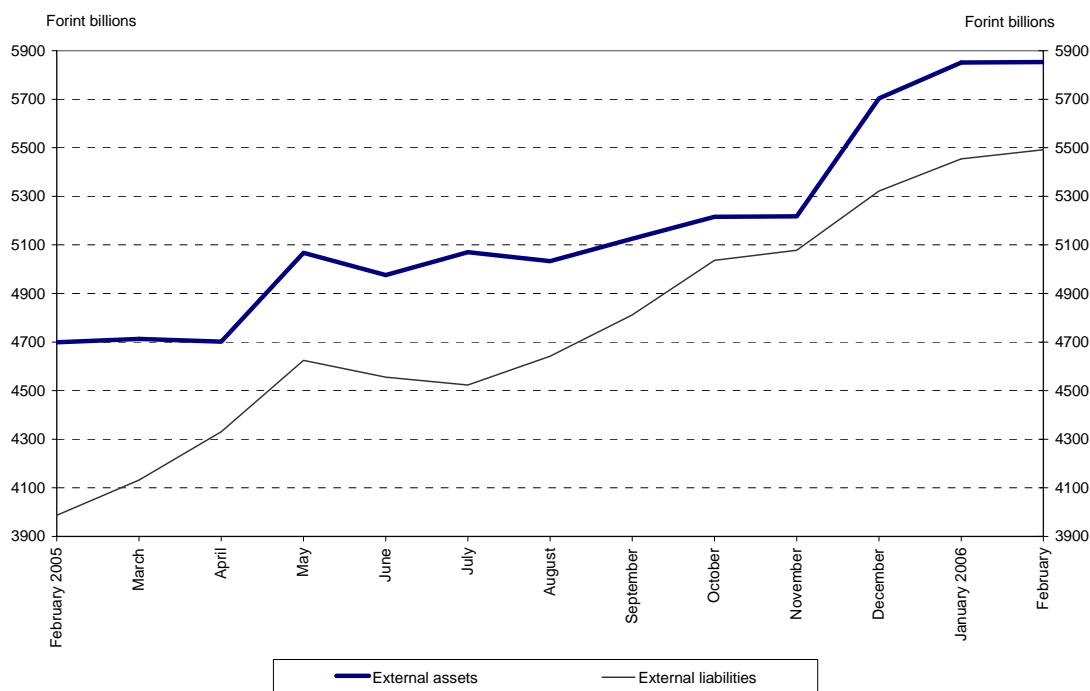


Net assets of monetary financial institutions vis-à-vis non-residents were HUF 36.2 billion lower in February than in January. MFIs' external assets and liabilities respectively rose by HUF 1.8 billion and HUF 38.0 billion.

Assets and liabilities of the central bank vis-à-vis non-residents rose by HUF 36.7 billion and HUF 19.0 billion respectively relative to the preceding month. As a result, the sector's net external assets rose by HUF 17.7 billion.

Net assets of other monetary financial institutions vis-à-vis non-residents fell by HUF 53.8 billion. The sector's external assets were down HUF 34.9 billion on January, its liabilities rising by HUF 1.9 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 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 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](http://english.mnb.hu/Resource.aspx?ResourceID=mnbfilc&resourcename=0708_monstatpubl_en.xls).*

**MAGYAR NEMZETI BANK**  
STATISTICS DEPARTMENT