

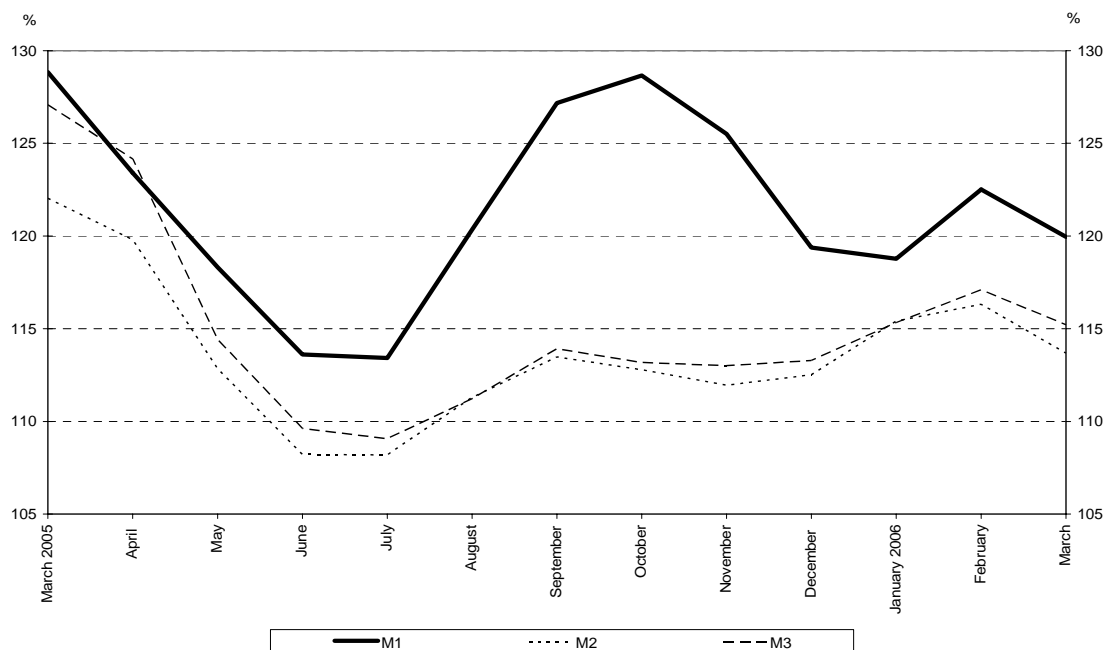
PRESS RELEASE

Consolidated balance sheet of MFIs: March 2006

In March 2006, the monetary base rose by HUF 205.4 billion to HUF 2,448.8 billion. Currency in circulation rose by HUF 45.5 billion to HUF 1,724.6 billion, the monthly average stock of other monetary financial institutions' current account deposits fell by HUF 1.2 billion to HUF 555.7 billion and that of other monetary financial institutions' overnight deposits rose by HUF 161.1 billion to HUF 168.6 billion. The increase in other MFIs overnight deposits was caused by credit institutions' temporary liquidity management. The annualised month-on-month growth index of the monetary base (M0)¹ was 113.7% in the month under review.

The month-on-month growth index of the narrow monetary aggregate M1 fell by 2.5 percentage points, from 122.5% to 120.0%. The month-on-month growth index of M2 was down 2.6 percentage points, from 116.3% to 113.7%. A couple of large transactions in foreign currency conducted by a few non-financial corporations as well as the revaluation of foreign currency deposits played a dominant role in the significant increase in the monetary aggregate M2. The month-on-month growth index of M3 changed by 1.9 percentage points, from 117.1% to 115.2%.

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

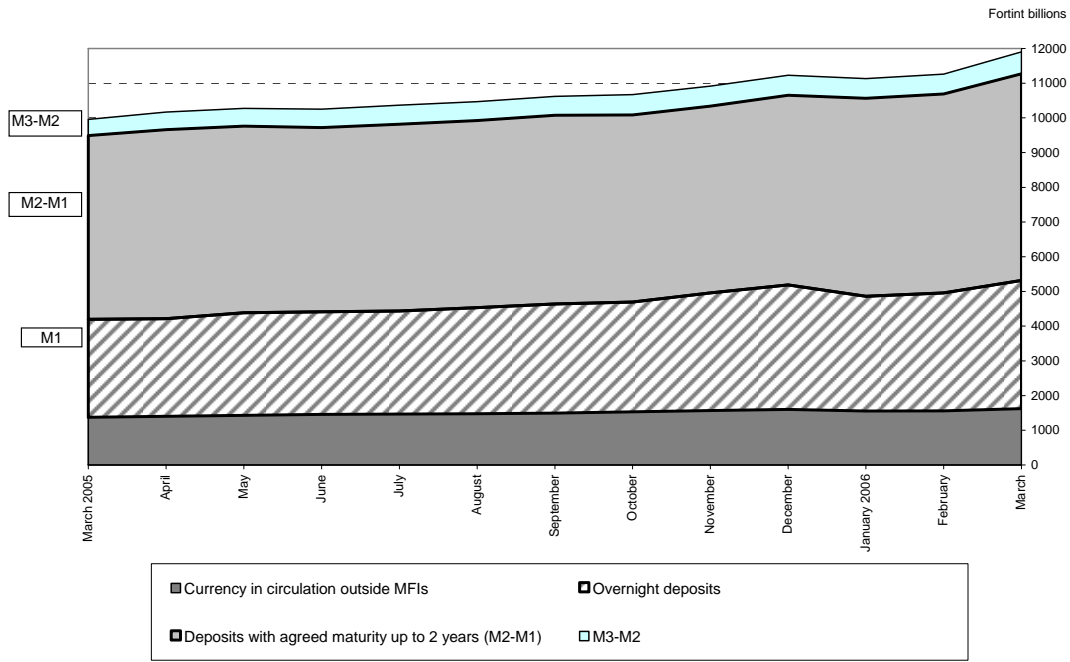


Chart 3 Seasonally adjusted M1

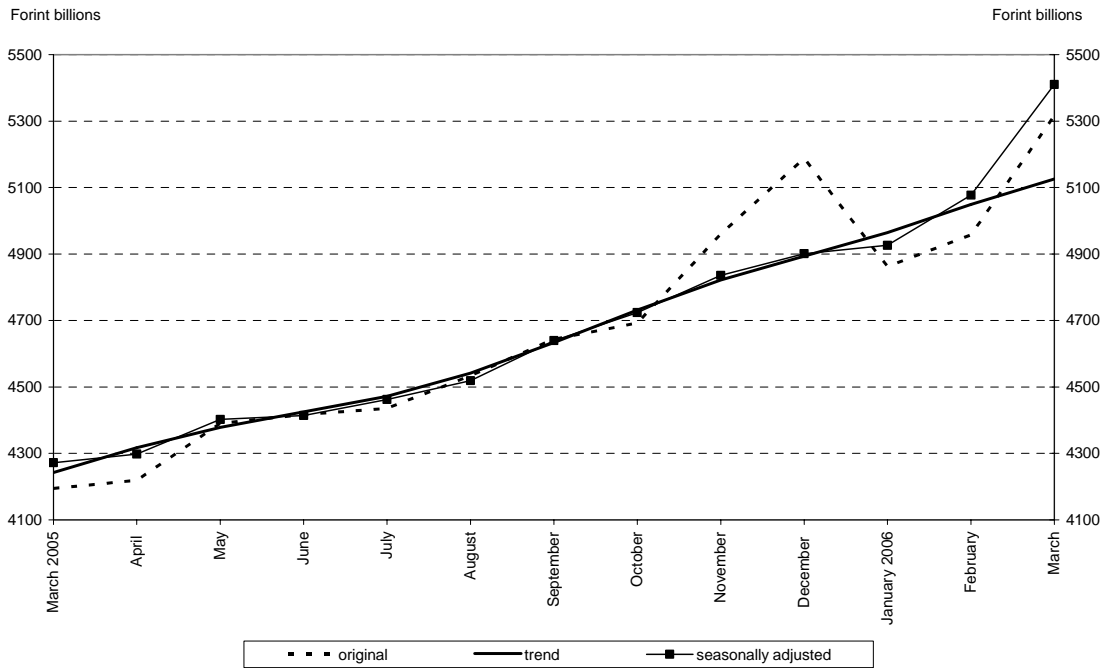


Chart 4 Seasonally adjusted M2

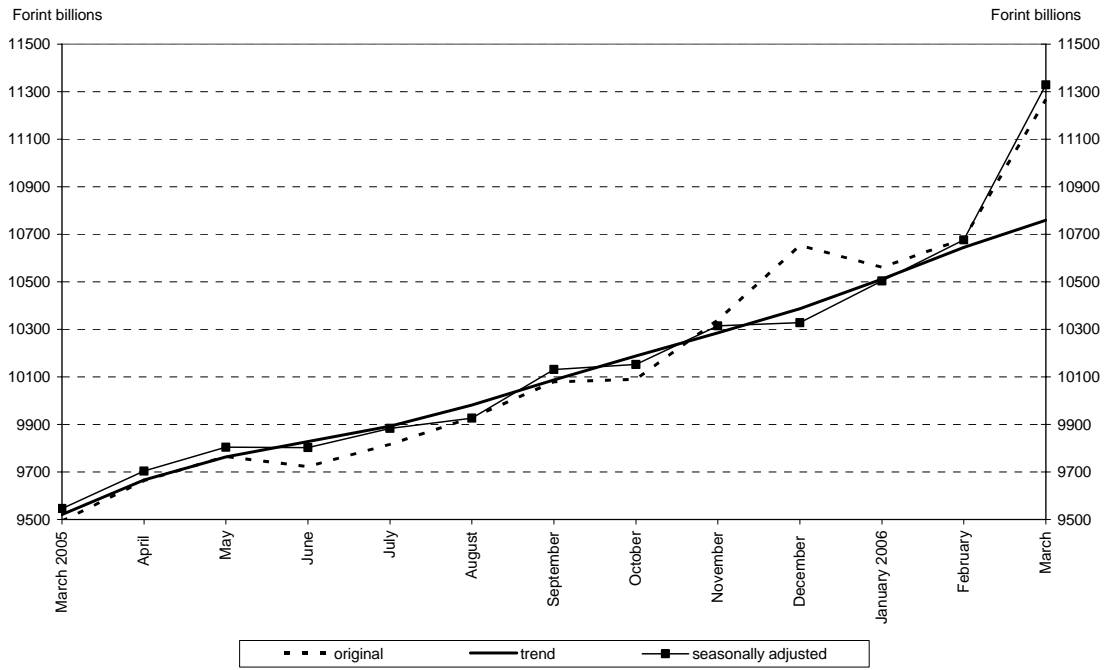


Chart 5 Seasonally adjusted M3

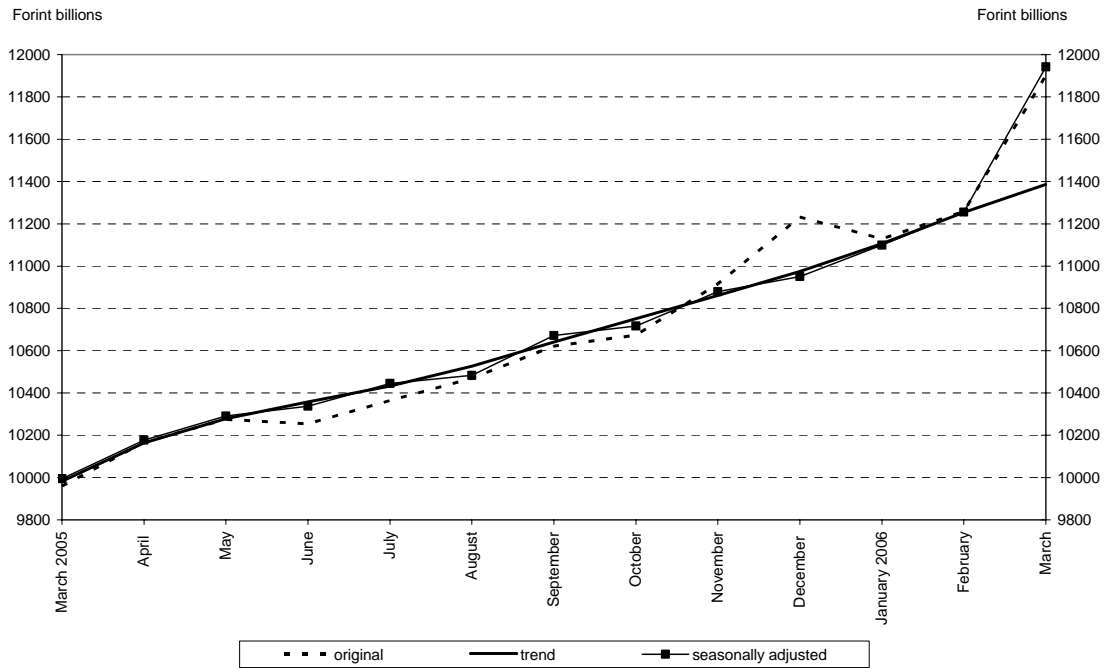
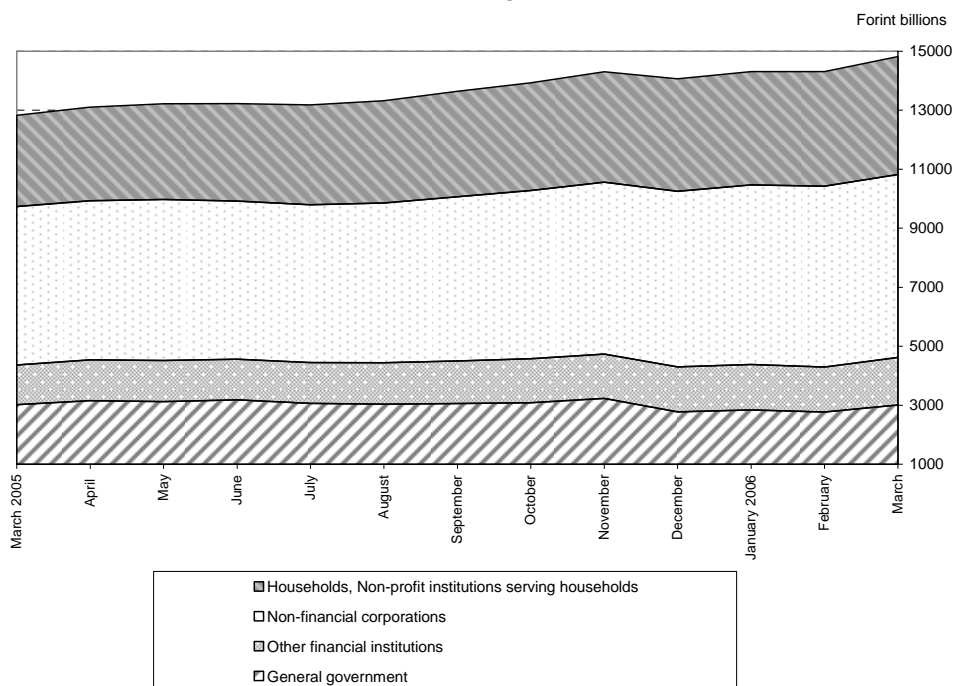
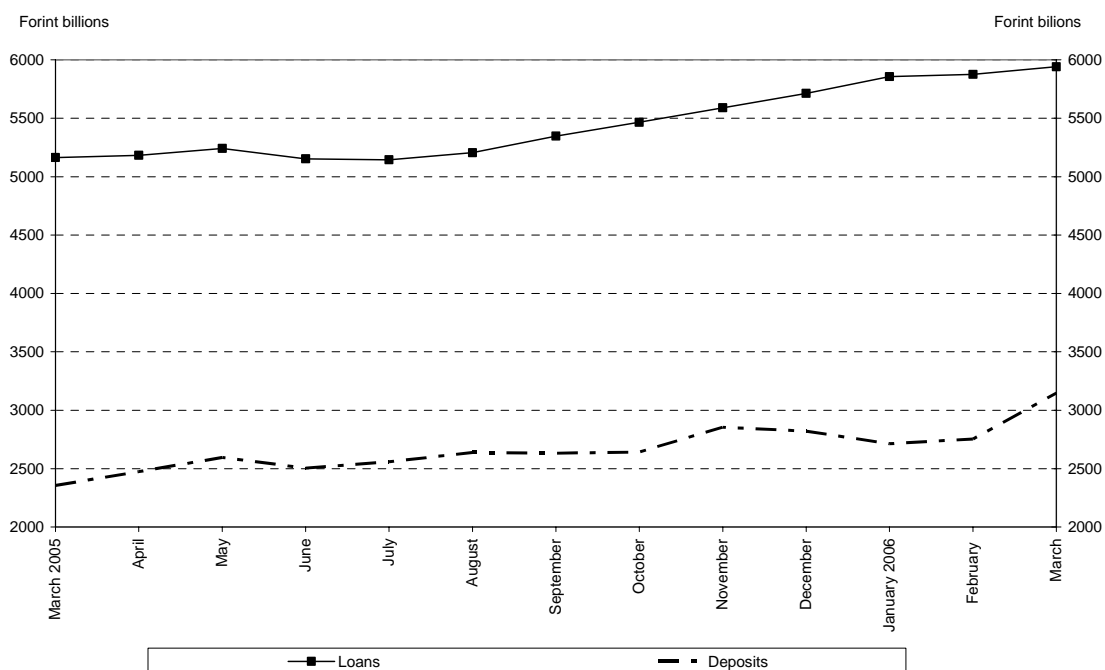


Chart 6 Outstanding domestic loans



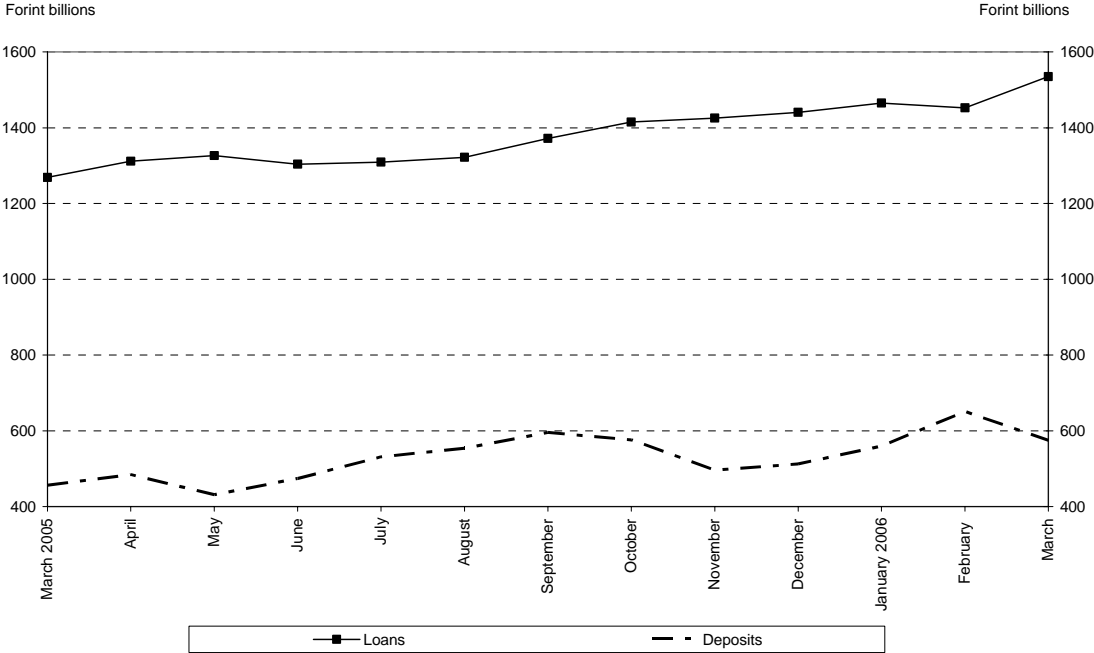
The total stock of loans granted by monetary financial institutions to non-financial corporations rose by HUF 65.0 billion in one month: outstanding short and long-term loans respectively were HUF 25.7 billion and HUF 39.3 billion higher than in February. Loans with maturity up to 5 years rose by HUF 56.5 billion and those with maturity over 5 years fell by HUF 17.1 billion. NFCs' deposits with MFIs were up by HUF 394.0 billion on the preceding month: overnight deposits rose by HUF 143.0 billion, deposits with agreed maturity up to one year by HUF 245.2 billion and deposits with agreed maturity over one year by HUF 8.9 billion. Outstanding repo positions were down HUF 3.1 billion on February.

Chart 7 Non-financial corporations' loans and deposits



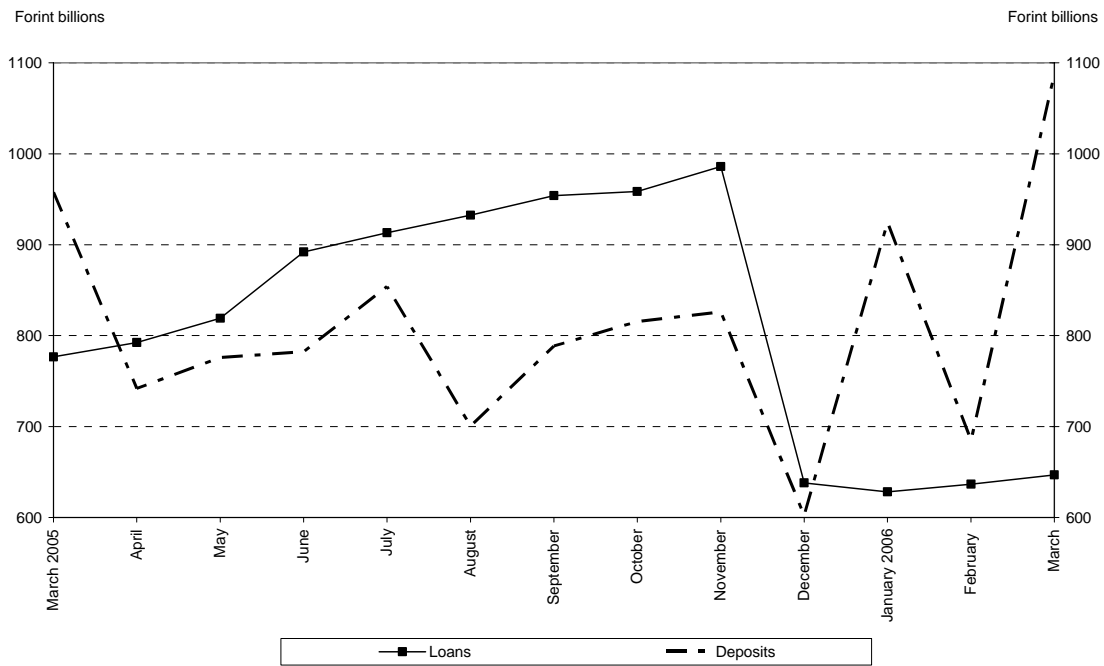
Outstanding loans to other financial corporations rose by HUF 82.4 billion in March: loans with maturity up to one year increased by HUF 46.3 billion and those with maturity over one year by HUF 36.1 billion. Loans with maturity up to 5 years were up HUF 16.0 billion and those with maturity over 5 years rose by HUF 20.1 billion. The sector’s deposits with monetary financial institutions fell by HUF 76.5 billion. Overnight deposits rose by HUF 10.4 billion and time deposits fell by HUF 87.2 billion. Outstanding repos were up HUF 0.4 billion on February.

Chart 8 Loans and deposits of other financial corporations



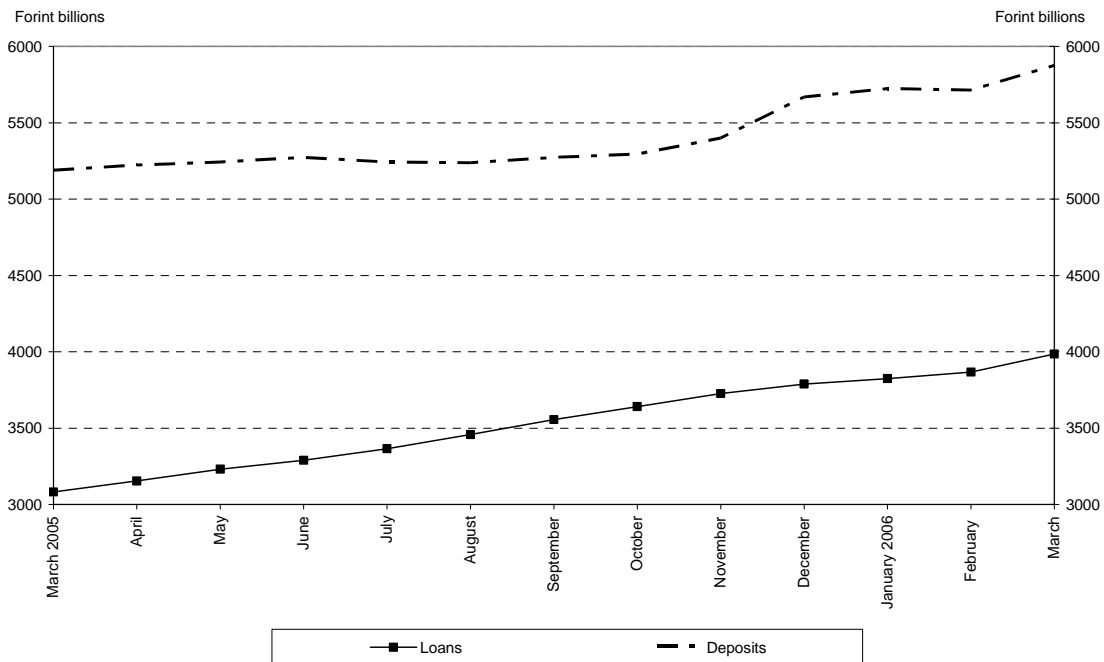
The stock of loans granted by monetary financial institutions to general government rose by HUF 10.4 billion relative to end-February. The sector’s deposits with MFIs were up HUF 402.7 billion on the preceding month: deposits of the central government rose by HUF 351.0 billion and those of the local government sub-sector by HUF 51.7 billion.

Chart 9 Loans and deposits of general government



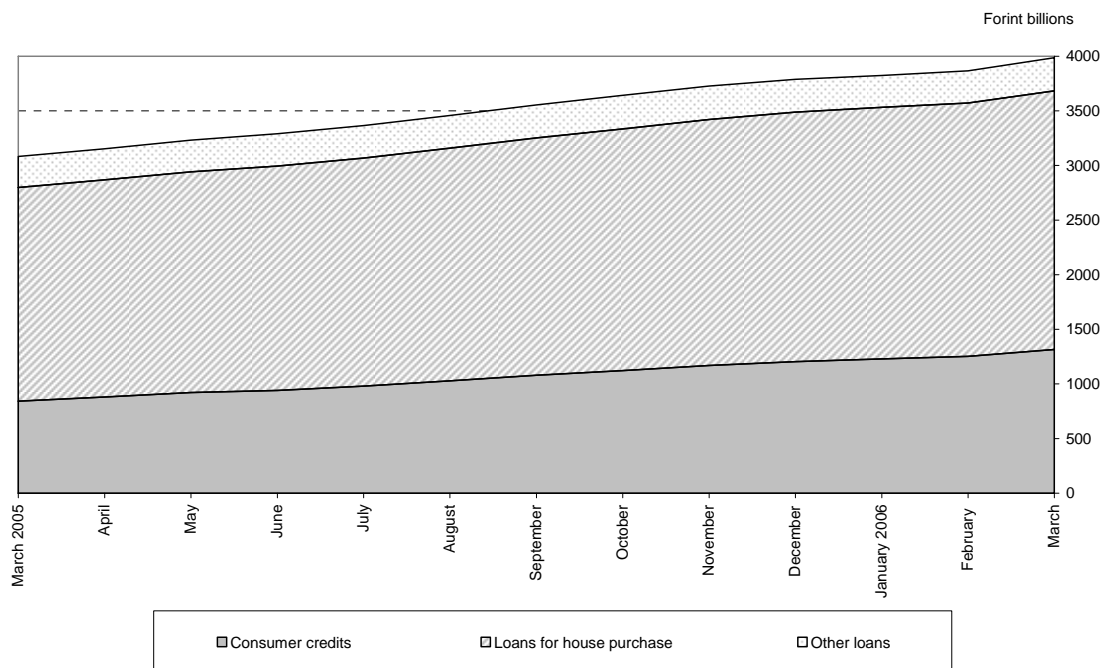
The outstanding total of loans granted by monetary financial institutions to the household sector rose by HUF 119.1 billion in March. Households' deposits with MFIs were HUF 161.9 billion higher than in the preceding month.

Chart 10 Loans and deposits of households



Within loans outstanding to households, housing loans fell from 60.0% to 59.4% as a percentage of the total, with the stock of loans rising by HUF 47.0 billion. Consumer credit edged up from 32.4% to 33.0% as a proportion of the total, with the outstanding amount of consumer credit increasing by HUF 63.7 billion. Other loans to the household sector rose by HUF 8.3 billion in the month under review.

Chart 11 Loans to households

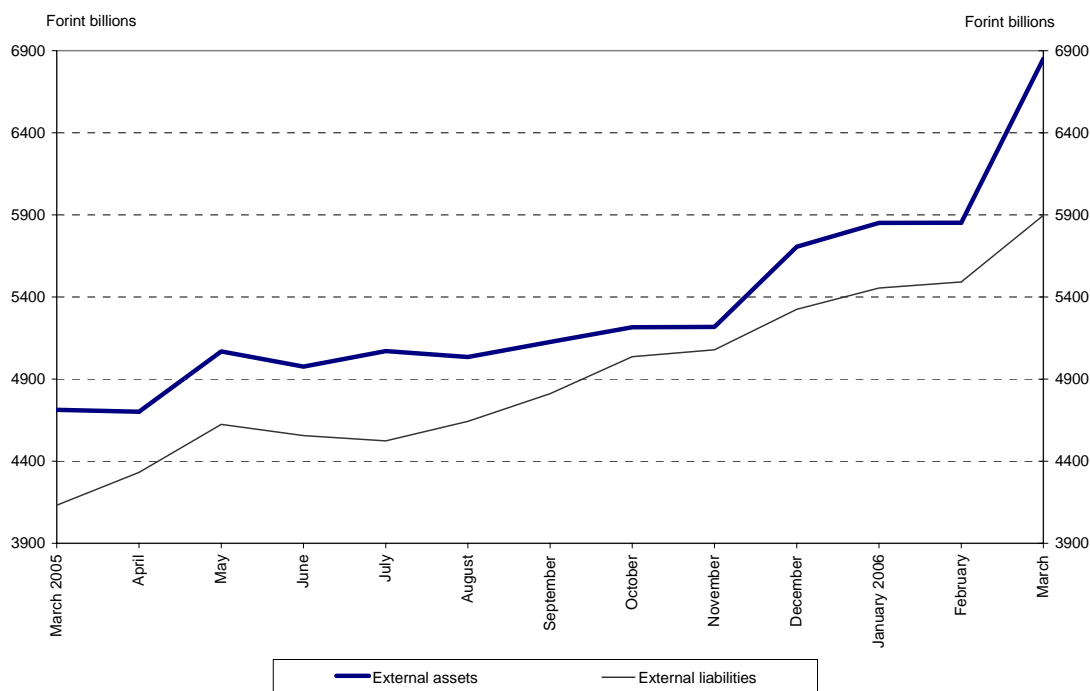


Net assets of monetary financial institutions vis-à-vis non-residents were HUF 592.8 billion higher in March than in February. MFIs' external assets and liabilities respectively rose by HUF 997.3 billion and HUF 404.5 billion.

Assets and liabilities of the central bank vis-à-vis non-residents rose by HUF 519.9 billion and HUF 36.0 billion respectively relative to the preceding month. As a result, the sector's net external assets rose by HUF 483.9 billion.

Net assets of other monetary financial institutions vis-à-vis non-residents were up HUF 108.9 billion. The sector's external assets and liabilities rose by HUF 477.4 billion and HUF 368.5 billion respectively.

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