

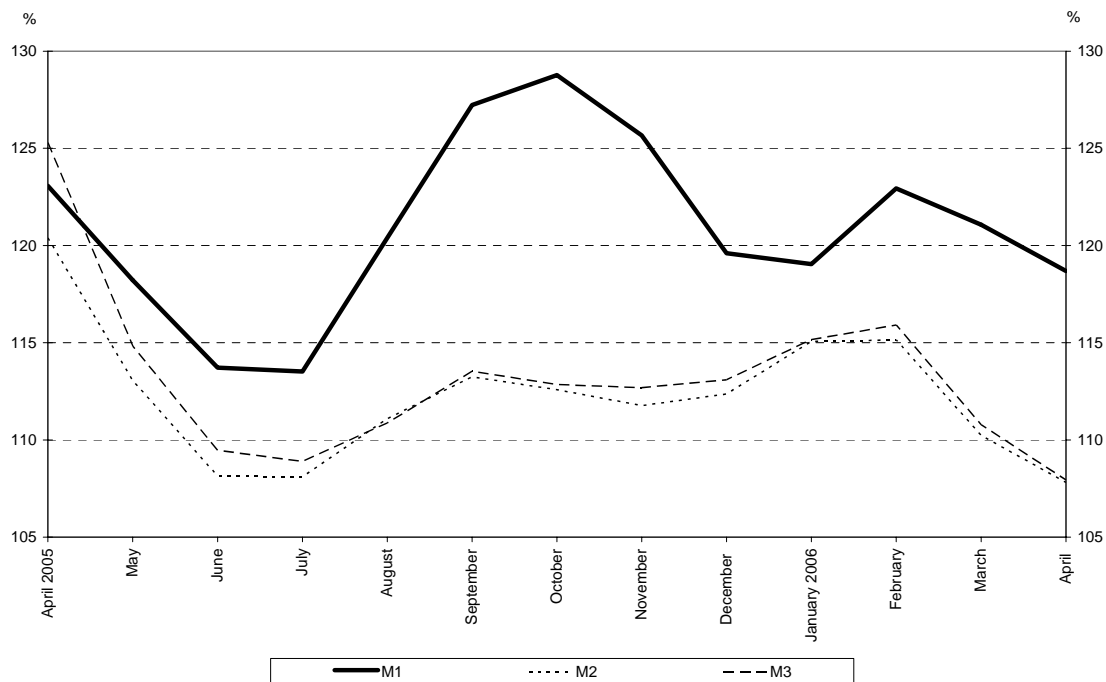
PRESS RELEASE

Consolidated balance sheet of MFIs: April 2006

In April 2006, the monetary base fell by HUF 56.0 billion to HUF 2,392.8 billion. Currency in circulation rose by HUF 56.0 billion to HUF 1,780.6 billion and the monthly average stock of other monetary financial institutions' current account deposits by HUF 3.1 billion to HUF 558.7 billion. The monthly average stock of other monetary financial institutions' overnight deposits fell by HUF 115.1 billion to HUF 53.4 billion. The annualised month-on-month growth index of the monetary base (M0)¹ was 99.5% in the month under review.

The annualised month-on-month growth index of the narrow monetary aggregate M1 fell by 2.4 percentage points, from 121.1% to 118.7%. The annualised month-on-month growth index of M2 was down 2.4 percentage points, from 110.2% to 107.8%. As the substantial amounts of short-term foreign currency deposits placed in March were not rolled over in April, M2 returned to close to trend. The annualised month-on-month growth index of M3 changed by 2.8 percentage points, from 110.8% to 107.9%.

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

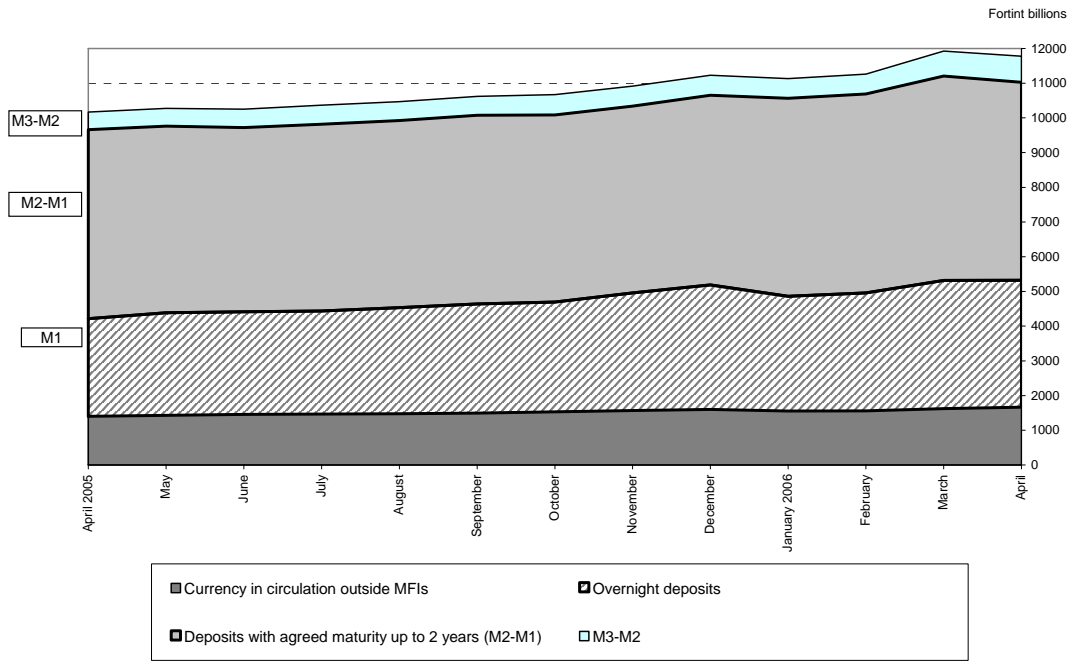


Chart 3 Seasonally adjusted M1

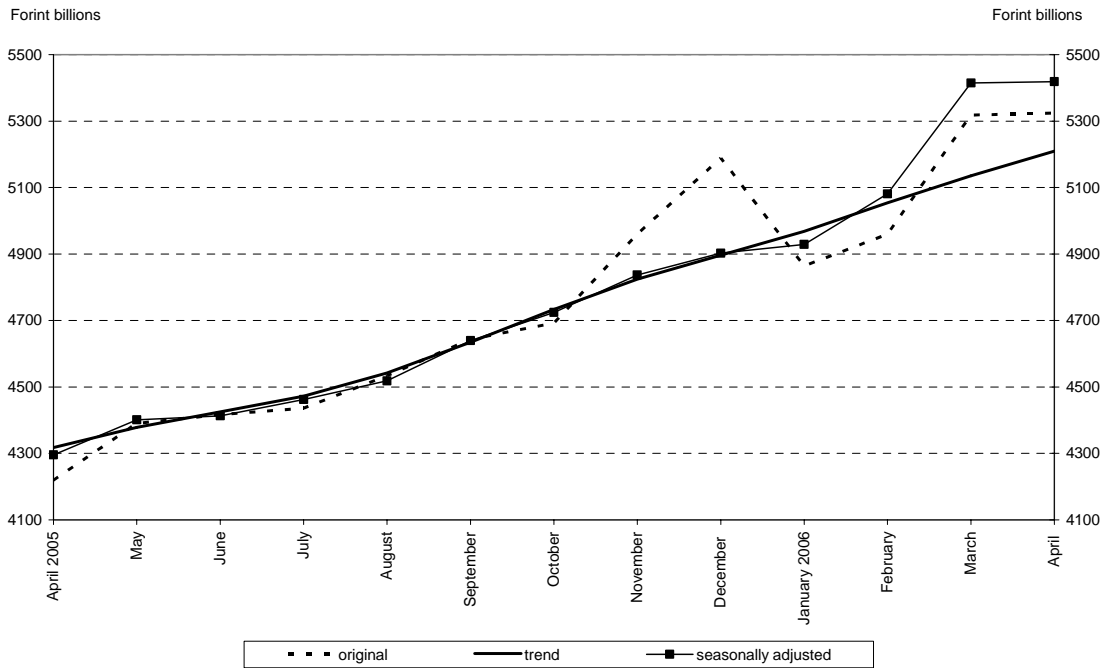


Chart 4 Seasonally adjusted M2

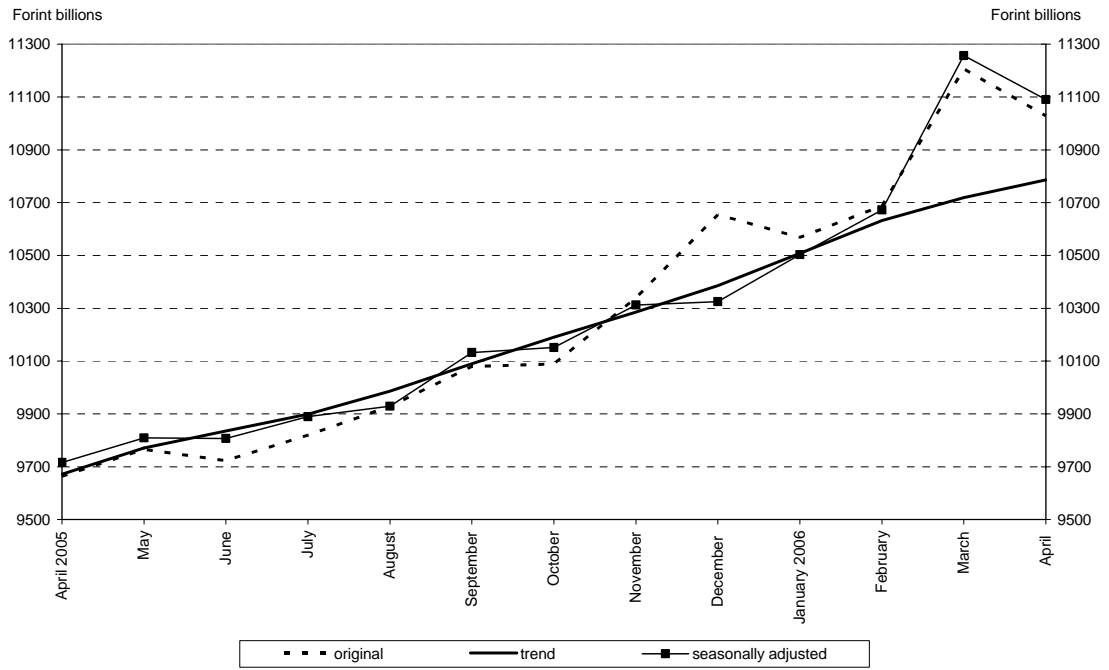


Chart 5 Seasonally adjusted M3

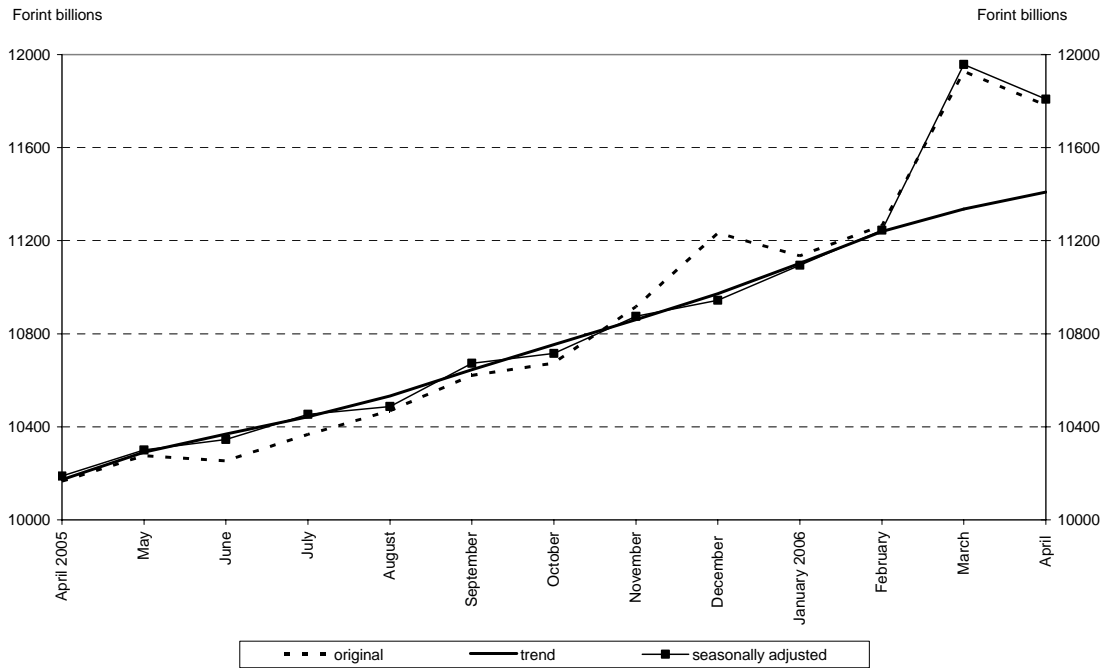
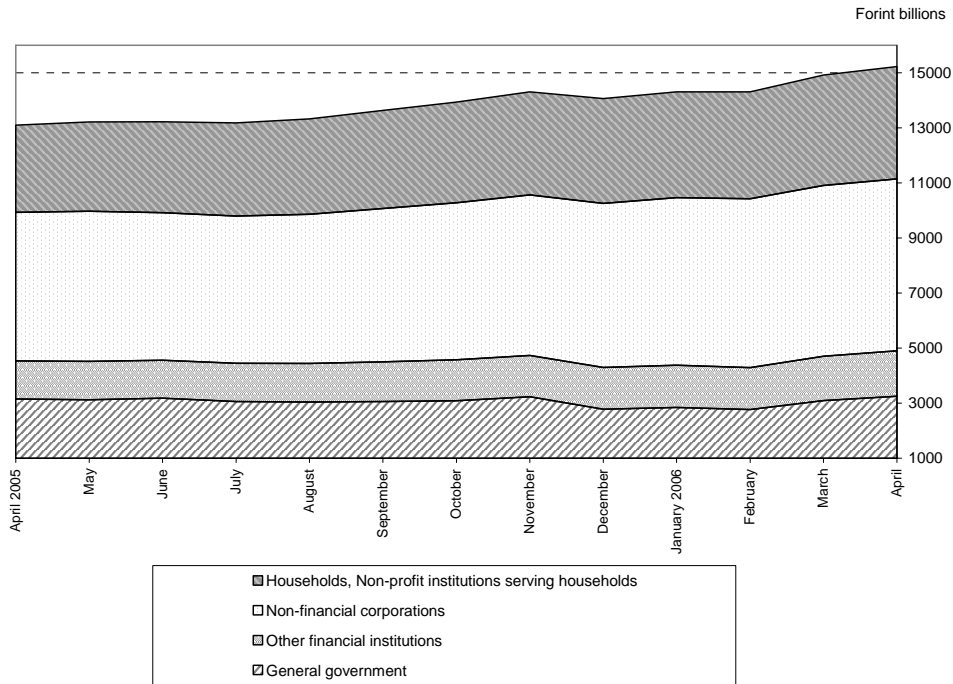
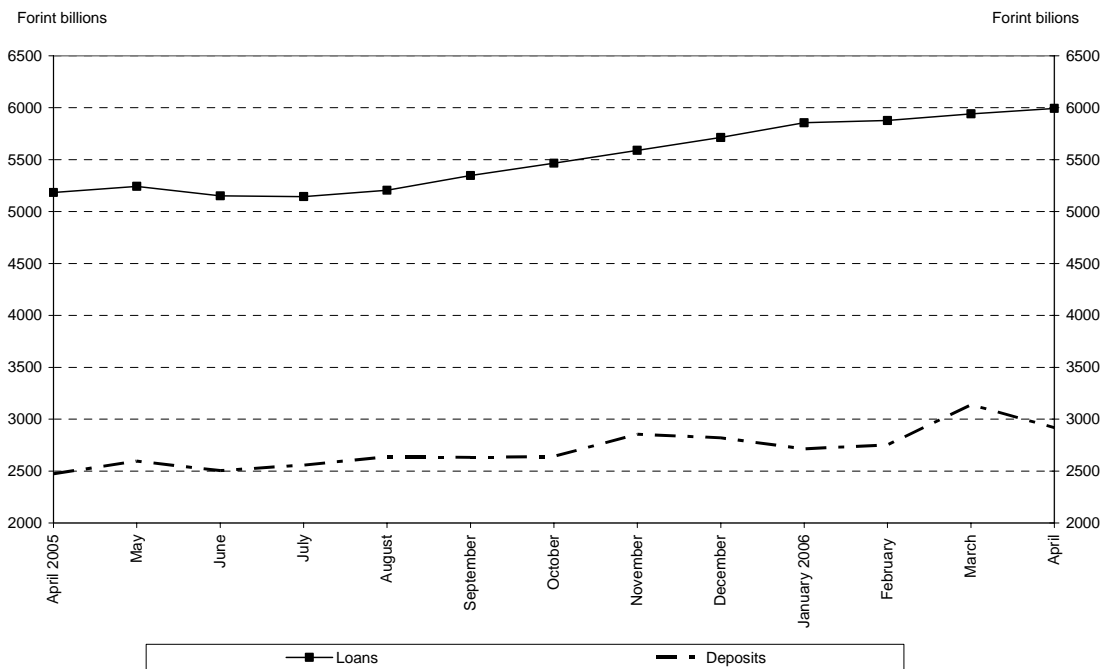


Chart 6 Outstanding domestic loans



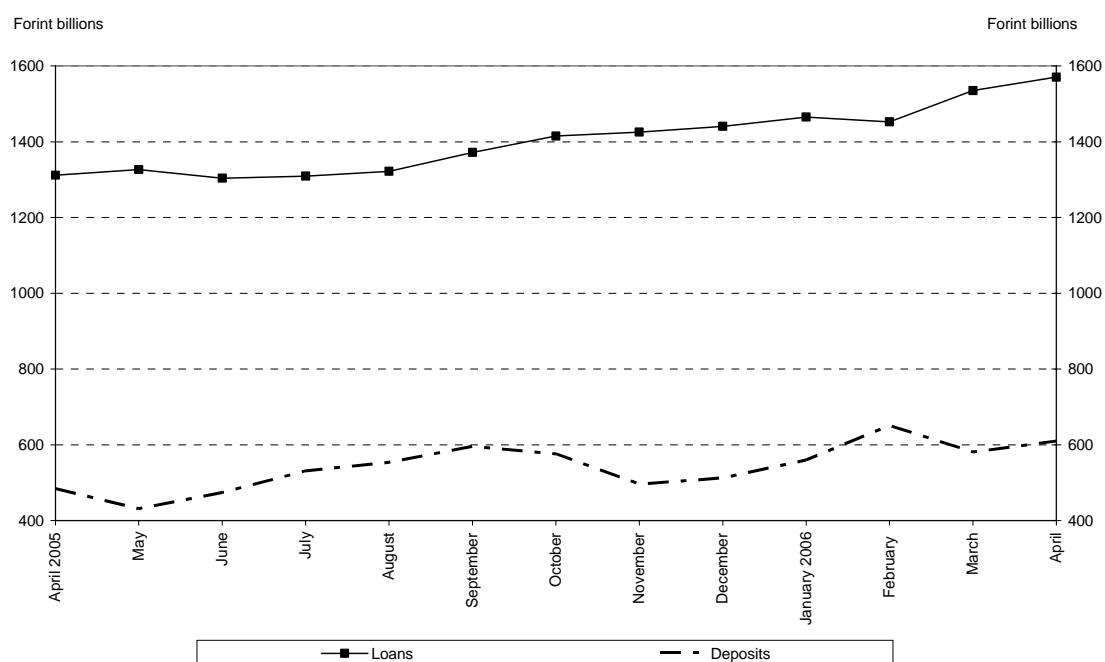
The total stock of loans granted by monetary financial institutions to non-financial corporations rose by HUF 53.1 billion in one month. Outstanding short and long-term loans respectively were HUF 31.9 billion and HUF 21.2 billion higher than in March. Loans with maturity up to 5 years rose by HUF 0.7 billion and those with maturity over 5 years by HUF 20.6 billion. NFCs' deposits with MFIs were down by HUF 221.1 billion on the preceding month. Overnight deposits fell by HUF 38.0 billion, deposits with agreed maturity up to one year by HUF 185.1 billion and deposits with agreed maturity over one year by HUF 0.1 billion. Outstanding repo positions were up HUF 2.2 billion on March.

Chart 7 Non-financial corporations' loans and deposits



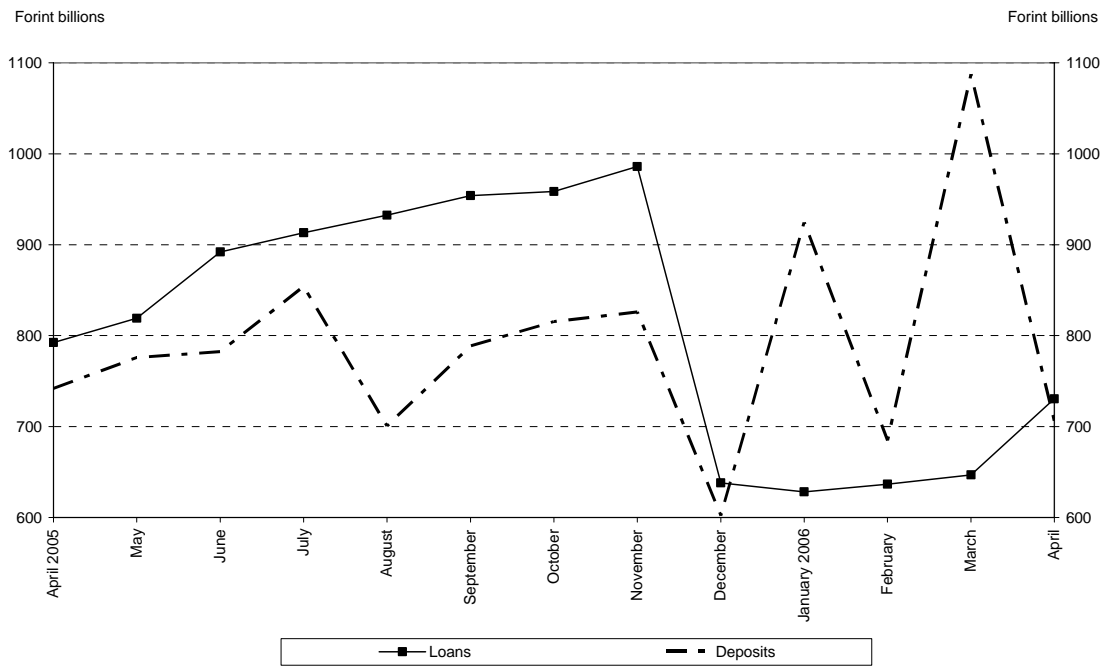
Outstanding loans to other financial corporations rose by HUF 35.3 billion in April. Loans with maturity up to one year increased by HUF 5.9 billion and those with maturity over one year by HUF 29.4 billion. Loans with maturity up to 5 years were up by HUF 5.4 billion and those with maturity over 5 years by HUF 24.0 billion. The sector's deposits with monetary financial institutions rose by HUF 29.0 billion. Overnight deposits increased by HUF 30.3 billion and time deposits fell by HUF 5.1 billion. Outstanding repos were up HUF 3.8 billion on March.

Chart 8 Loans and deposits of other financial corporations



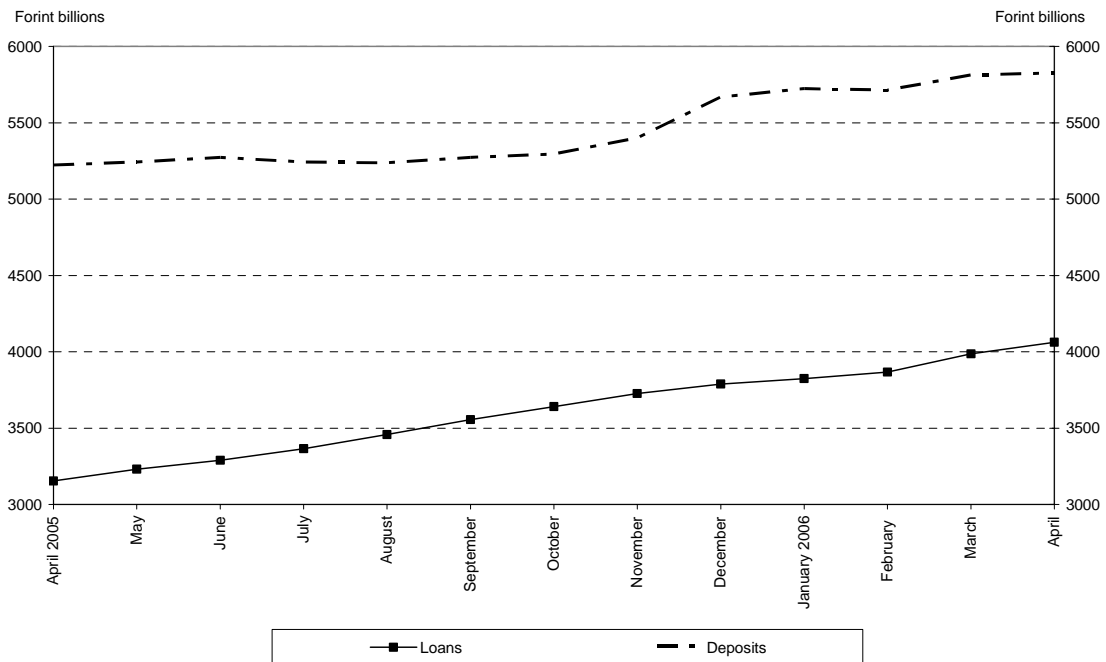
The stock of loans granted by monetary financial institutions to general government rose by HUF 83.6 billion relative to end-March. The sector's deposits with MFIs were down HUF 381.8 billion on the preceding month. Deposits of the central government fell by HUF 356.3 billion and those of the local government sub-sector by HUF 25.5 billion.

Chart 9 Loans and deposits of general government



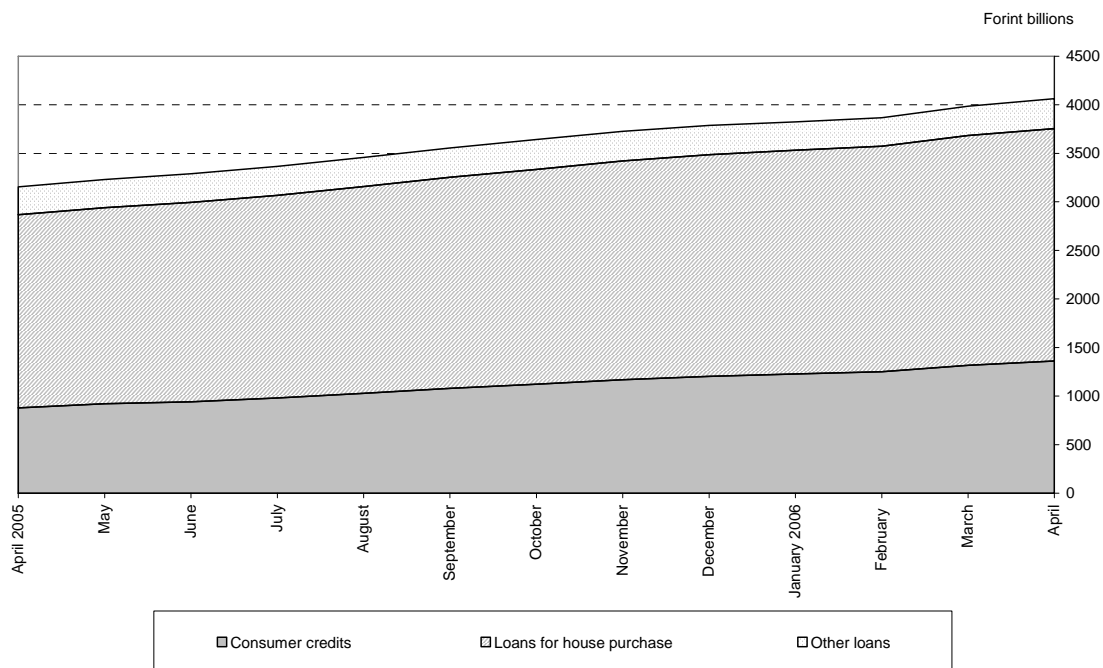
The outstanding total of loans granted by monetary financial institutions to the household sector rose by HUF 76.2 billion in April. Households' deposits with MFIs were HUF 13.6 billion higher than in the preceding month.

Chart 10 Loans and deposits of households



Within loans outstanding to households, housing loans dropped from 59.4% to 58.9% as a percentage of the total, with the stock of loans rising by HUF 28.1 billion. Consumer credit edged up from 33.0% to 33.5% as a proportion of the total, with the outstanding amount of consumer credit increasing by HUF 44.3 billion. Other loans to the household sector rose by HUF 3.8 billion in the month under review.

Chart 11 Loans to households

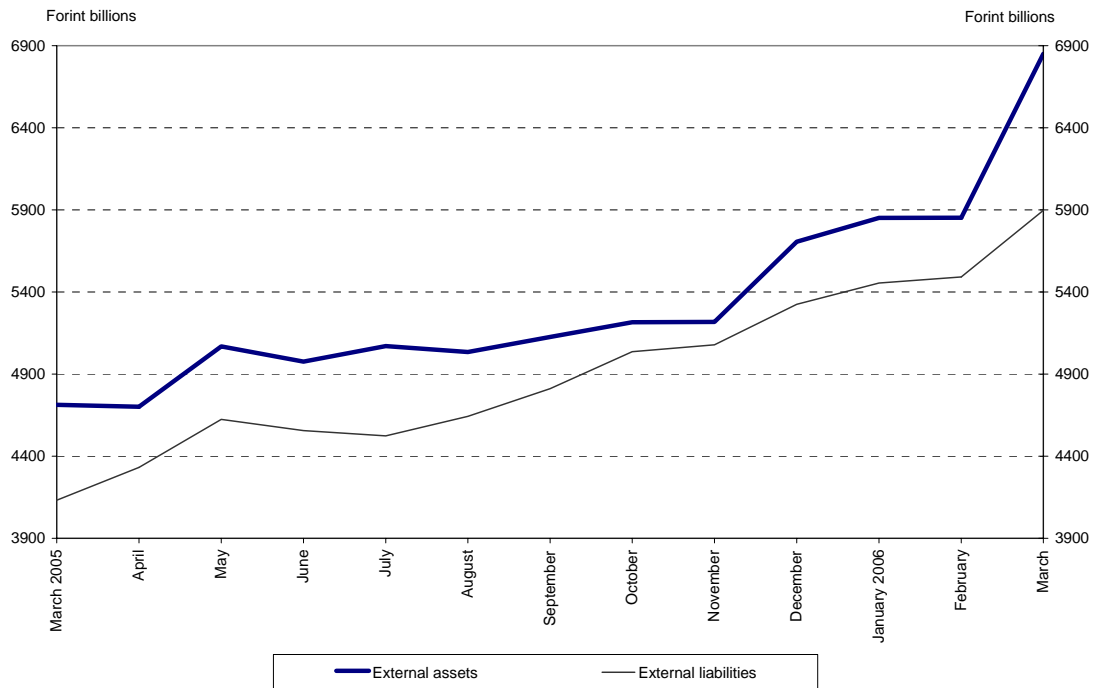


Net assets of monetary financial institutions vis-à-vis non-residents were HUF 759.6 billion lower in April than in March. MFIs' external assets fell by HUF 682.9 billion, while their liabilities rose by HUF 76.7 billion.

Assets and liabilities of the central bank vis-à-vis non-residents fell by HUF 322.7 billion and HUF 20.3 billion respectively relative to the preceding month. As a result, the sector's net external assets were HUF 302.5 billion lower.

Net assets of other monetary financial institutions vis-à-vis non-residents were down HUF 457.1 billion in April. The sector's external assets fell by HUF 360.2 billion and its liabilities rose by HUF 97.0 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.

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