

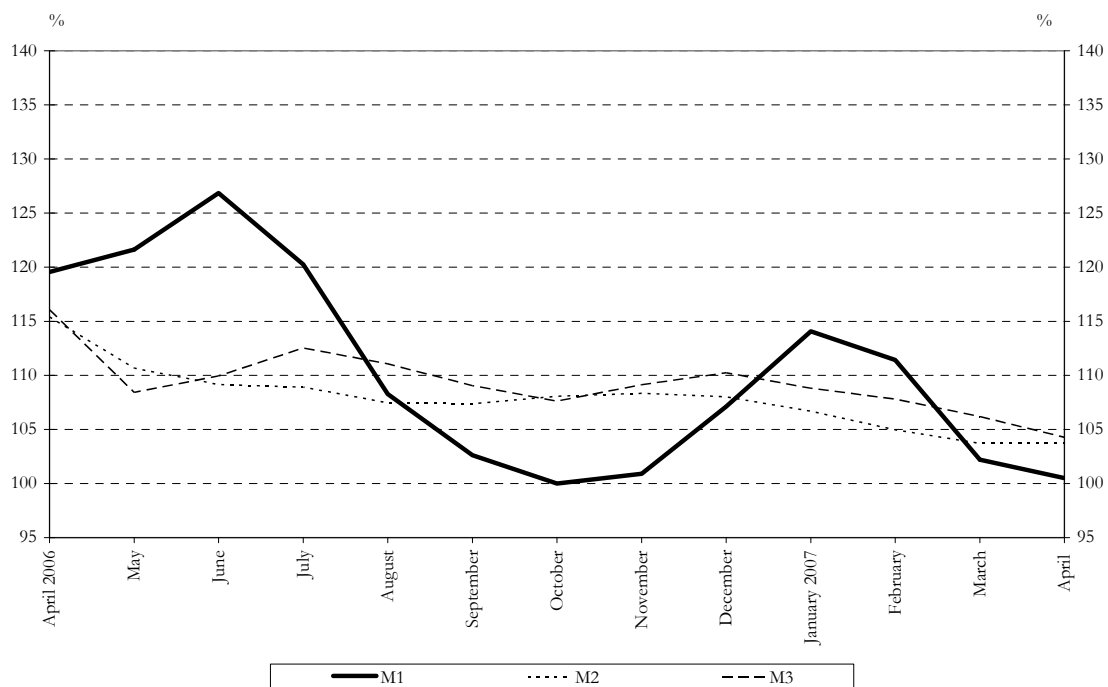
PRESS RELEASE

Consolidated balance sheet of MFIs: April 2007

In April 2007, the monetary base fell by HUF 10.4 billion to HUF 2,579.8 billion. The annualised month-on-month growth index¹ of the monetary base (M0) was 104.4%.

The annualised month-on-month growth index of the narrow monetary aggregate M1 has fallen in the past three months, following rises between November 2006 and January 2007. In April, it was 100.5%, 1.7 percentage points lower than in March. The annualised month-on-month growth index of M2 had been falling since December; however, in April it remained unchanged at the preceding month's 103.7%. The annualised month-on-month growth index of M3 changed only slightly, by 1.9 percentage points to 104.3%, continuing the decline which started in January.

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

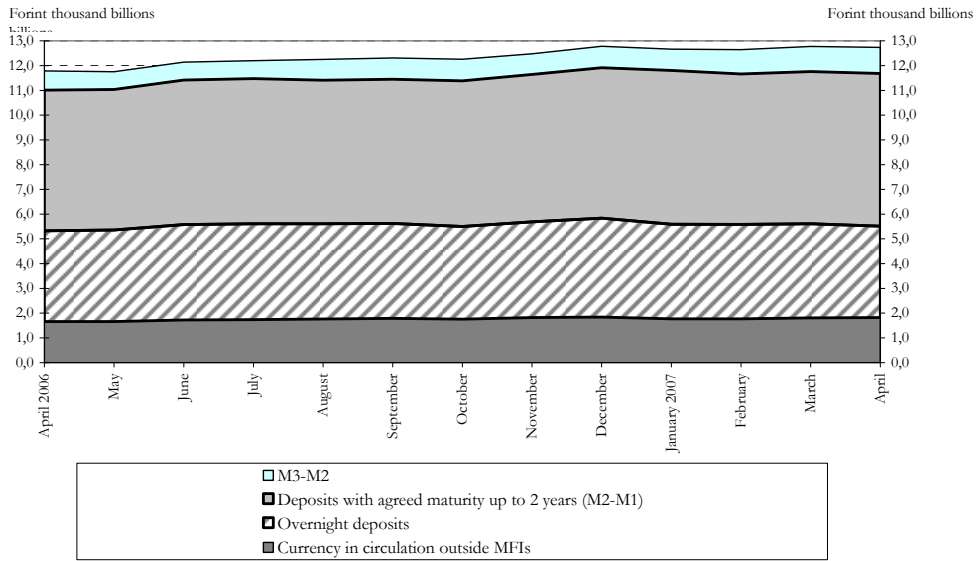


Chart 3 Seasonally adjusted M1

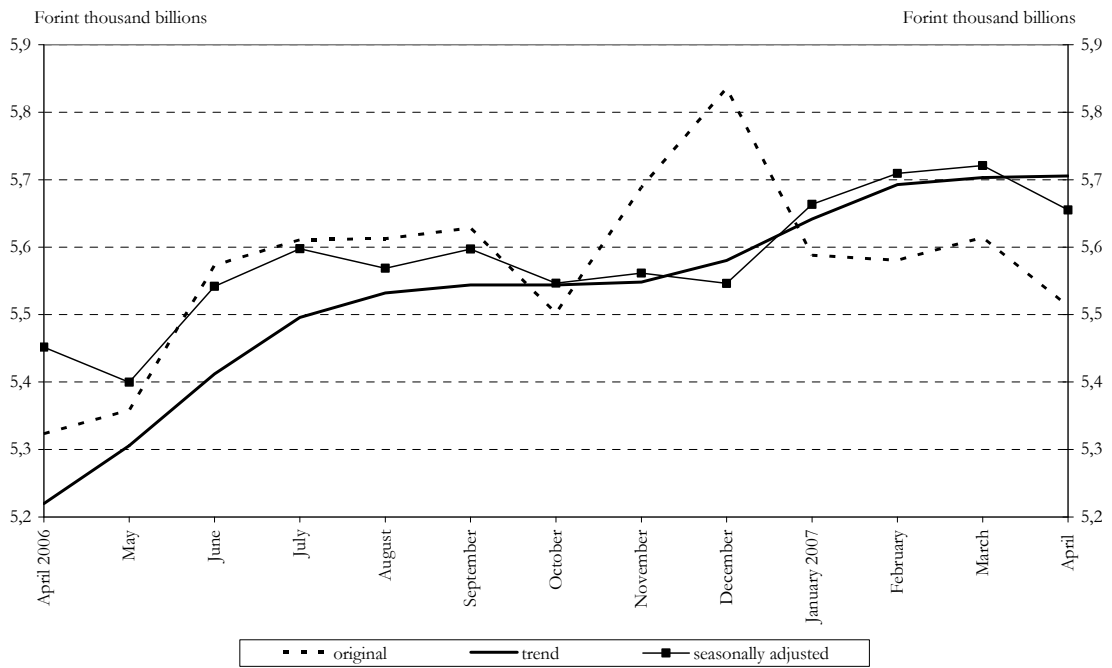


Chart 4 Seasonally adjusted M2

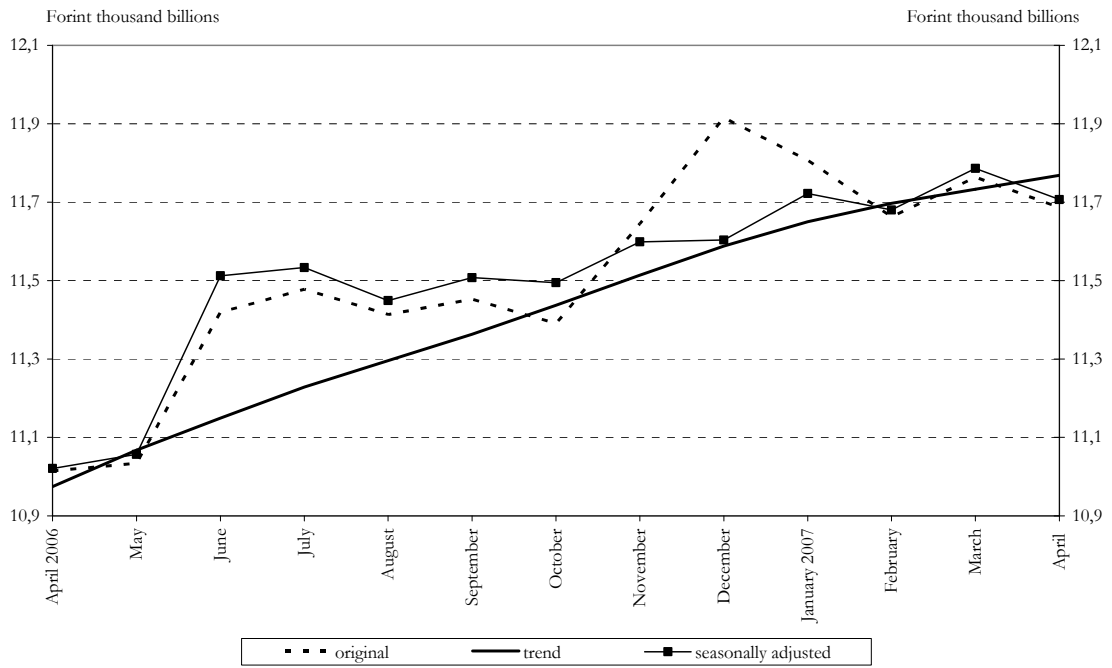
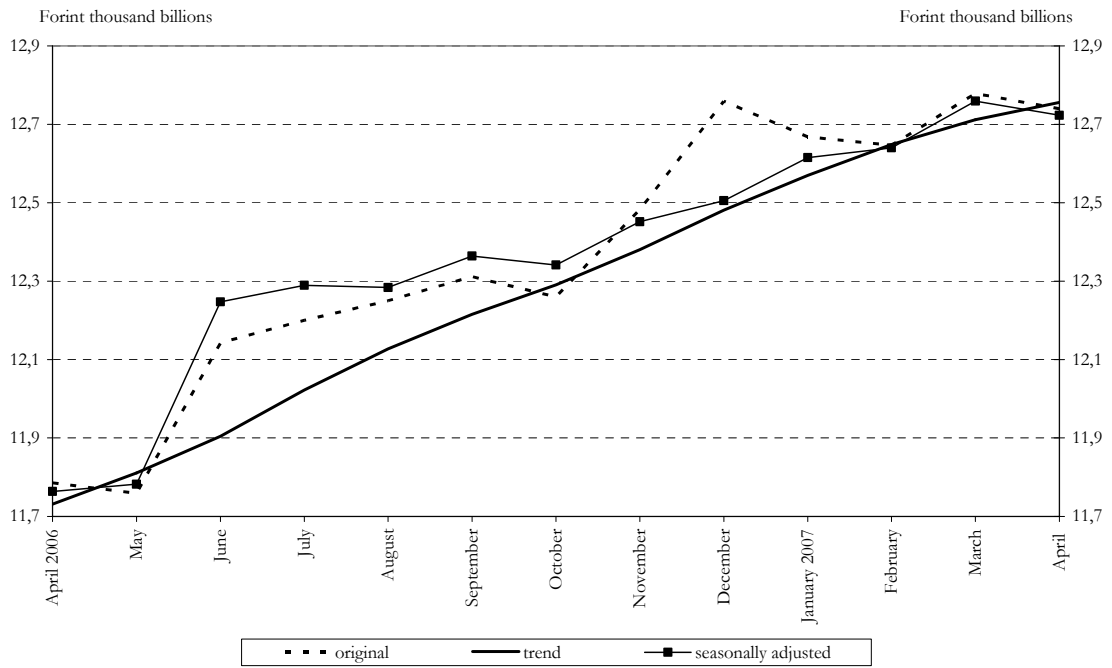
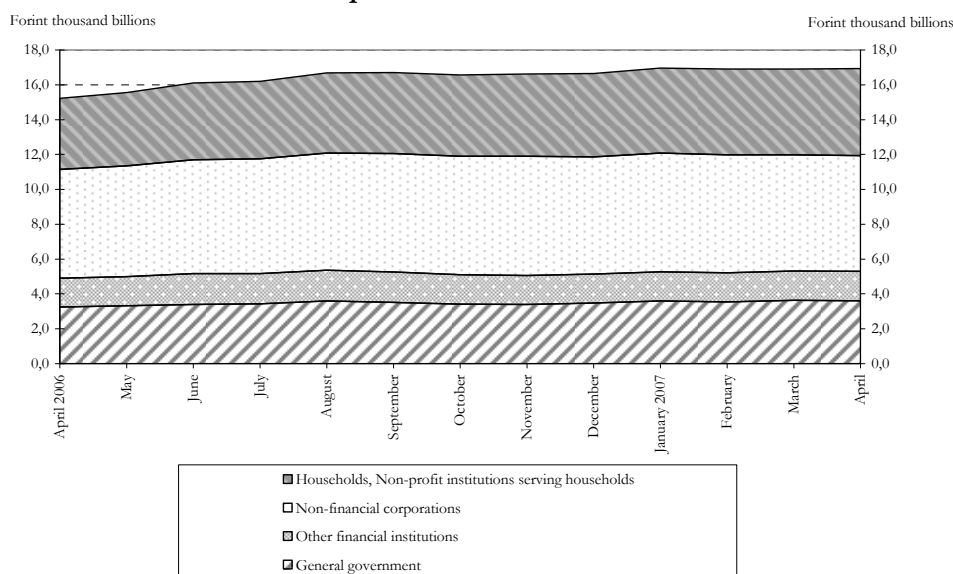


Chart 5 Seasonally adjusted M3



Following the slight fall in the preceding month, the total stock of domestic loans rose by HUF 23.2 billion to HUF 1,692.3 billion in April, maintaining its high level reached in January.

Chart 6 Composition of the stock of domestic loans

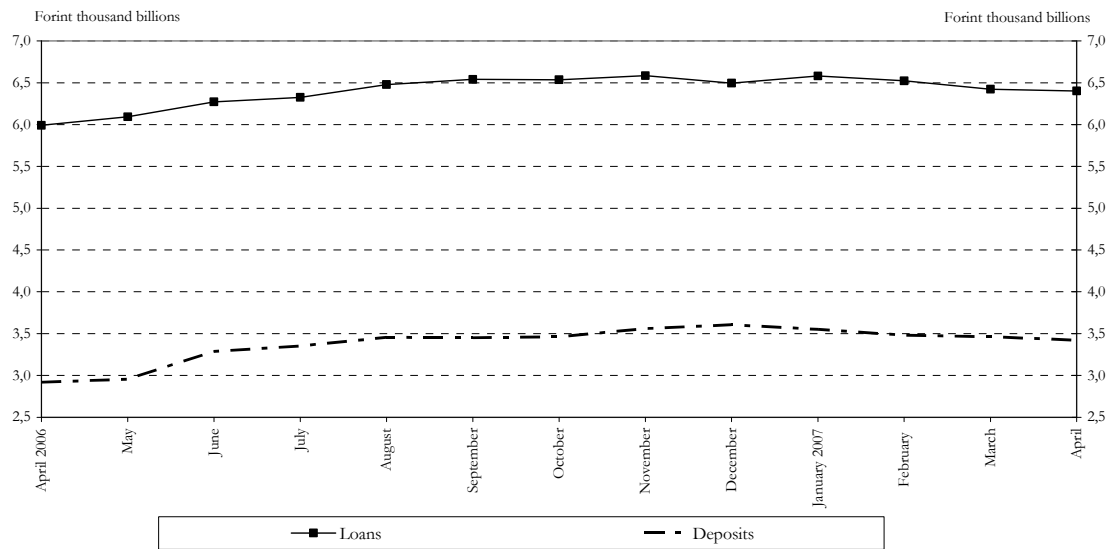


The total stock of loans granted by monetary financial institutions to non-financial corporations has fallen in the past three months. In April, it was HUF 6,401.0 billion, down HUF 21.2 billion on March. Within loans to non-financial corporations, short-term loans fell slightly, by HUF 1.2 billion to HUF 2,389.0 billion, after the deep decline in March. Long-term loans have been falling since October 2006, except in January. In April, they dropped by HUF 20.1 billion to HUF 4,012.0 billion. Within long-term loans, loans with a maturity of up to five years fell by HUF 21.9 billion to HUF 1,723.3 billion and those with a maturity of over five years rose by HUF 1.8 billion to HUF 2,288.7 billion. Short-term loans as a percentage of total loans barely changed. The share of loans with a maturity of up to one year continued to be highest, at 37.3%. The share of loans with a maturity of up to five years was 26.9% and that of loans with a maturity of over five years was 35.8%.

The share of foreign currency loans with a maturity of up to one year changed from 27.6% to 27.2%, that of loans with a maturity of up to five years from 43.2% to 43.3% and that of loans with a maturity of over five years from 64.8% to 64.3%. The total stock of foreign currency loans was HUF 26.2 billion lower than in March. Exchange rate changes and transactions, respectively, accounted for HUF 25.7 billion and HUF 0.4 billion of the fall in foreign currency loans.

The sector's deposits with monetary financial institutions fell by HUF 41.5 billion to HUF 3,422.3 billion, continuing the decline which began in January. As a result, deposits were lower than in August 2006 for the second consecutive month. Within total deposits, the share of overnight deposits was 49.7%, that of deposits with an agreed maturity was 49.9% and that of outstanding repos was 0.4%. As seen in the previous months, overnight deposits fell. Within the HUF 40.2 billion change in overnight deposits, forint deposits rose HUF 9.5 billion and foreign currency deposits fell by HUF 49.6 billion. Deposits with a maturity of up to one year rose by HUF 3.1 billion; and deposits with a maturity of over one year barely changed, rising by HUF 0.8 billion. Outstanding repos fell by HUF 5.2 billion.

Chart 7 Loans and deposits of non-financial corporations

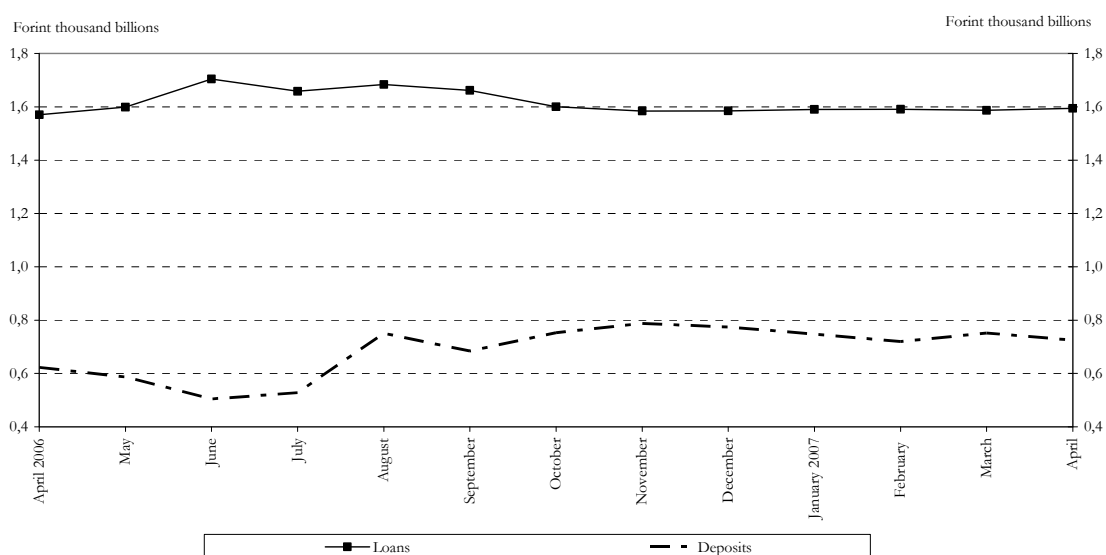


The stock of loans granted to other financial corporations rose marginally, by HUF 7.2 billion to HUF 1,594.4 billion, following the slight fall in March. The share of loans with a maturity of up to five years – with the highest value within the total – edged up from 48.6% to 48.9%. The percentage share of loans with a maturity of over five years changed from 23.1% to 23.0% and that of loans with a maturity of up to one year from 28.4% to 28.2%.

Within loans granted to the sector, forint loans fell by HUF 4.5 billion, while foreign currency loans rose by HUF 11.7 billion. Exchange rate changes and transactions, respectively, accounted for HUF 19.7 billion and HUF 31.4 billion of the change in foreign currency loans.

The sector's deposits with monetary financial institutions has remained broadly unchanged since August 2006. In April, they fell by HUF 27.1 billion to HUF 725.0 billion. The value of overnight deposits fell by HUF 15.0 billion and that of deposits with an agreed maturity by HUF 10.4 billion. Outstanding repos were down HUF 1.7 billion on March.

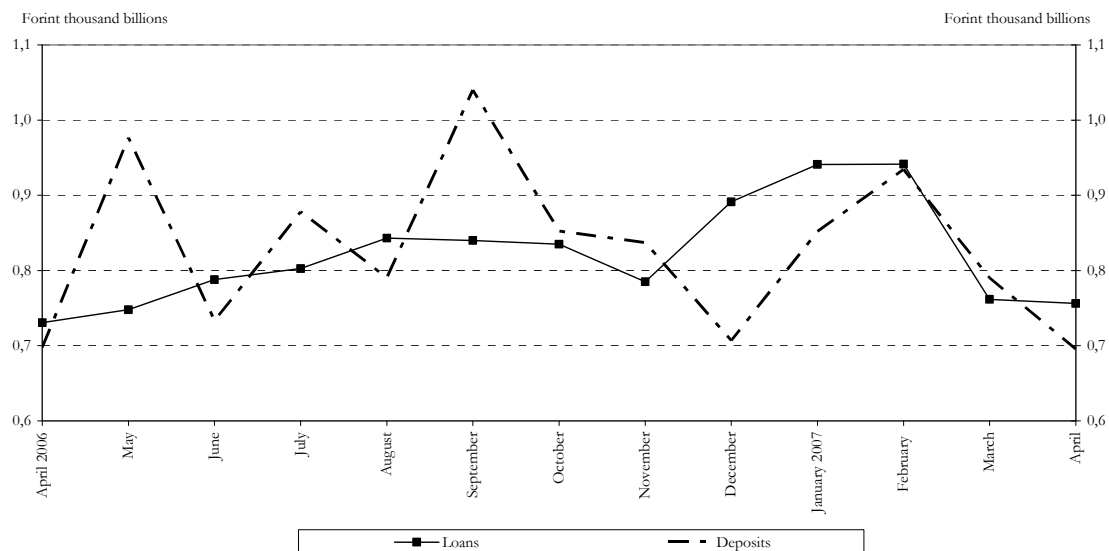
Chart 8 Loans and deposits to other financial corporations



Loans granted by monetary financial institutions to the general government sector were barely changed in April, following the slight fall in the preceding month: they edged down by HUF 5.5 billion to HUF 756.2 billion.

Similarly to March, the stock of the general government sector's deposits with monetary financial institutions fell in April. Deposits dropped by HUF 94.6 billion to HUF 695.7 billion, returning to the low level of six months previously. This decline in deposits reflected decreases of HUF 58.6 billion and HUF 36.0 billion in deposits of the central government and the local government, respectively.

Chart 9 Loans and deposits of the general government sector

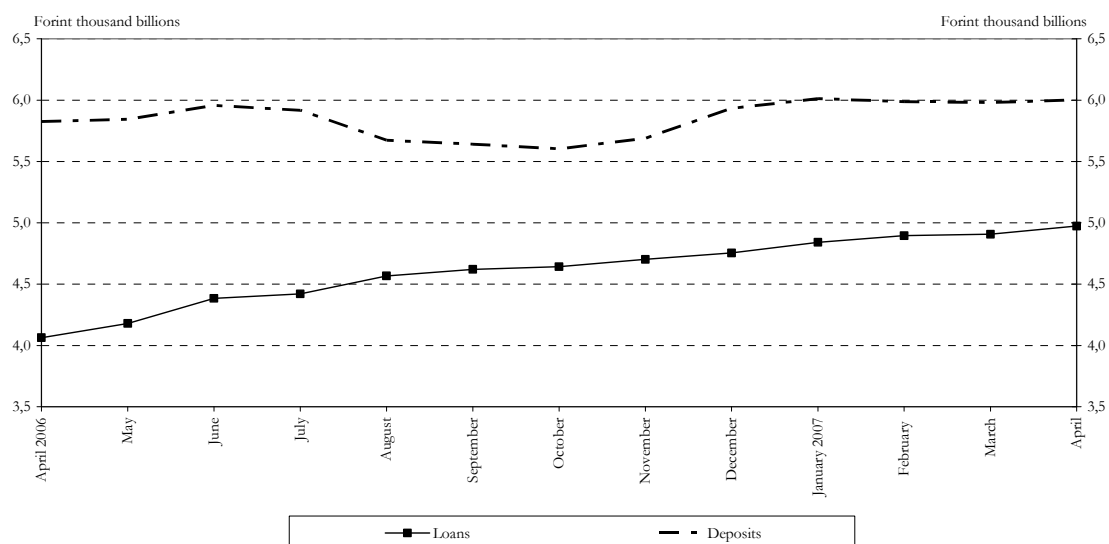


Loans granted to the household sector continued the increase of the past few years: total loans outstanding rose by HUF 68.0 billion to HUF 4,973.8 billion. Forint loans were up by HUF 3.7 billion and foreign currency loans by HUF 64.3 billion. The increase in the latter was made up of transactions totalling HUF 99.3 billion, which was partly offset by negative exchange rate valuation effects amounting to HUF 35.0 billion. The share of foreign currency loans within the total climbed up from 44.7% to 45.3%. Foreign currency loans as a percentage of total loans have been rising continuously over the past two years; and their value was nearly three times its level in April 2005.

The fall in household deposits with monetary financial institutions which began in July came to a halt in November. Their stock has been fluctuating around HUF 6,000 billion since then. In April, household deposits rose by HUF 22.6 billion to HUF 6,002.4 billion.

Outstanding household loans surged by 22.4% relative to a year earlier, while deposits rose by only 3.0%. Consequently, the difference between the values of loans and deposits fell by 38.2% in twelve months.

Chart 10 Loans and deposits of the household sector



Within loans granted to households, the share of loans in a breakdown by type barely changed. The share of housing loans was 55.8%, with their stock rising by HUF 19.6 billion. Foreign currency loans rose from 35.8% to 36.6% as a percentage of housing loans. The percentage share of consumer credit within the total stock of housing loans was 37.6%, with the outstanding amount increasing by HUF 40.3 billion. Foreign currency loans rose from 59.8% to 60.3% as a percentage of total consumer credit. The stock of other loans rose by HUF 8.0 billion. Here, the percentage share of foreign currency loans was 33.9%.

Chart 11 Composition of household loans

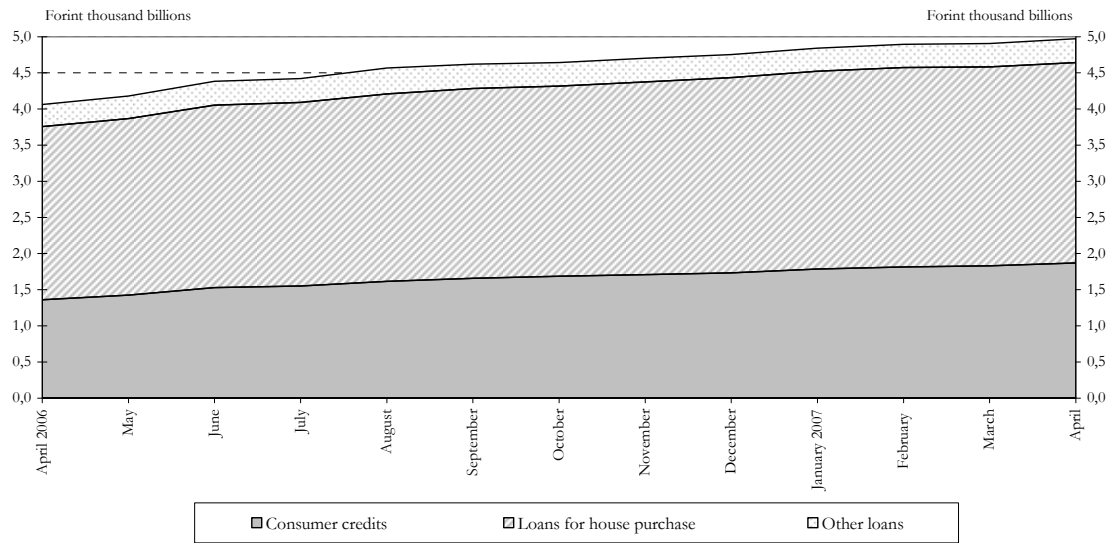
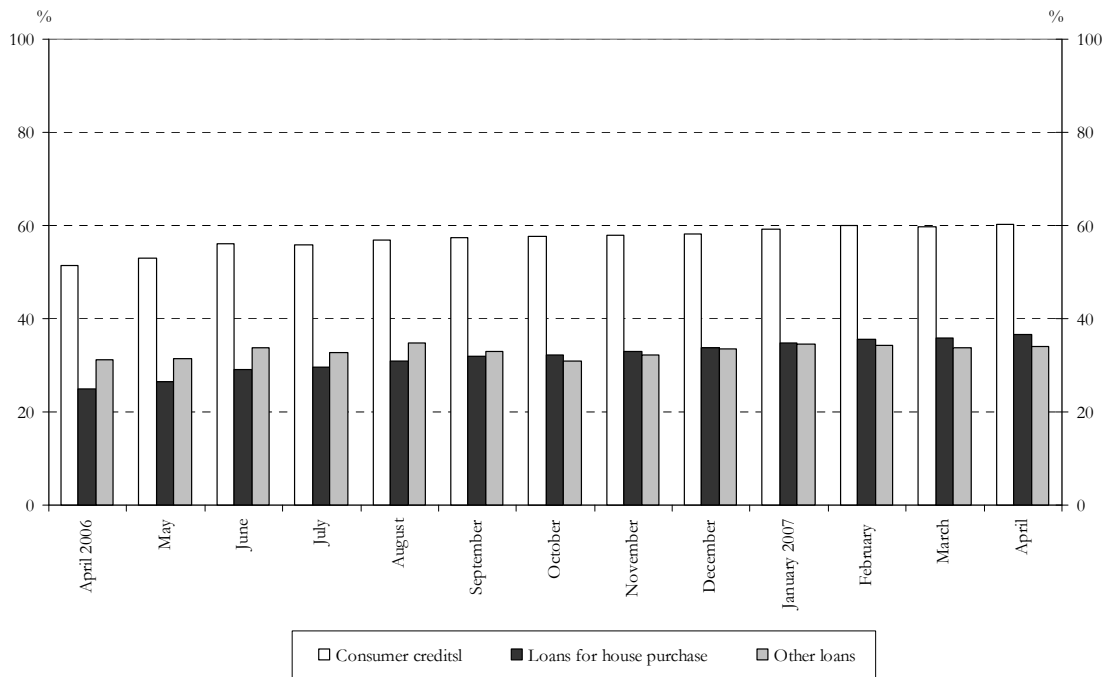


Chart 12 Percentage share of foreign currency loans to households in a breakdown by types of loan



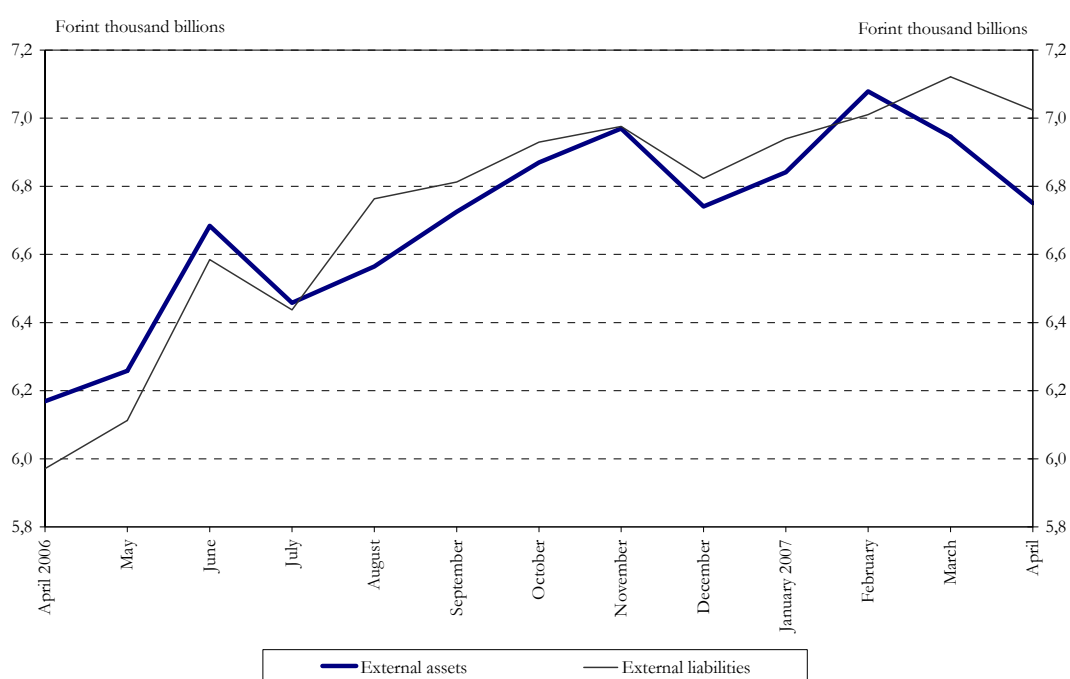
Within household deposits with monetary financial institutions, overnight deposits fell by HUF 6.9 billion, following rises in the previous two months. Deposits with agreed maturity were up HUF 29.6 billion, after falling in February-March. Within this figure, deposits with a maturity of up to one year rose by HUF 26.8 billion and those with a maturity of over one year by HUF 2.8 billion.

As a result of the declines in March and April, assets of monetary financial institutions vis-à-vis non-residents returned to their level of December 2006. External liabilities also fell, following rises in the previous three months. External assets and liabilities, respectively, were HUF 194.4 billion and HUF 97.2 billion lower than in March. On balance, MFI's net external assets fell by HUF 97.2 billion in the month under review.

Assets and liabilities of the central bank vis-à-vis the rest of the world fell by HUF 180.8 billion and HUF 37.5 billion respectively. As a consequence, net external assets were up HUF 31.9 billion on the preceding month.

Net assets of other monetary financial institutions vis-à-vis non-residents fell by HUF 129.1 billion in April. The sector's external assets were down HUF 188.8 billion, with transactions accounting for HUF 161.5 billion of the decline. MFIs' external liabilities fell by HUF 59.7 billion.

Chart 13 External assets and liabilities



Methodological notes

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 annual (twelve-month-on-twelve-month) 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=mnbfile&resourcename=0708_monstatpubl_en.xls.

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