



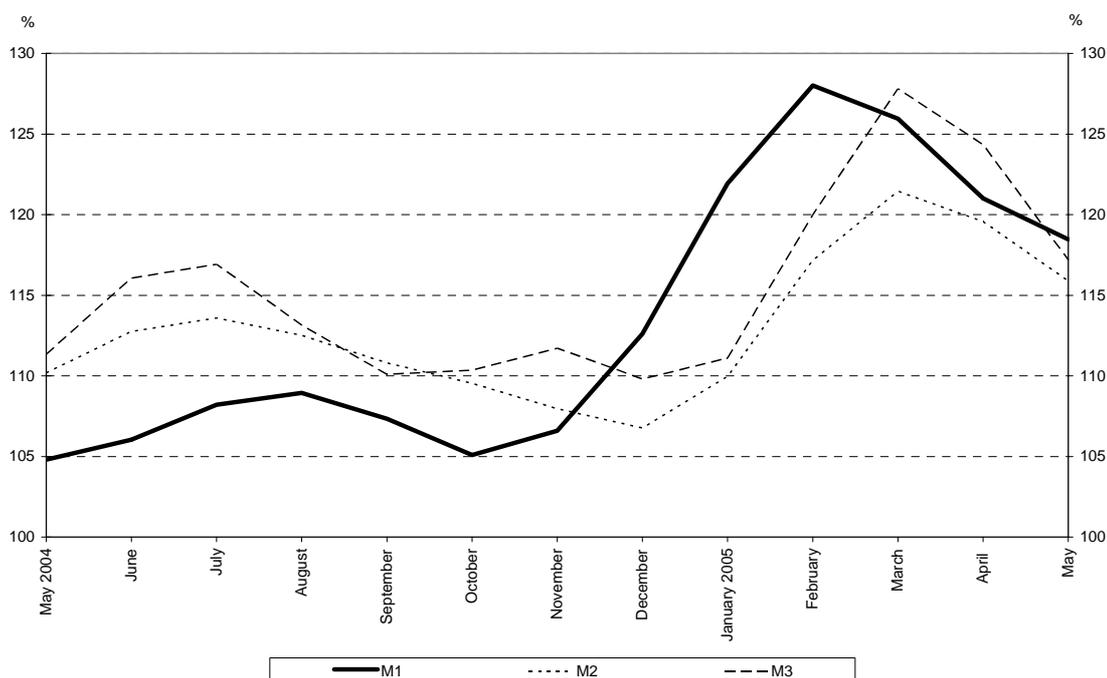
PRESS RELEASE

Consolidated balance sheet of MFIs: May 2005

In May 2005, the **monetary base** rose by HUF 79.5 billion to HUF 2,083.4 billion. The average monthly stock of other monetary financial institutions' current account deposits increased by HUF 22.0 billion to HUF 499.8 billion, while that of their overnight deposits by HUF 12.1 billion to HUF 46.7 billion. The monthly average stock of currency in circulation increased by HUF 45.4 billion to HUF 1,536.9 billion in May. The growth index of the **monetary base (M0)**¹ was 128.4%.

The growth indices fell by 2.6 percentage points from 121.0% to 118.5% for the narrow monetary aggregate **M1**, by 3.7 percentage points from 119.6% to 115.9% for **M2**, and by 7.2 percentage points from 124.3% to 117.2% for **M3**.

Chart 1 Growth indices of the monetary aggregates



¹See 'Methodological Remarks'.

Chart 2 Constituents of the monetary aggregates

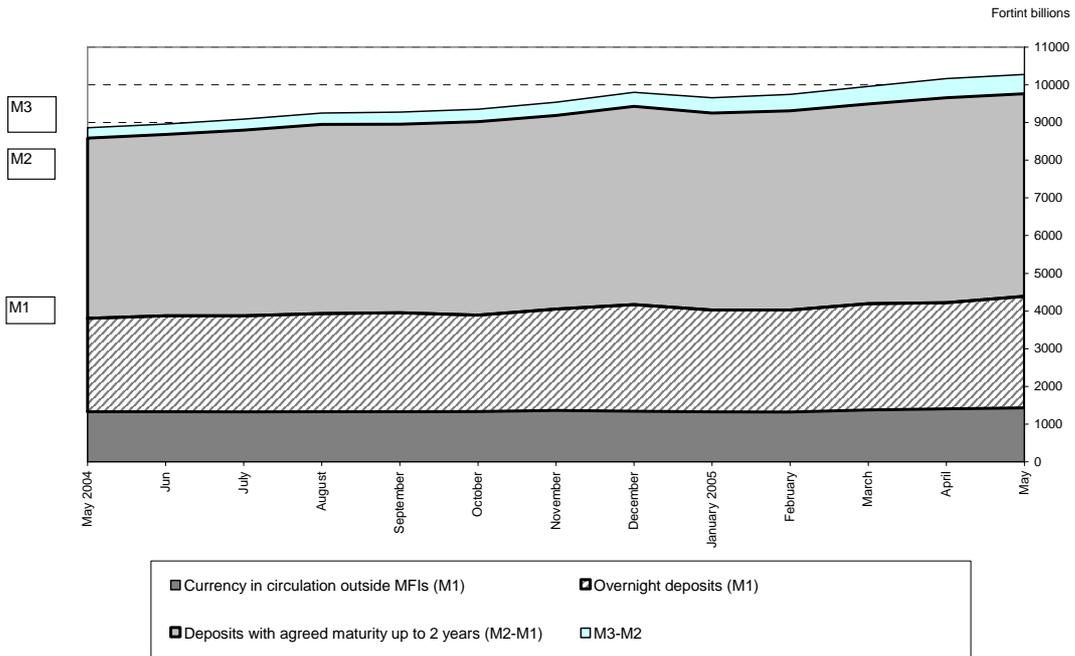


Chart 3 Seasonally adjusted data for M1

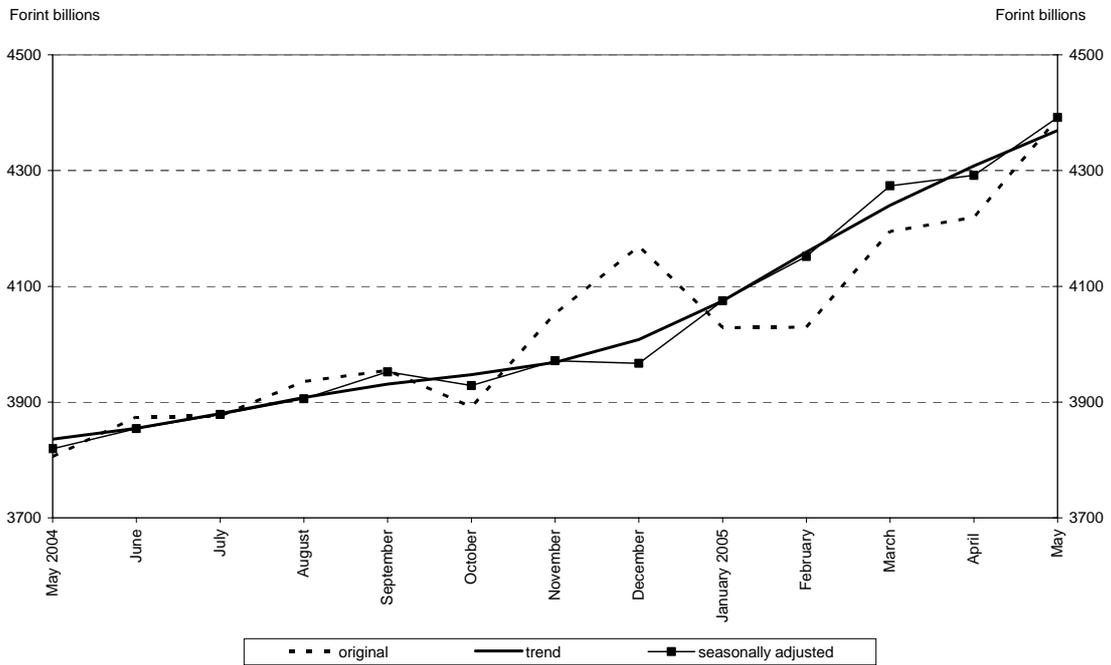


Chart 4 Seasonally adjusted data for M2

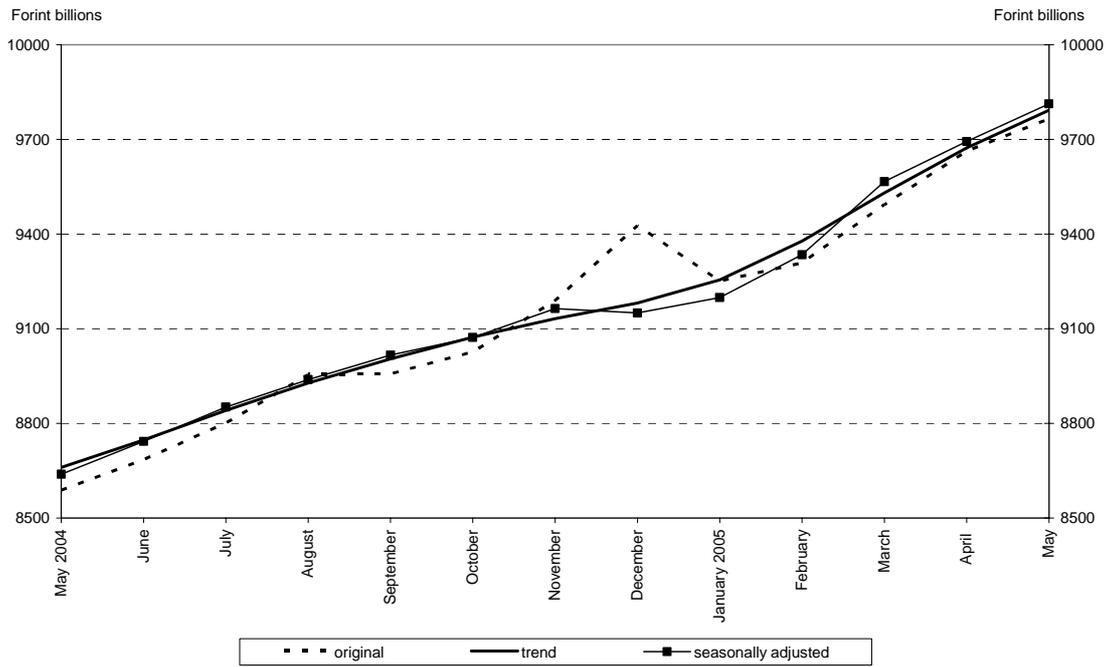


Chart 5 Seasonally adjusted data for M3

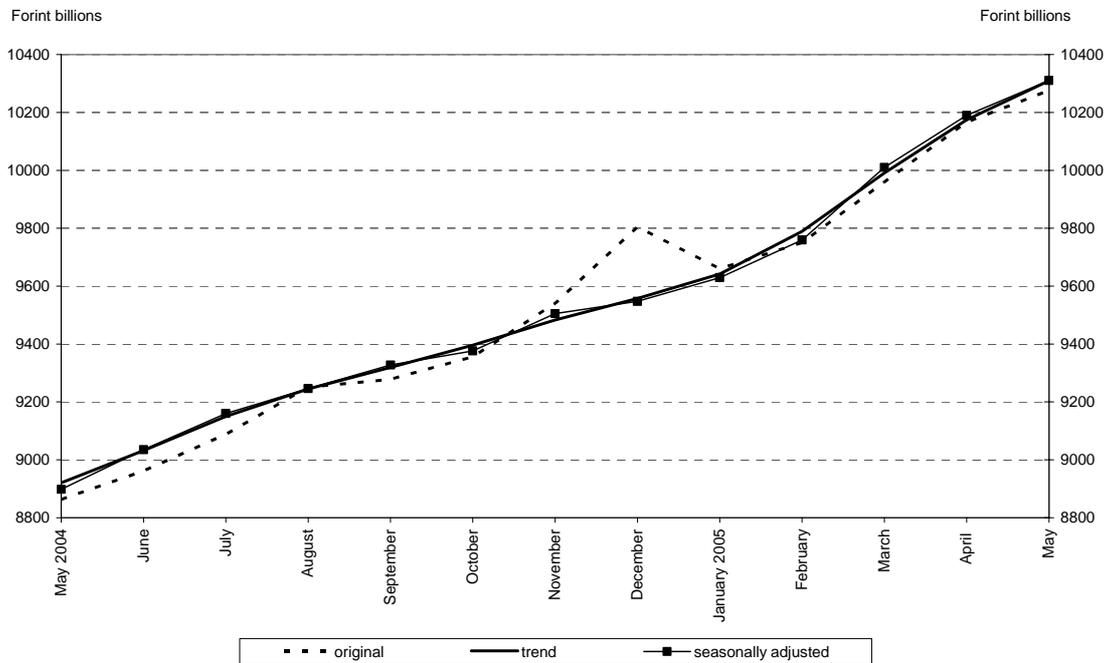
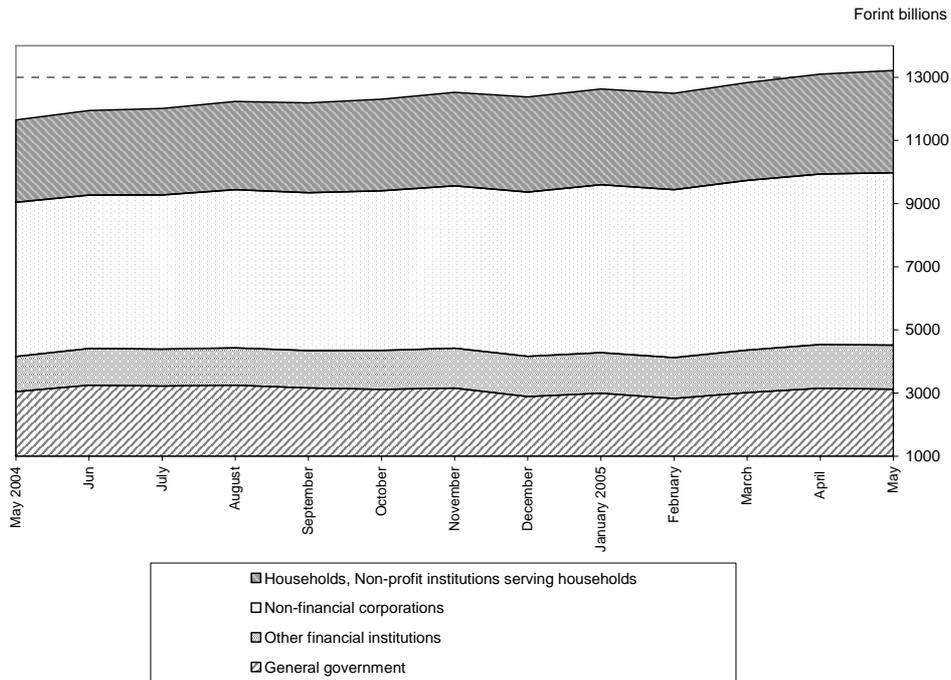


Chart 6 Outstanding domestic loans

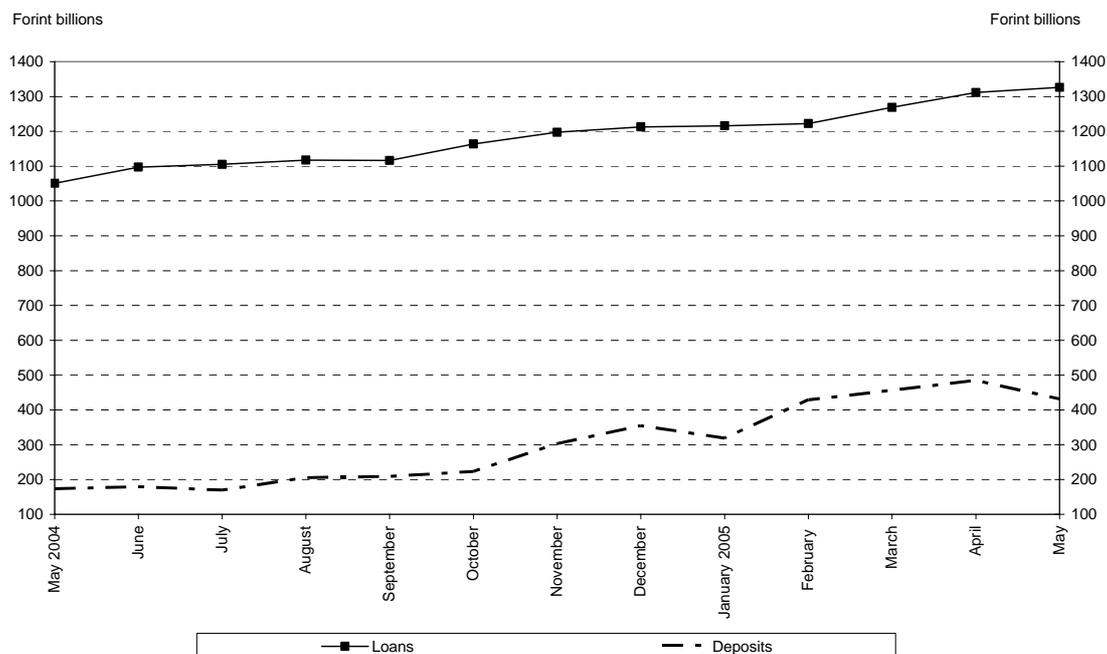


In May the total amount of loans granted by monetary financial institutions to **non-financial corporations** rose by HUF 58.9 billion. Outstanding short-term loans fell by HUF 13.0 billion, while loans over one year increased by HUF 71.9 billion. Long-term loans with a maturity up to 5 years rose by HUF 31.2 billions, and those with a maturity over 5 years by HUF 40.7 billion. The sector's deposits with MFIs were HUF 121.6 up. Overnight and current account deposits, deposits with agreed maturity up to one year and the outstanding repos increased by HUF 96.6 billion, HUF 23.4 billion, and HUF 3.6 billion, respectively, while deposits with agreed maturity over one year edged down by HUF 2.0 billion.

Chart 7 Non-financial corporations' loans and deposits

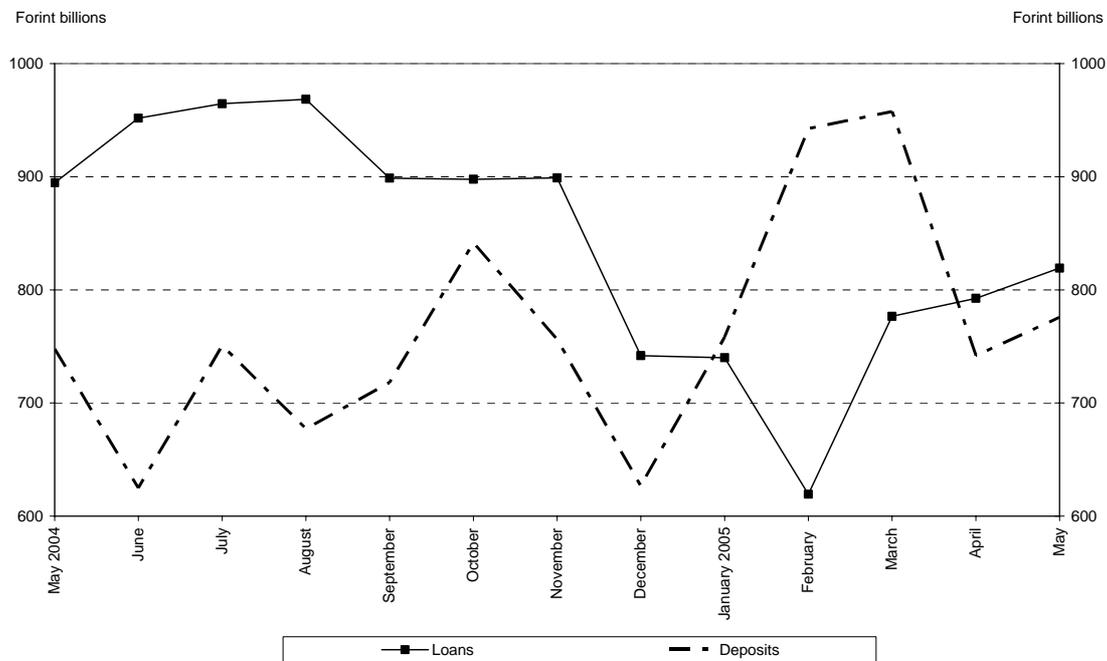
Loans granted to **other financial corporations** rose by HUF 14.7 billion, and the sector's deposits with monetary financial institutions declined by HUF 53.0 billion. Loans with maturity up to one year rose by HUF 10.1 billion, those with maturity up to five years were down by HUF 0.2 billion, and those with maturity over five years also grew by HUF 4.8 billion. Overnight and current account deposits increased by HUF 17.5 billion, while time deposits and repos fell by HUF 69.2 billion and HUF 1.3 billion, respectively.

Chart 8 Loans and deposits of other monetary financial institutions



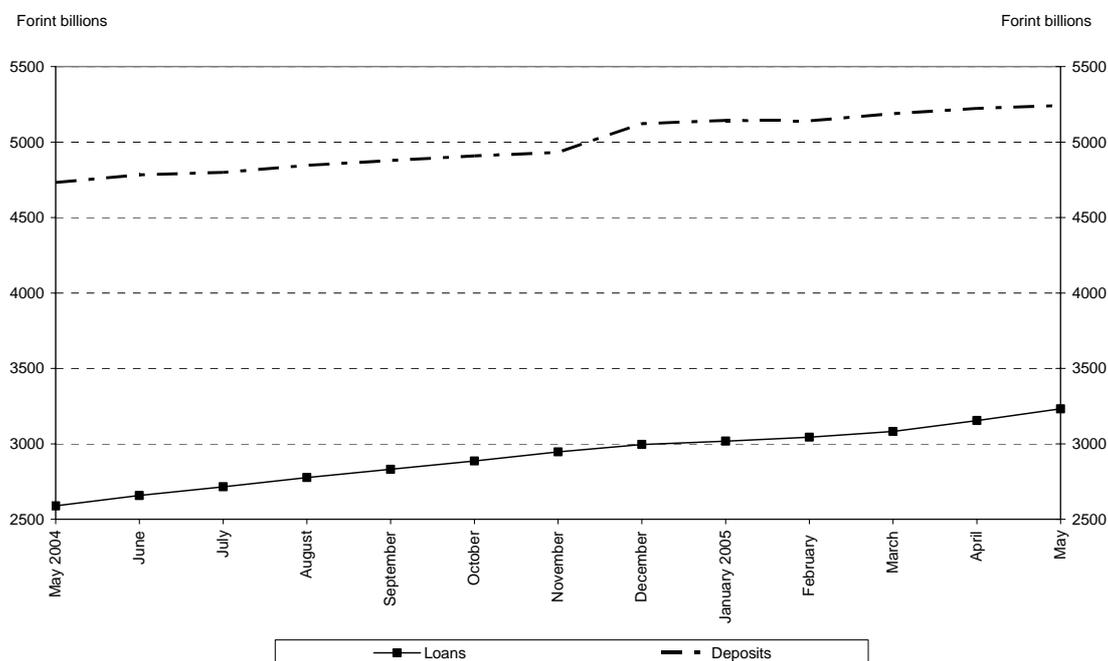
2005. In May 2005, the loans granted by monetary financial institutions to **general government** rose by HUF 26.7 billion. Deposits by the general government with monetary financial institutions were HUF 33.9 billion up. Deposits were HUF 40.0 billion up by the central government and HUF 6.1 billion down by the local governments.

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



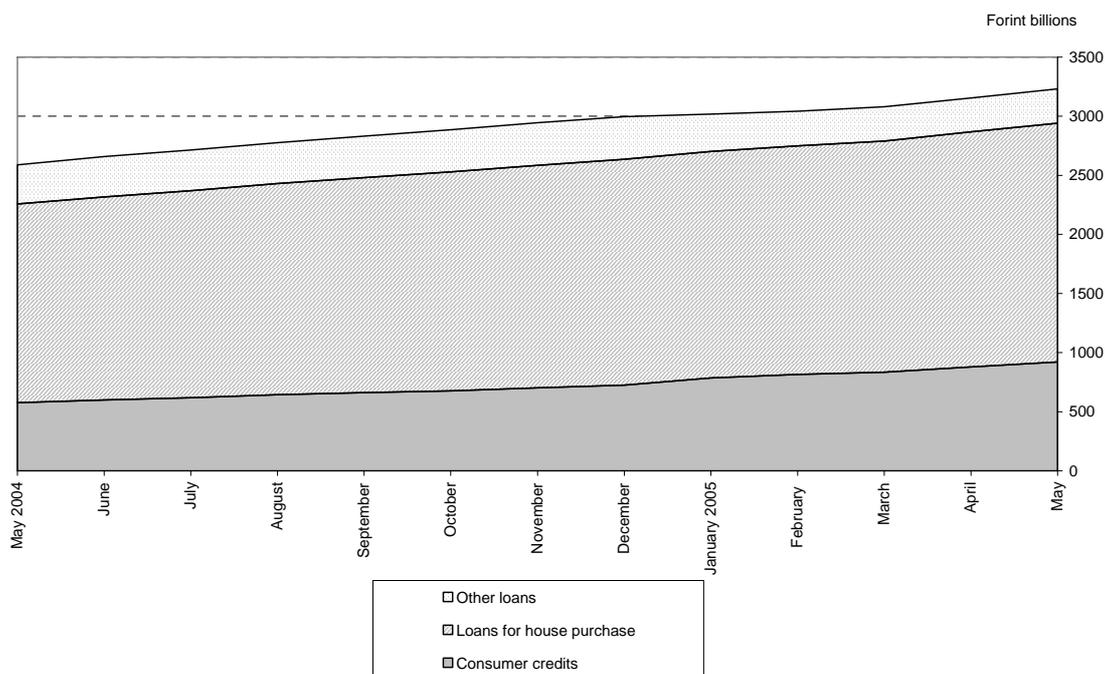
During the month loans to households increased by HUF 76.9 billion, while household deposits with monetary financial institutions grew by HUF 19.8 billion.

Chart 10 Loans and deposits of households



Housing loans increased by HUF 32.4%, although their share in loans to households dropped from 63.0% to 62.5%. Consumer credit edged up from 27.9% to 28.5% as a proportion of the total amount of loans to households, increasing by HUF 40.8 billion. Other loans rose by HUF 3.7 billion.

Chart 11 Lending to households

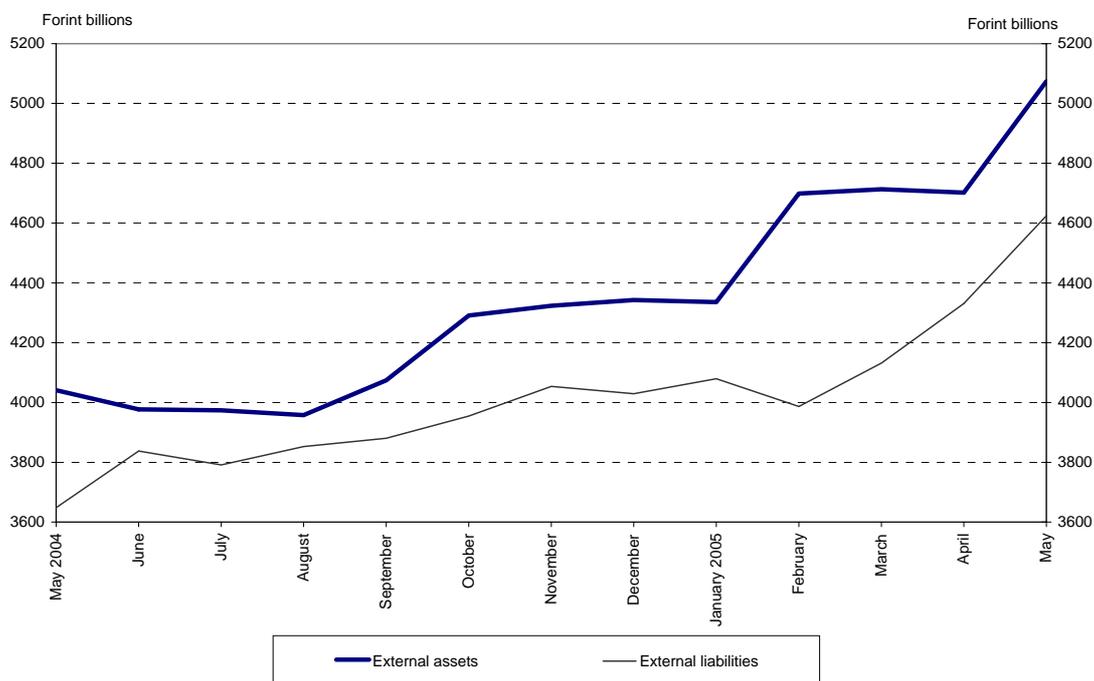


The net assets of **monetary financial institutions vis-à-vis non-residents** increased by HUF 79.1 billion as a result of rises in assets and liabilities by HUF 372.4 billion and HUF 293.2 billion, respectively.

The assets and liabilities of the **central bank vis-à-vis non-residents** increased by HUF 218.3 billion and HUF 29.4 billion, respectively. Its net foreign assets vis-a-vis non-residents increased by HUF 188.8 billion.

Net assets of **other monetary financial institutions vis-à-vis non-residents** fell by HUF 109.7 billion. Their assets and liabilities vis-à-vis non-residents were HUF 154.1 billion and HUF 263.8 up, respectively.

Chart 12 Assets and liabilities vis-à-vis non-residents



Methodological Remarks

In order to ensure comparability of data, seasonal fluctuations and biases need to be filtered out, for this reason the time series of monetary aggregates are seasonally adjusted.. Trend data are calculated from seasonally adjusted data by the elimination of outliers linked with the one-off impacts identified in the course of seasonal adjustment and the ad-hoc constituents inexplicable from the model. The growth indices included in this press release are derived from trend data through a division of the data relevant to the period reviewed by the data of the previous month and an annualisation of the twelfth power of the quotient. The short-base one-month annualised indices generated this way reflect the events of the last period more accurately than the simply calculated annual indices (based on a 12-month period).

Percentages and ratios are calculated from figures without rounding. Due to rounding, totals of partial data may differ from the grand totals.

The data underlying this press release are available on the MNB's website at http://www.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708_monstatpubl_hu.xls

Budapest, 27 June 2005

MAGYAR NEMZETI BANK
STATISTICS DEPARTMENT