

26 September 2005

PRESS RELEASE

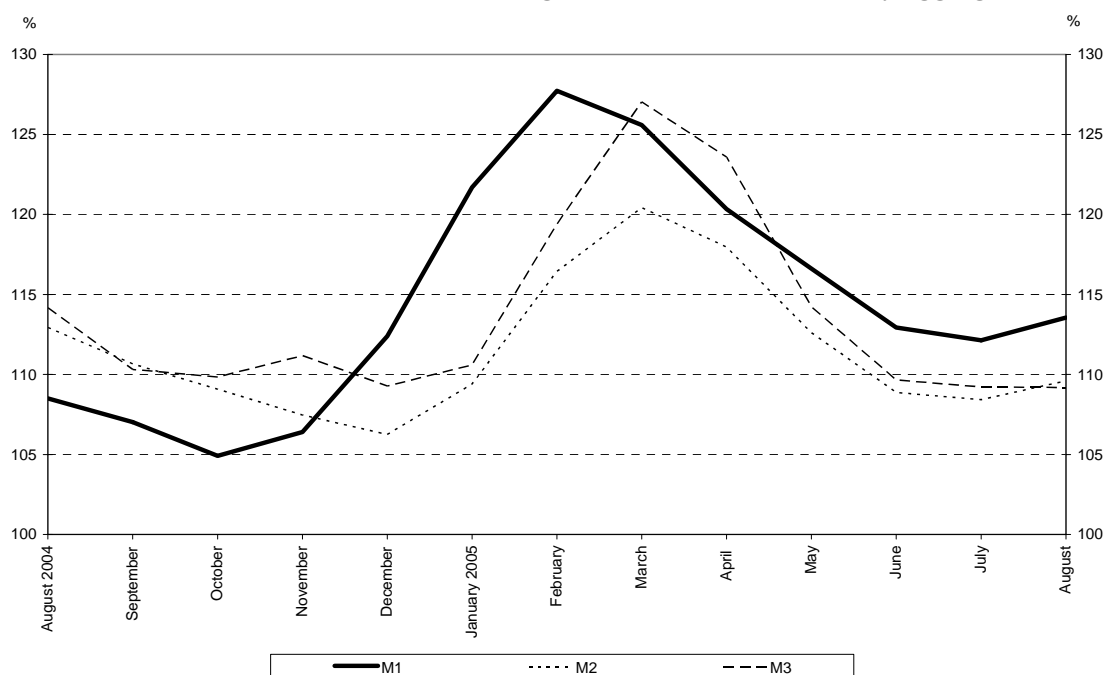
Consolidated balance sheet of MFIs: August 2005

Beginning with this press release, the MNB will publish on its website the following data: (i) Amount of consumer loans to households by type of loans; and (ii) Amount of housing loans by sector, original maturity and currency.

In August 2005, the monetary base rose by HUF 5.7 billion to HUF 2,085.5 billion. The monthly average stock of other monetary financial institutions' current account deposits fell by HUF 7.1 billion to HUF 500.8 billion and that of overnight deposits rose by HUF 1.5 billion to HUF 3.6 billion. The monthly average stock of currency in circulation, at HUF 1,581.1 billion, was HUF 11.3 billion higher than in the preceding month. The annualised month-on-month growth index of the monetary base (M0),¹ calculated from trend data, was 109.4% in the month under review.

The growth index of the narrow monetary aggregate M1 rose by 1.4 percentage points, from 112.1% to 113.6%; that of M2 rose by 1.2 percentage points, from 108.4% to 109.6%; and that of M3 remained unchanged at 109.2%.

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

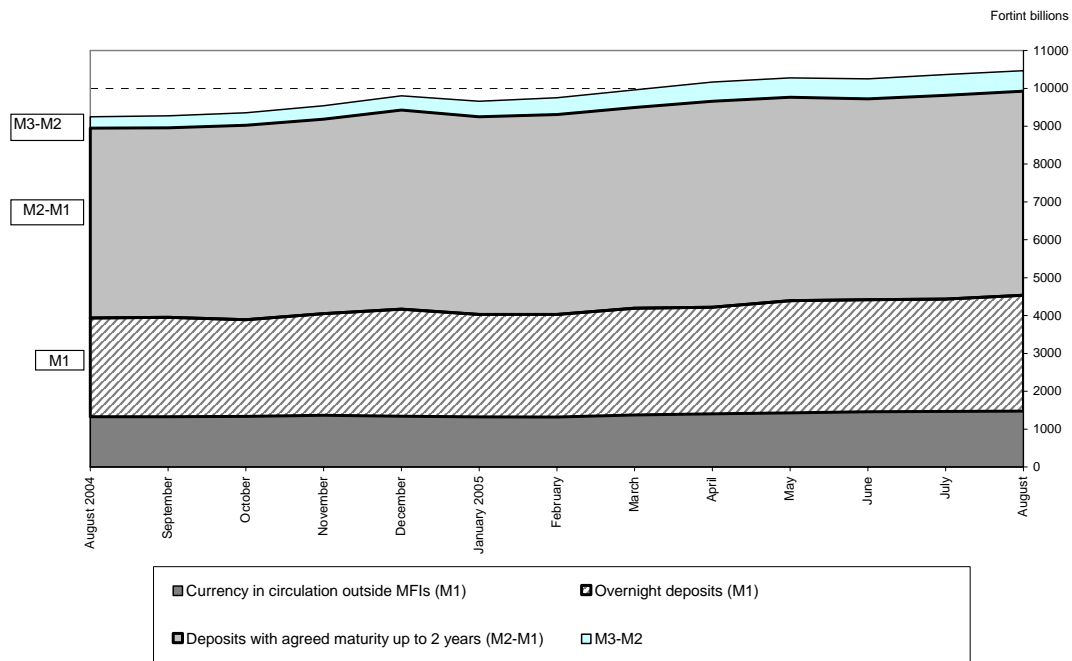


Chart 3 Seasonally adjusted M1

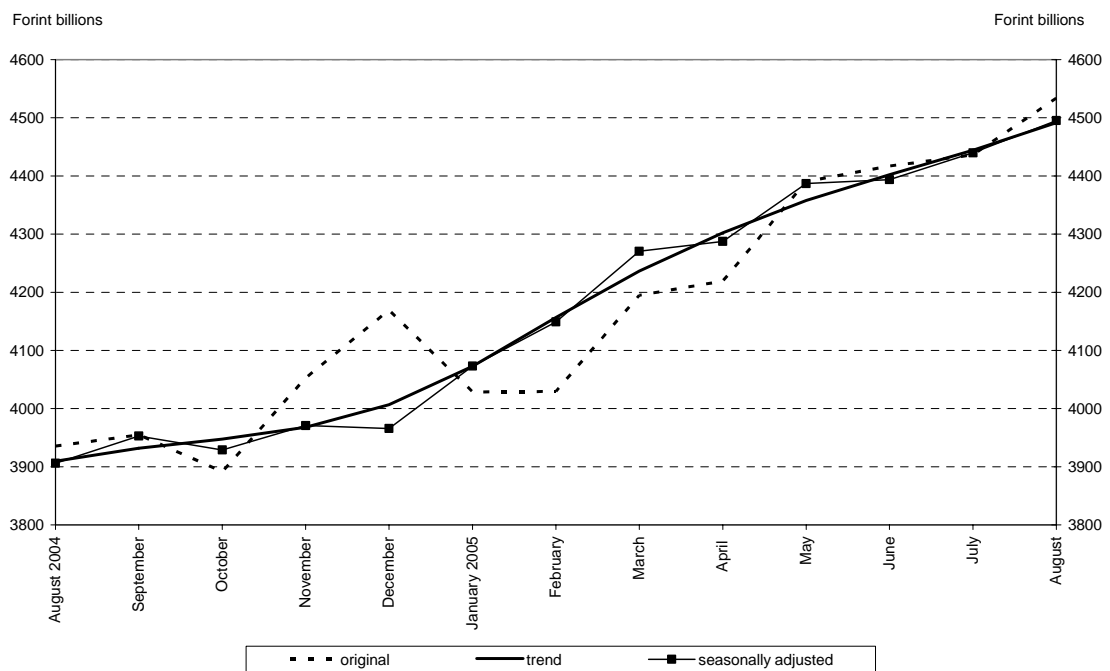


Chart 4 Seasonally adjusted M2

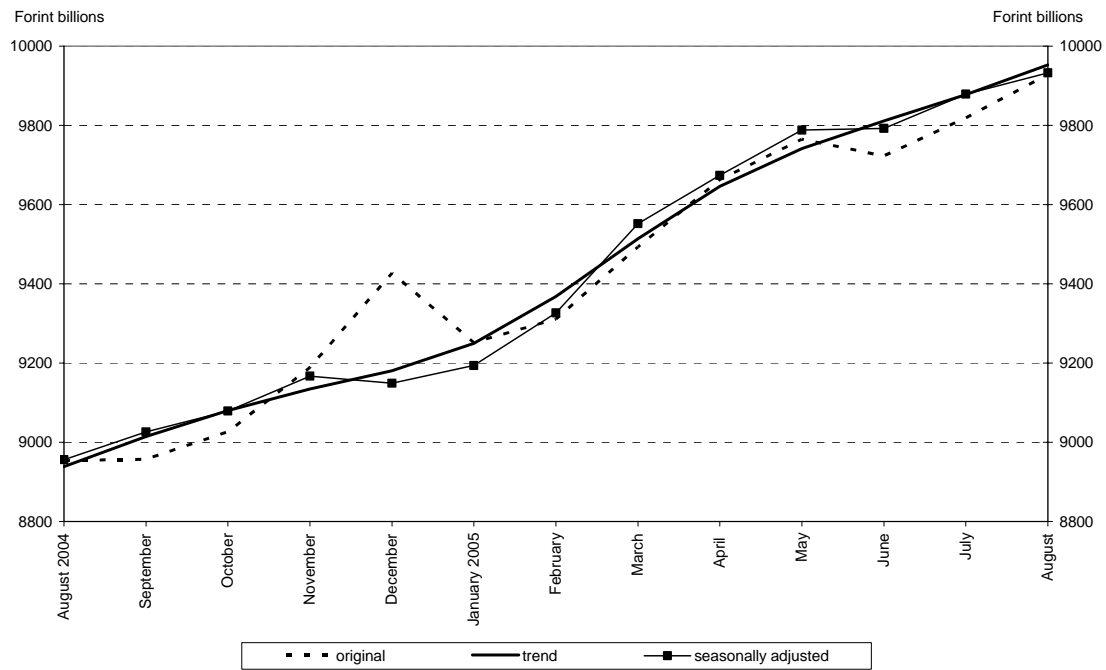


Chart 5 Seasonally adjusted M3

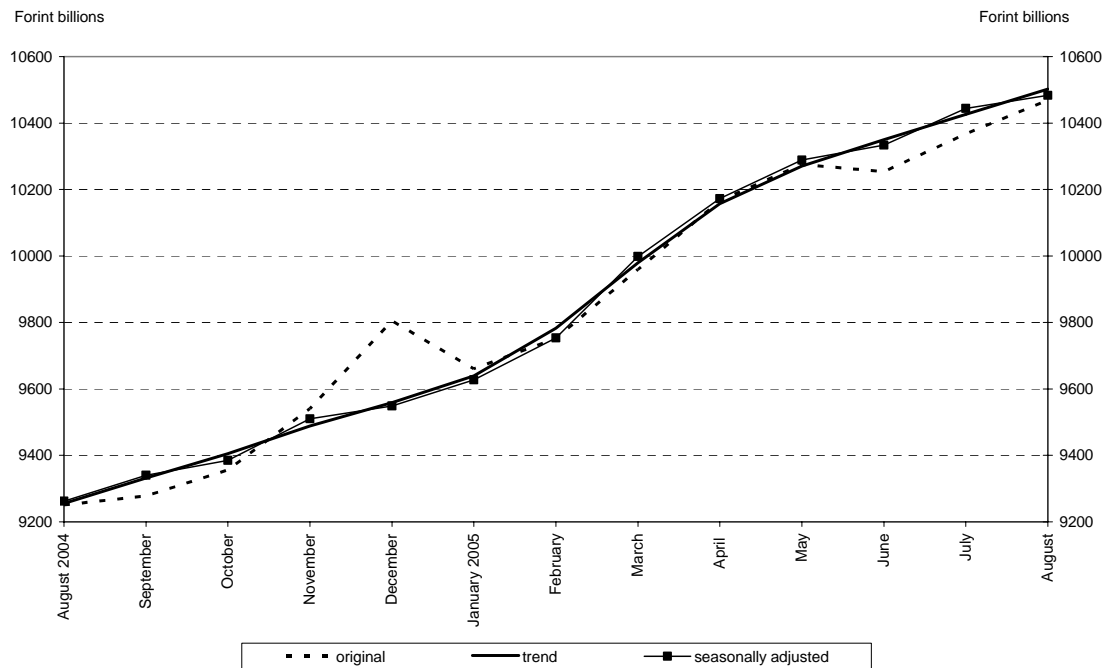
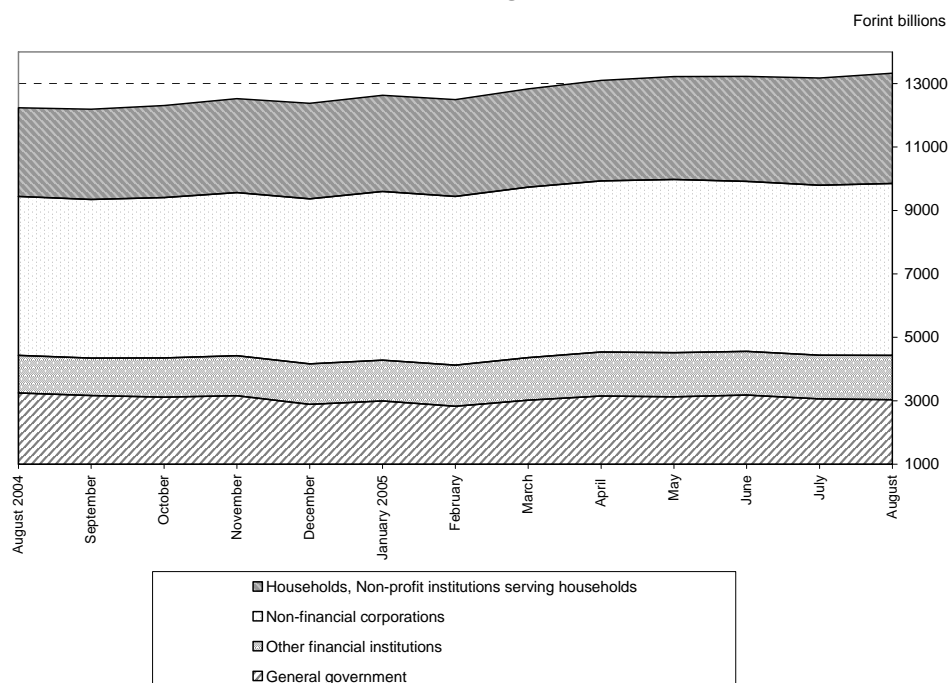
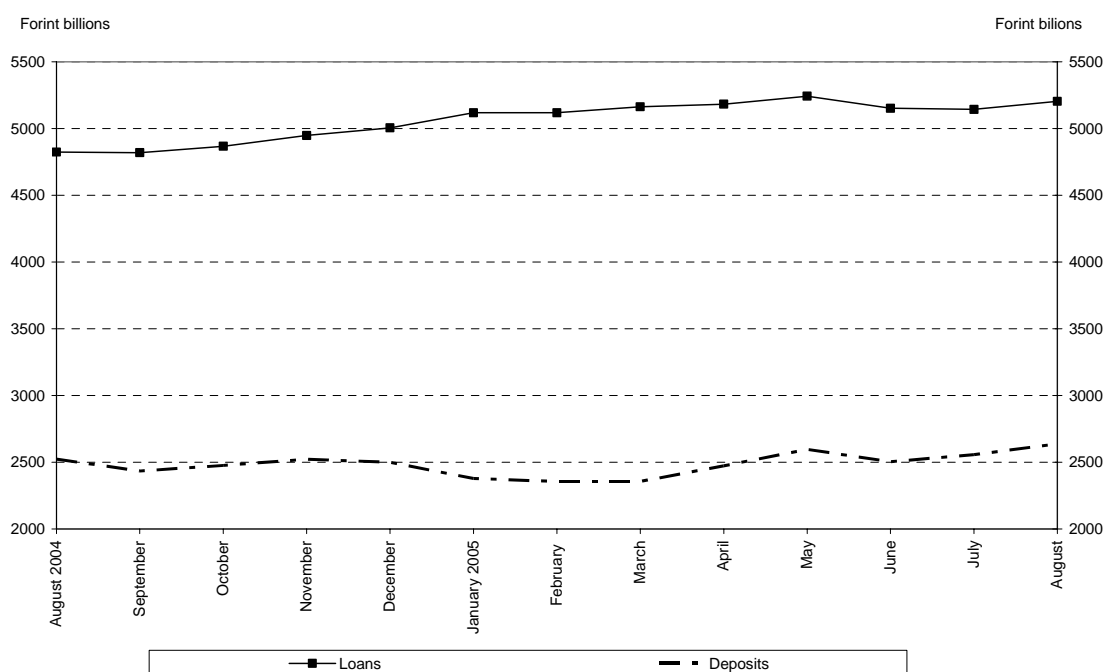


Chart 6 Outstanding domestic loans



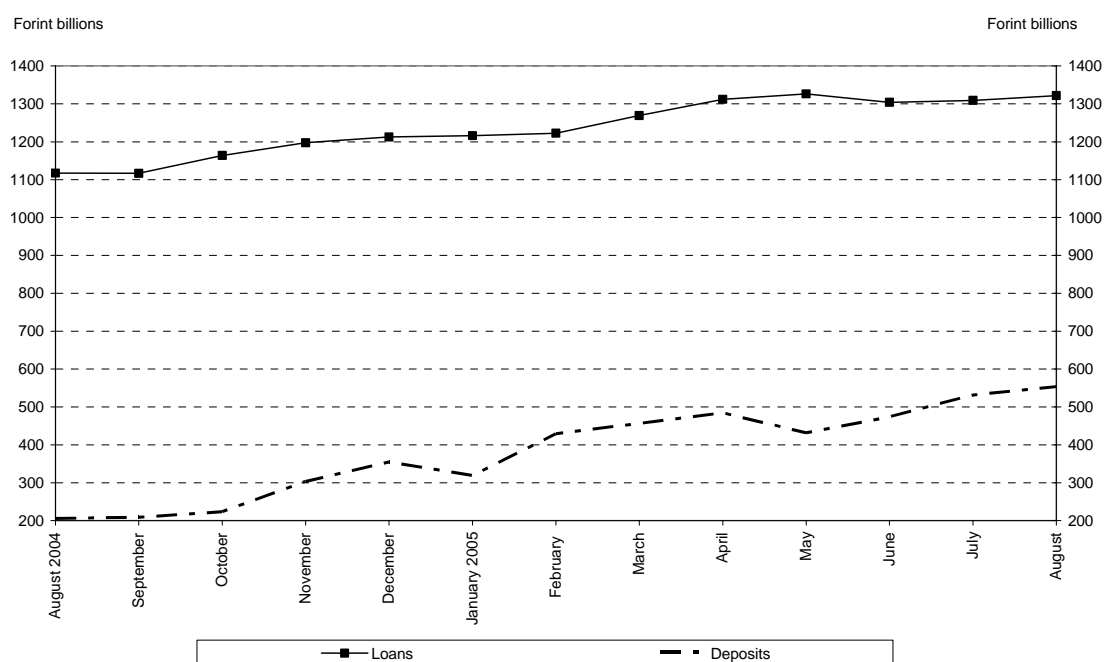
The total stock of loans granted by monetary financial institutions to non-financial corporations rose by HUF 60.6 billion in August: outstanding short and long-term loans respectively were HUF 3.5 billion and HUF 57.1 billion higher. Loans with maturity up to 5 years increased by HUF 12.0 billion and those with maturity over 5 years by HUF 45.1 billion. The sector's deposits with MFIs were up by a total HUF 80.3 billion on July: overnight and current account deposits rose by HUF 60.7 billion, deposits with agreed maturity up to one year by HUF 19.9 billion and deposits with agreed maturity over one year by HUF 1.1 billion. Outstanding repos were lower by HUF 1.4 billion in a one-month comparison.

Chart 7 Non-financial corporations' loans and deposits



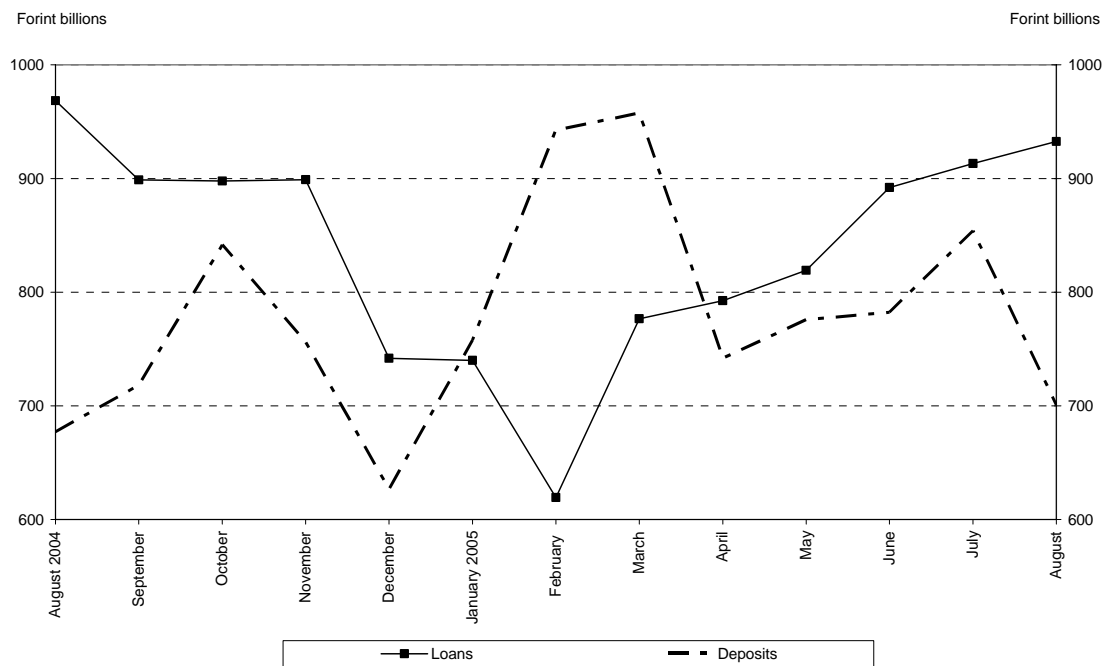
Outstanding loans to other financial corporations rose by HUF 12.7 billion in August. Loans with maturity up to one year rose by HUF 3.3 billion, those with maturity up to five years by HUF 4.3 billion and those with maturity over five years by HUF 5.1 billion. The sector's deposits with monetary financial institutions were up by HUF 22.6 billion. Overnight and current account deposits fell by HUF 7.5 billion and time deposits rose by HUF 16.9 billion. Outstanding repos were down by HUF 1.9 billion on July.

Chart 8 Loans and deposits of other financial corporations



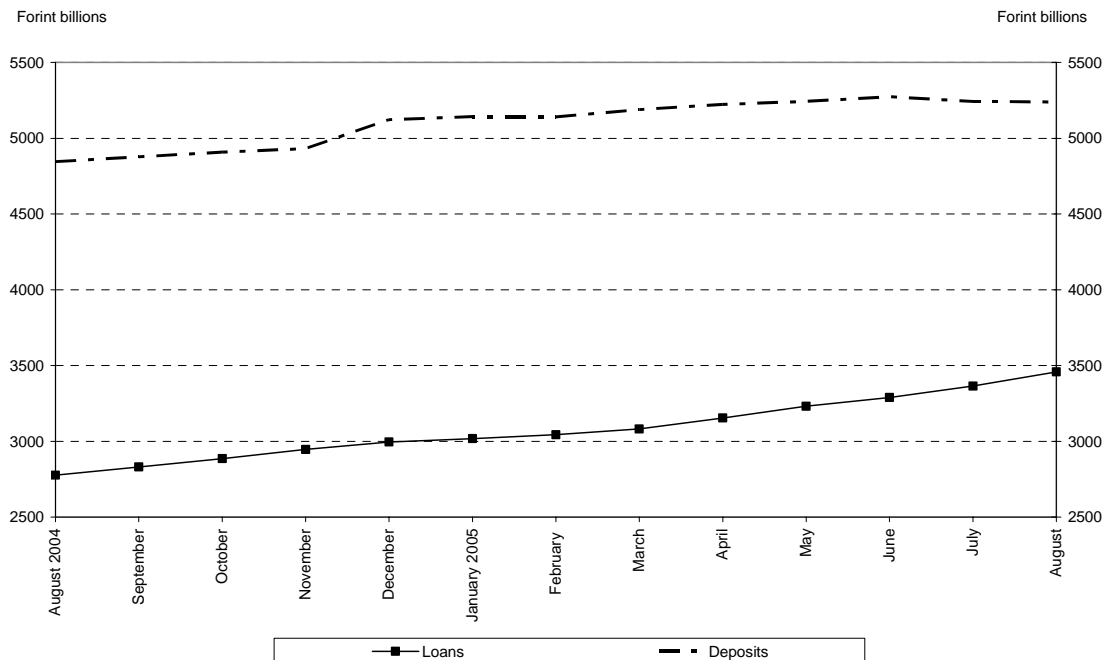
The stock of loans granted by monetary financial institutions to general government was higher by HUF 19.3 billion relative to end-July. The sector's deposits with MFIs fell by HUF 153.4 billion in one month: deposits of the central government fell by HUF 154.8 billion and those of the local government sub-sector rose by HUF 1.4 billion.

Chart 9 Loans and deposits of general government



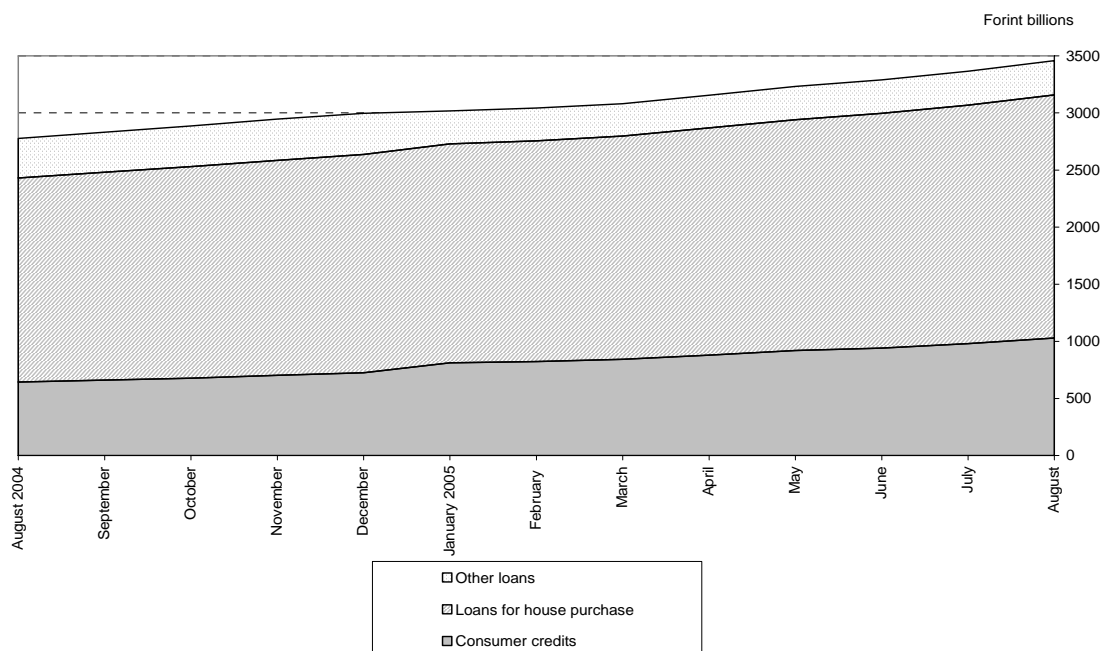
The outstanding total of loans granted by monetary financial institutions to households rose by HUF 92.4 billion in August. The sector's deposits with MFIs, in contrast, were HUF 4.6 billion lower than in the preceding month.

Chart 10 Loans and deposits of households



Within loans outstanding to households, housing loans fell from 62.1% to 61.6% as a percentage of the total, their stock rising by HUF 41.2 billion. Consumer credit rose from 29.1% to 29.7% as a proportion of the total, the outstanding amount of consumer credit increasing by HUF 48.4 billion. Other loans rose by HUF 2.7 billion in the month under review.

Chart 11 Loans to households

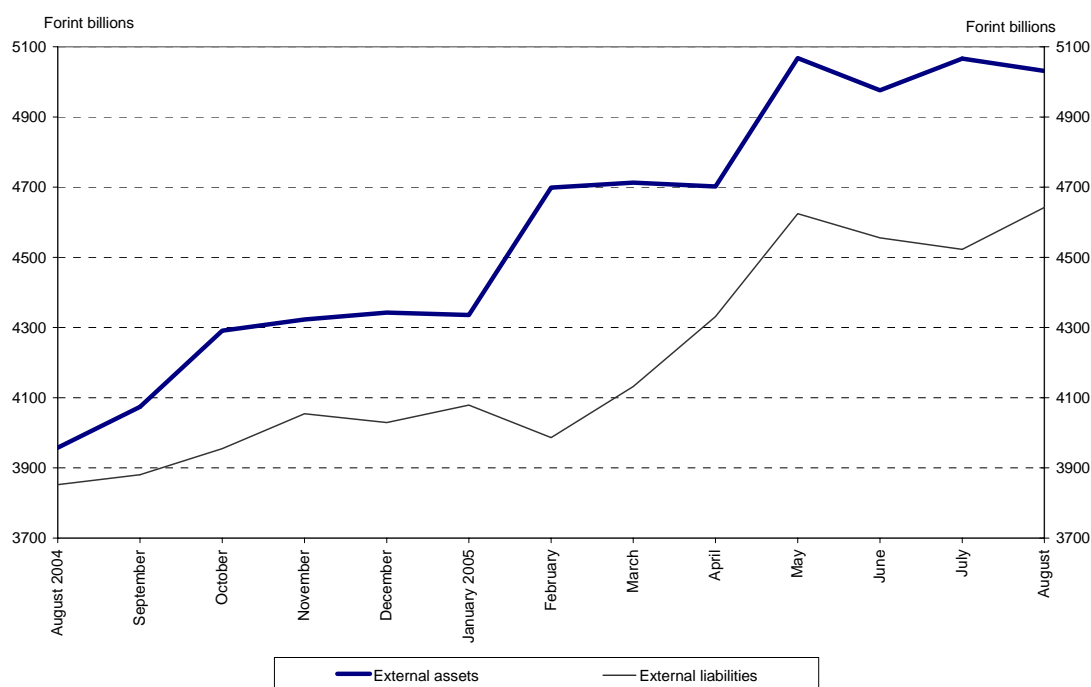


Assets of monetary financial institutions vis-à-vis non-residents were HUF 35.0 billion lower in August than in July, their liabilities rising by HUF 119.5 billion. As a result, the sector's net assets fell by HUF 154.5 billion in one month.

Net assets of the central bank vis-à-vis non-residents were HUF 32.1 billion higher than in the preceding month: its assets rose by HUF 19.2 billion, its liabilities falling by HUF 12.9 billion.

Assets of other monetary financial institutions vis-à-vis non-residents fell by HUF 54.2 billion, their liabilities rising by HUF 132.4 billion. On balance, the sector's net assets fell by HUF 186.7 billion in the month under review.

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.

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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_enxls.

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STATISTICS DEPARTMENT