

27 January 2005

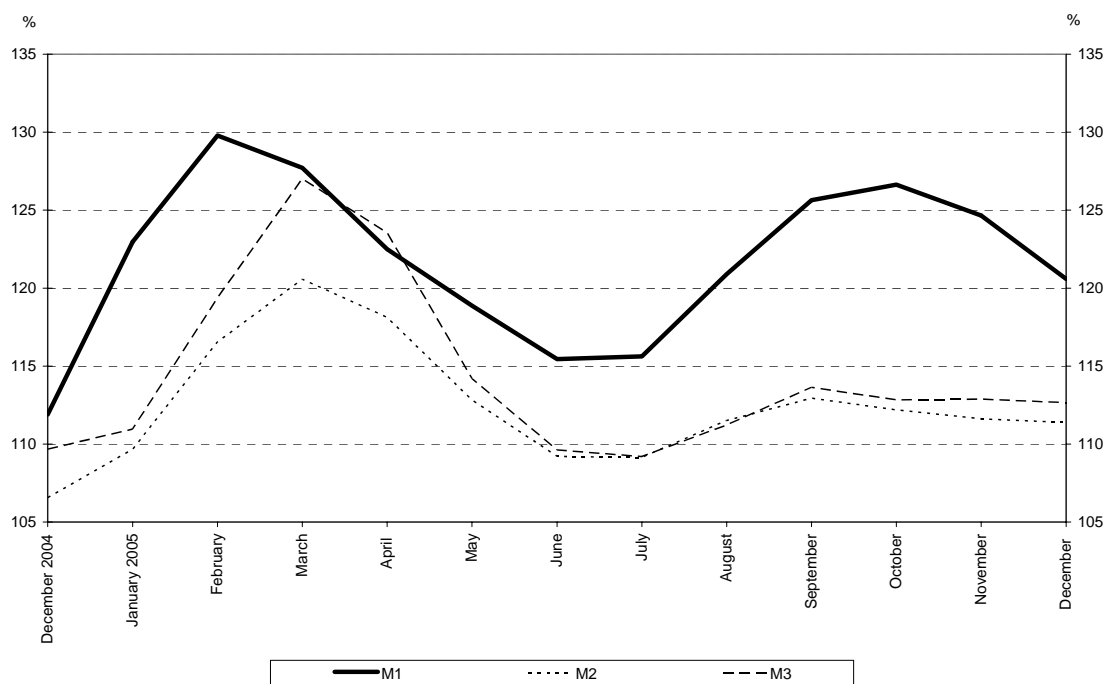
## PRESS RELEASE

### Consolidated balance sheet of MFIs: December 2005

In December 2005, the monetary base rose by HUF 155.8 billion to HUF 2,405.0 billion. Currency in circulation rose by HUF 110.4 billion to 1,788.2 billion, the monthly average stock of other monetary financial institutions' current account deposits by HUF 6.4 billion to HUF 528.5 billion and that of other monetary financial institutions' overnight deposits by HUF 39.0 billion to HUF 88.2 billion. The annualised month-on-month growth index of the monetary base (M0)<sup>1</sup> was 119.1% in the month under review.

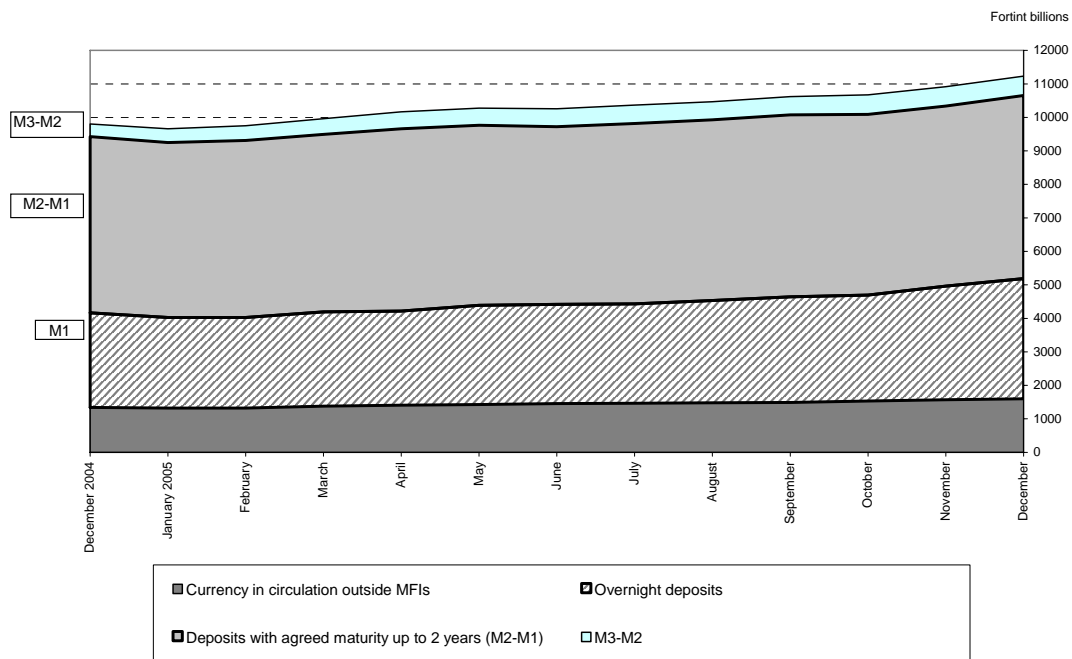
The growth index of the narrow monetary aggregate M1 fell by 4.1 percentage points, from 124.7% to 120.6%, and that of M2 by 0.2 percentage points, from 111.6% to 111.4%. The growth index of M3 changed by 0.2 percentage points, from 112.9% to 112.7%.

**Chart 1 Annualised month-on-month growth rates of the monetary aggregates**

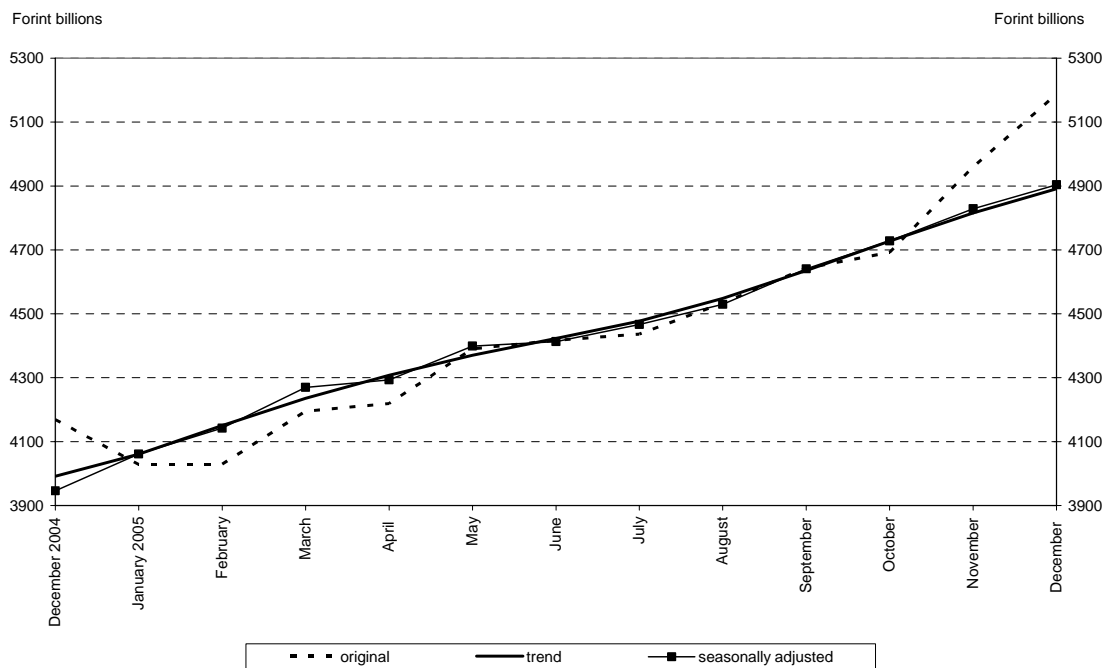


<sup>1</sup> For an explanation, see the methodological notes at the end of this press release.

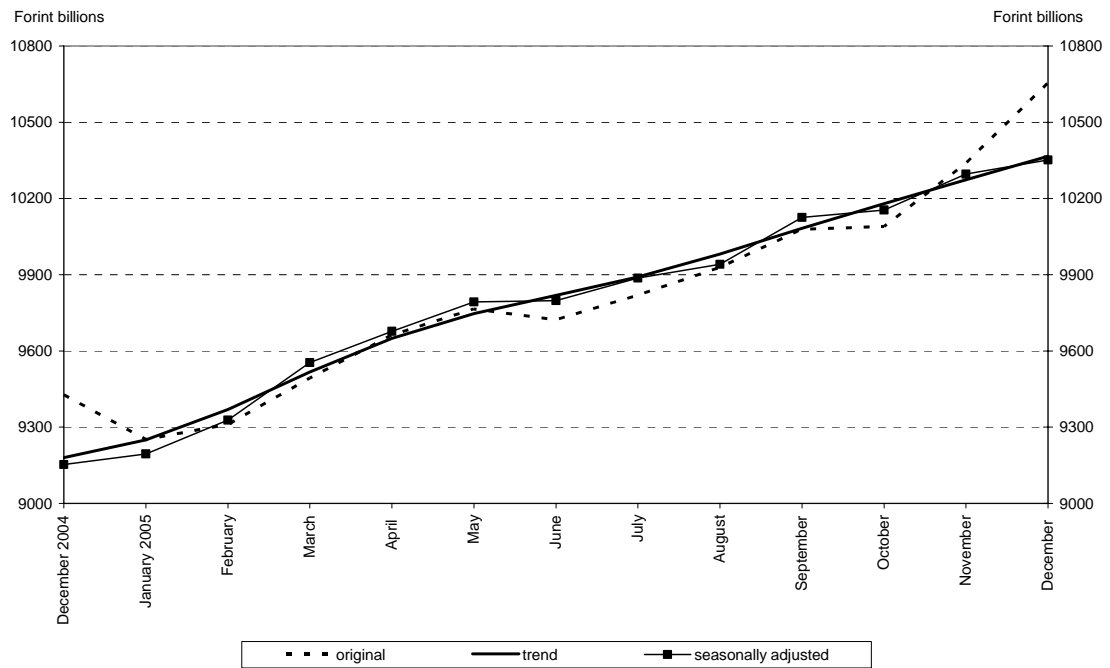
## Chart 2 Components of the monetary aggregates



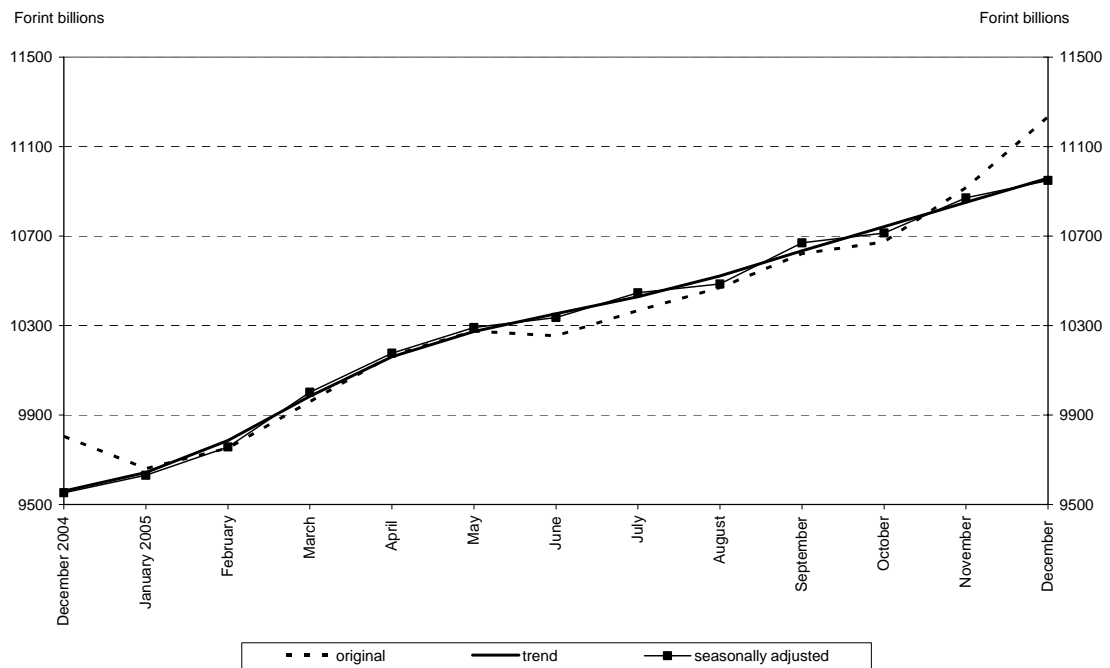
## Chart 3 Seasonally adjusted M1



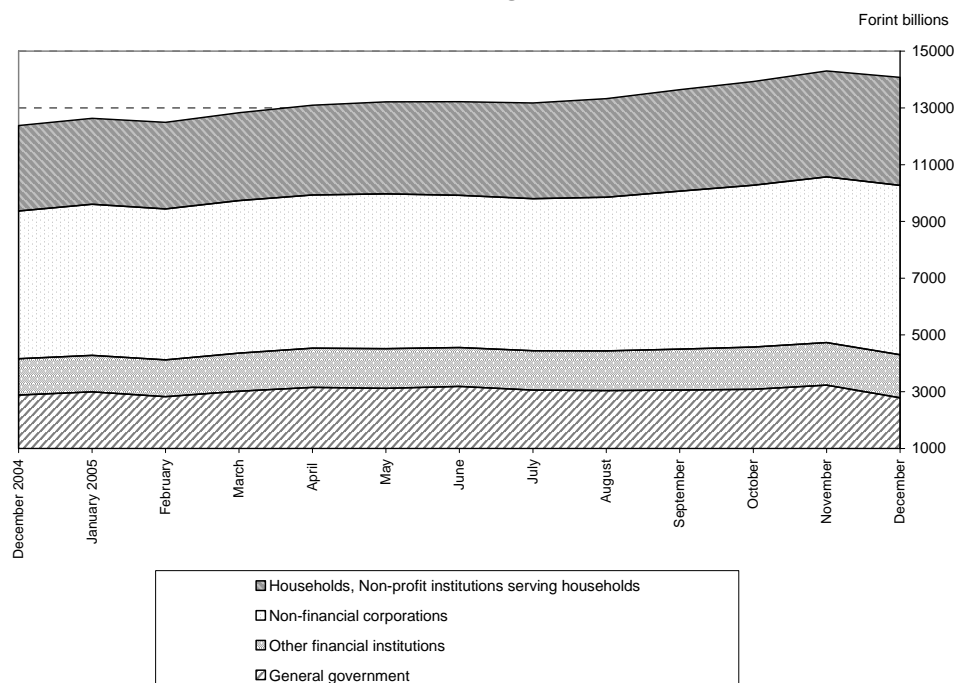
### Chart 4 Seasonally adjusted M2



### Chart 5 Seasonally adjusted M3

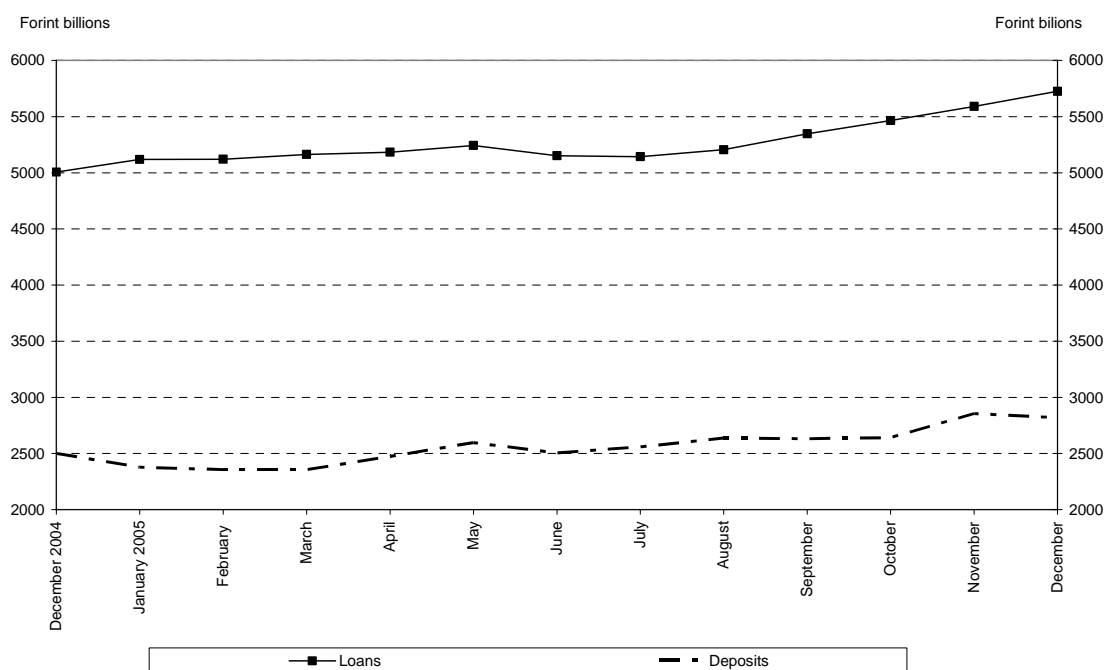


**Chart 6 Outstanding domestic loans**



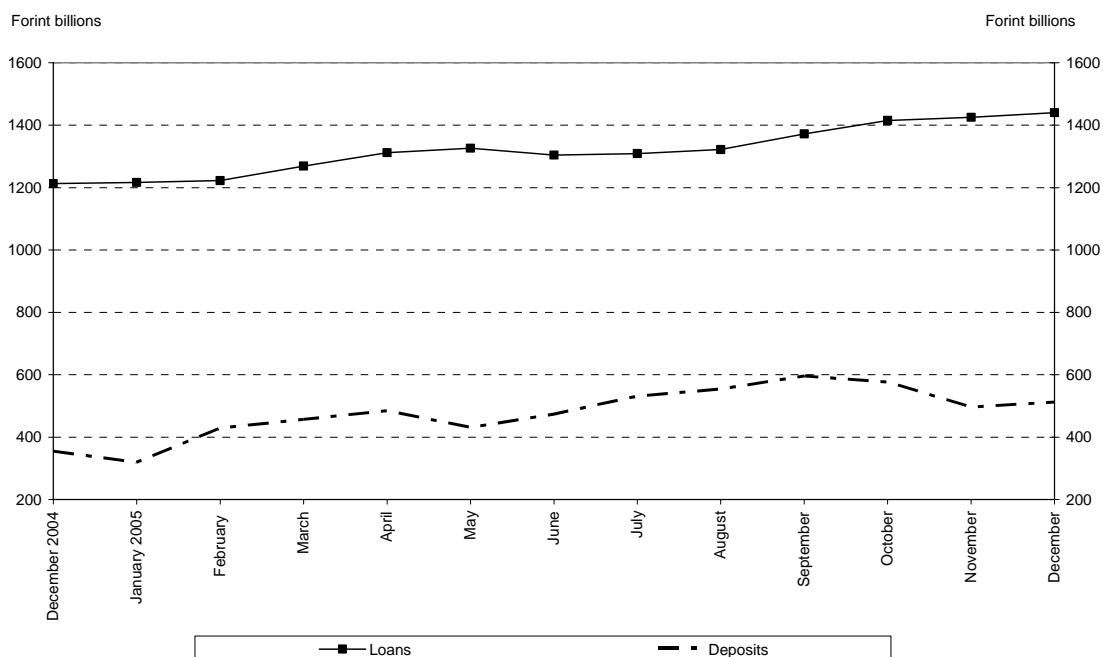
The total stock of loans granted by monetary financial institutions to non-financial corporations rose by HUF 134.0 billion in one month: outstanding short and long-term loans respectively were HUF 76.5 billion and HUF 57.5 billion higher than in November. Loans with maturity up to 5 years increased by HUF 7.7 billion and those with maturity over 5 years by HUF 49.8 billion. NFCs' deposits with MFIs were down by HUF 35.6 billion on the preceding month: overnight and current account deposits rose by HUF 25.4 billion, deposits with agreed maturity up to one year fell by HUF 64.7 billion and deposits with agreed maturity over one year rose by HUF 1.3 billion. Outstanding repos were up HUF 1.3 billion on November.

**Chart 7 Non-financial corporations' loans and deposits**



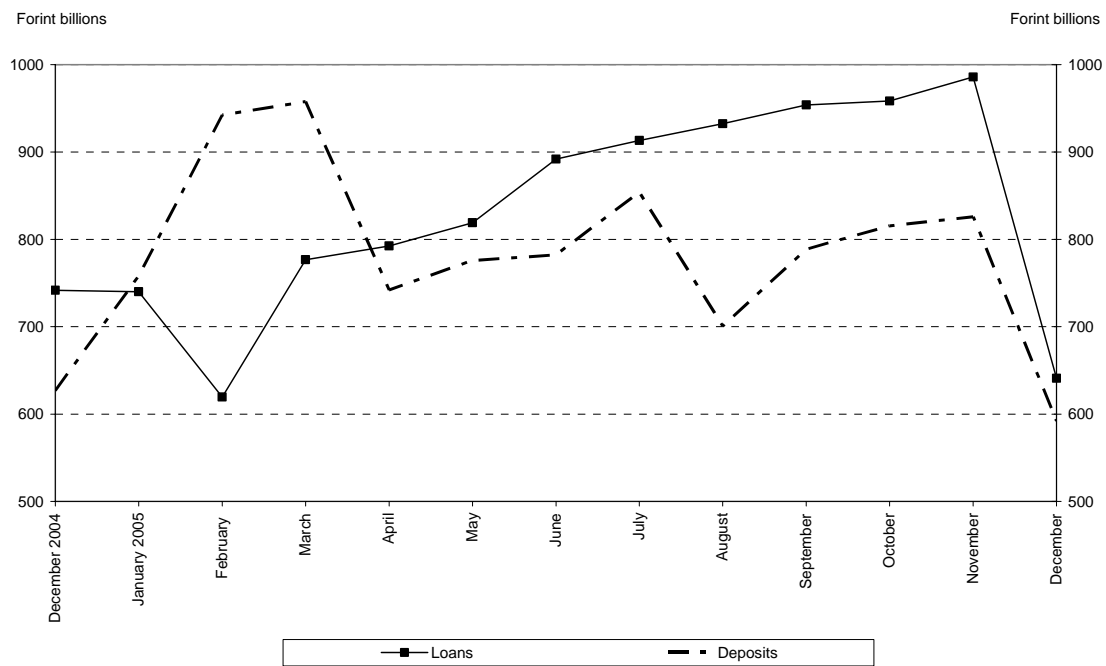
Outstanding loans to other financial corporations rose by HUF 15.2 billion in December. Loans with maturity up to one year fell by HUF 5.7 billion and those with maturity over one year rose by HUF 20.8 billion. Loans with maturity up to five years rose by HUF 11.7 billion and those with maturity over five years rose by HUF 9.1 billion. The sector's deposits with monetary financial institutions were up by HUF 16.3 billion. Overnight and current account deposits rose by HUF 6.1 billion and time deposits by HUF 13.3 billion. Outstanding repos were down HUF 3.1 billion on November.

**Chart 8 Loans and deposits of other financial corporations**



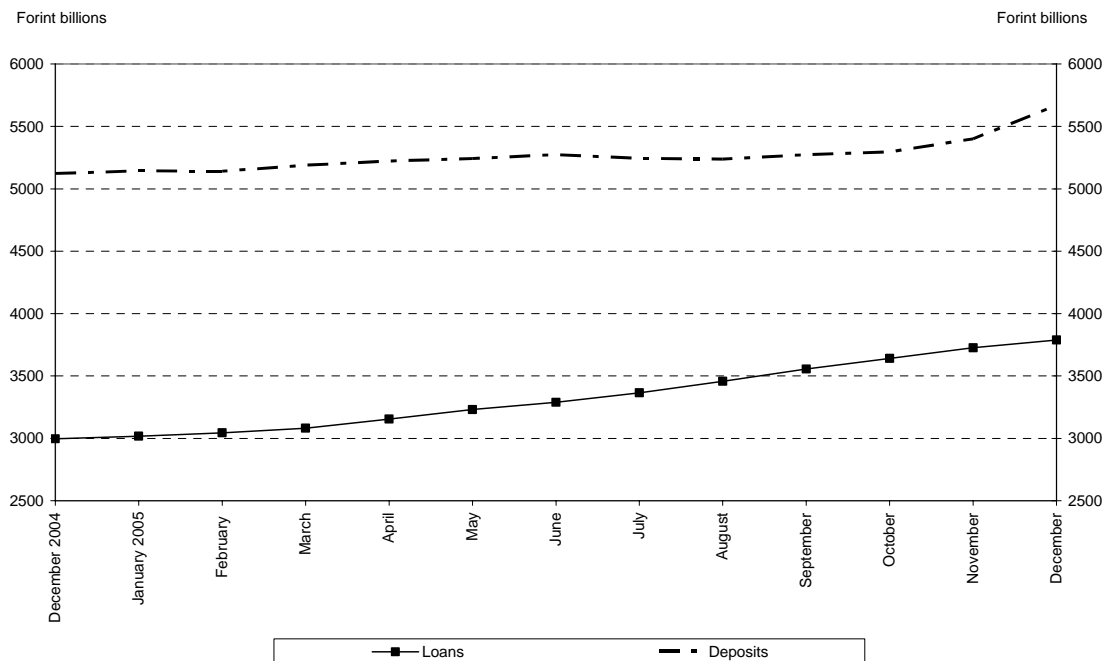
The stock of loans granted by monetary financial institutions to general government fell by HUF 344.9 billion relative to end-November. The sector's deposits with MFIs were down HUF 234.0 billion on the preceding month: deposits of the central government fell by HUF 279.0 billion and those of the local government sub-sector rose by HUF 45.0 billion.

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



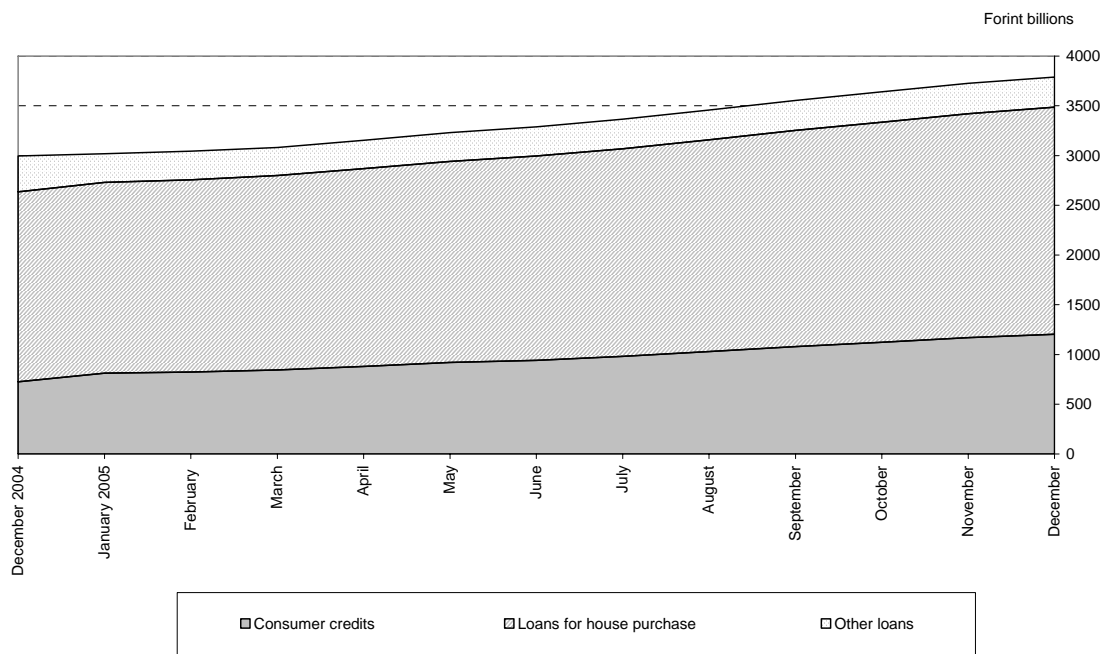
The outstanding total of loans granted by monetary financial institutions to the household sector rose by HUF 61.9 billion in December. Households' deposits with MFIs were HUF 268.4 billion higher in a one-month comparison.

**Chart 10 Loans and deposits of households**



Within loans outstanding to households, housing loans fell from 60.4% to 60.3% as a percentage of the total, the stock of loans rising by HUF 32.2 billion. Consumer credit edged up from 31.4% to 31.8% as a proportion of the total, the outstanding amount of consumer credit increasing by HUF 34.3 billion. Other loans to the household sector fell by HUF 4.5 billion in the month under review.

**Chart 11 Loans to households**

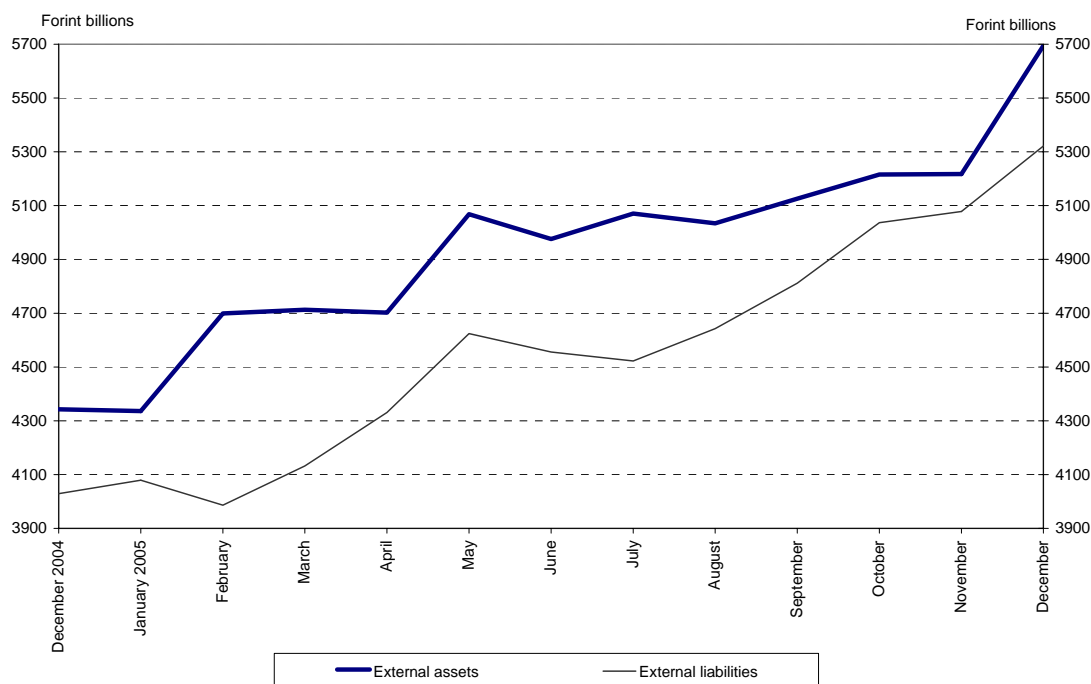


Net assets of monetary financial institutions vis-à-vis non-residents were HUF 233.0 billion higher in December than in November. MFIs' external assets and liabilities respectively rose by HUF 476.9 billion and HUF 243.9 billion.

Assets of the central bank vis-à-vis non-residents rose by HUF 411.4 billion and its liabilities fell by HUF 62.1 billion relative to the preceding month. As a result, the sector's net external assets rose by HUF 473.5 billion.

Net assets of other monetary financial institutions vis-à-vis non-residents fell by HUF 240.5 billion. The sector's external assets and liabilities were up HUF 65.5 billion and HUF 306.0 billion, respectively, on November.

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 12<sup>th</sup> 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=mnbfil&resourcename=0708\\_monstatpubl\\_en.xls](http://english.mnb.hu/Resource.aspx?ResourceID=mnbfil&resourcename=0708_monstatpubl_en.xls).*

**MAGYAR NEMZETI BANK**  
STATISTICS DEPARTMENT