

29 June 2006

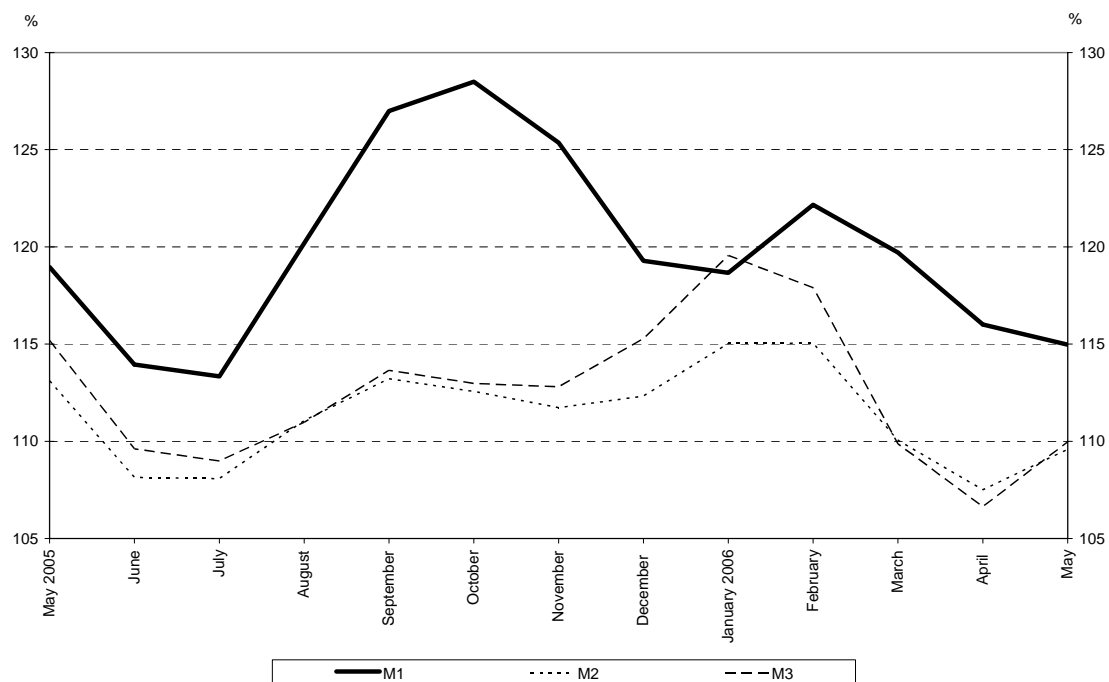
**PRESS RELEASE**

***Consolidated balance sheet of MFIs: May 2006***

In May 2006, the monetary base increased by HUF 1.6 billion to HUF 2,394.4 billion. Currency in circulation rose by HUF 7.5 billion to HUF 1,788.1 billion and the monthly average stock of other monetary financial institutions' current account deposits by HUF 27.4 billion to HUF 586.2 billion. The monthly average stock of other monetary financial institutions' overnight deposits with the MNB fell by HUF 33.3 billion to HUF 20.2 billion. The annualised month-on-month growth index of the monetary base (M0)<sup>1</sup> was 110.0% in the month under review.

The annualised month-on-month growth index of the narrower monetary aggregate M1 fell by 1.0 percentage point, from 116.0% to 115.0%. The annualised month-on-month growth index of M2 was up 2.1 percentage points, from 107.5% to 109.6%. The annualised month-on-month growth index of M3 changed by 3.3 percentage points, from 106.6% to 110.0%.

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



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

Chart 2: Components of monetary aggregates

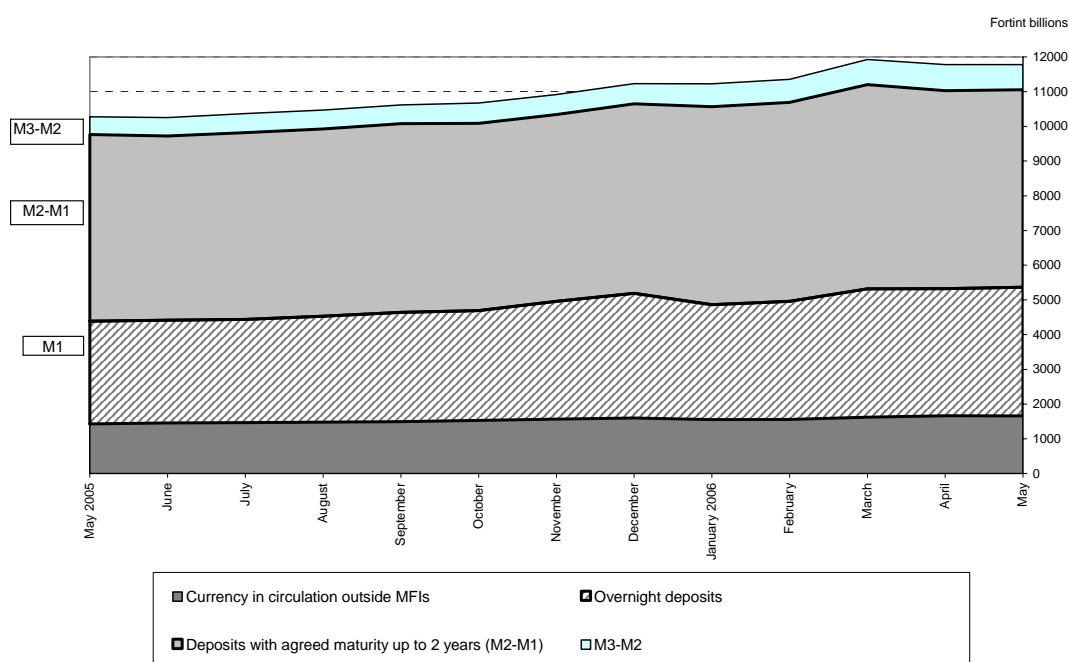


Chart 3: Seasonally adjusted M1

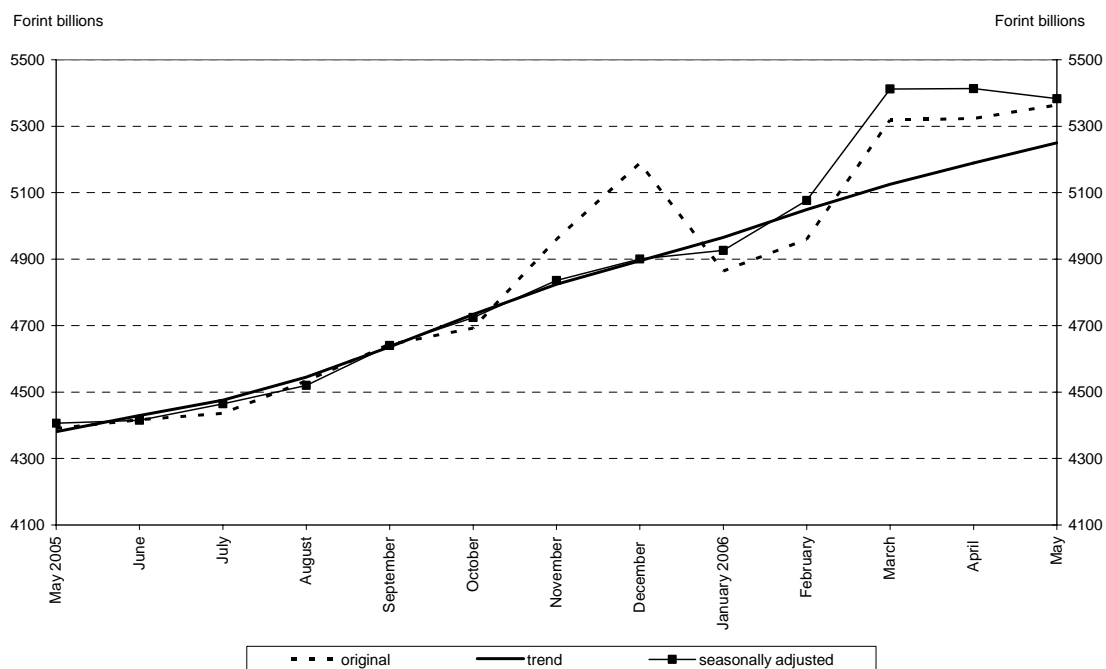


Chart 4: Seasonally adjusted M2

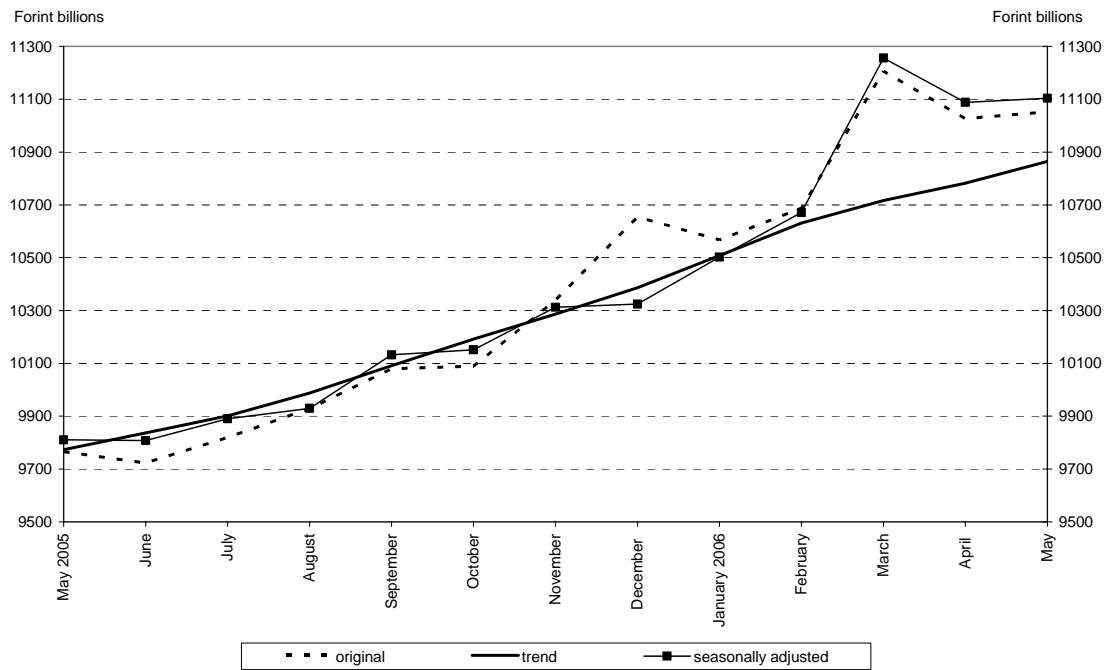
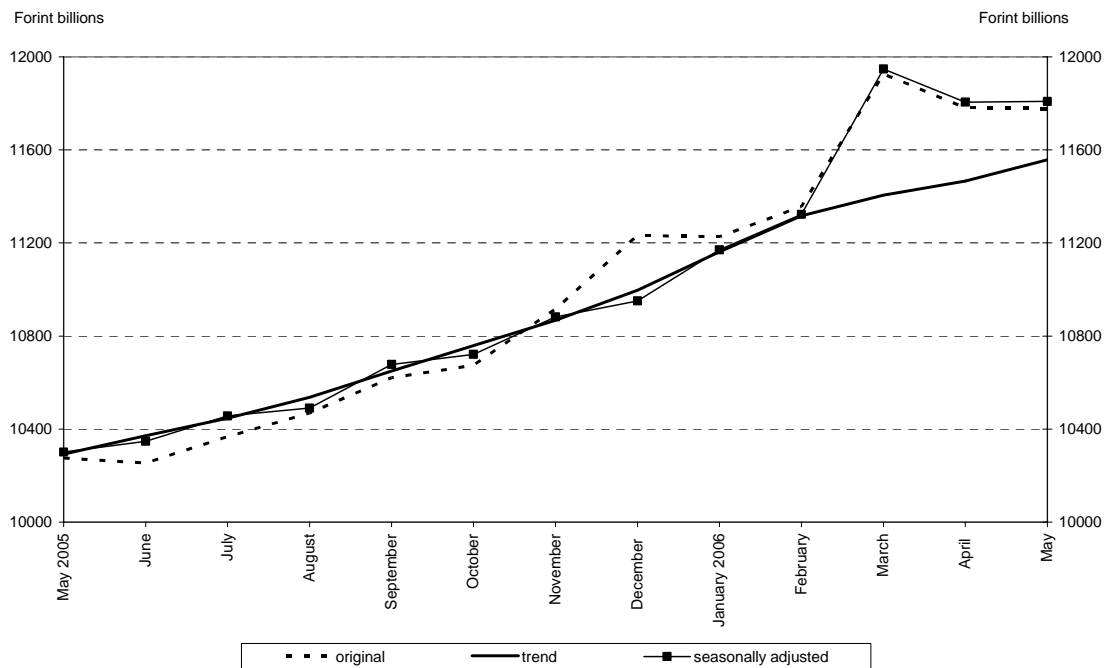
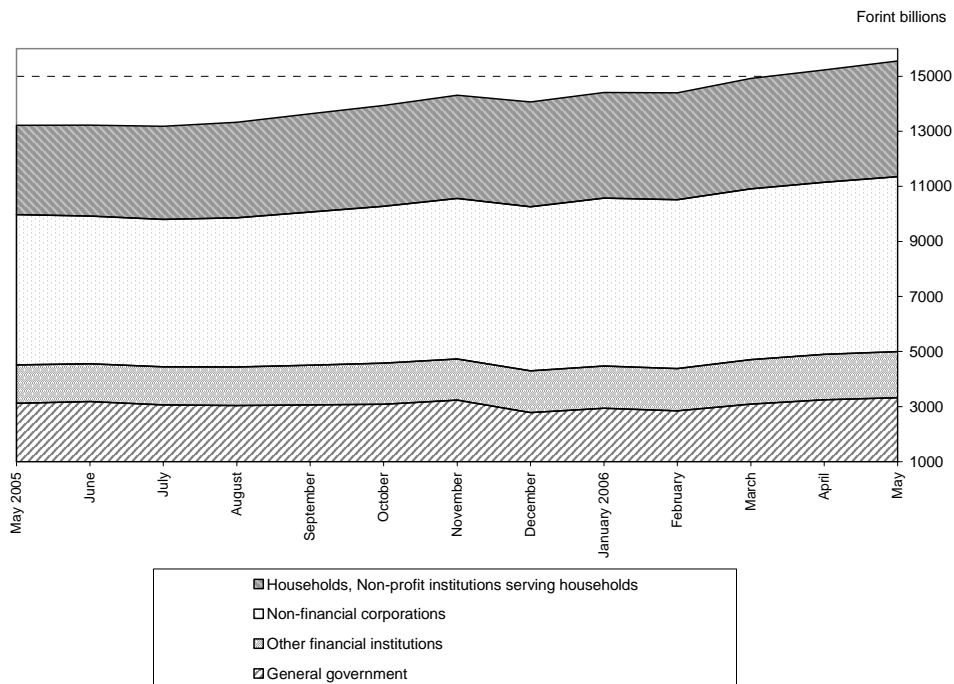


Chart 5: Seasonally adjusted M3

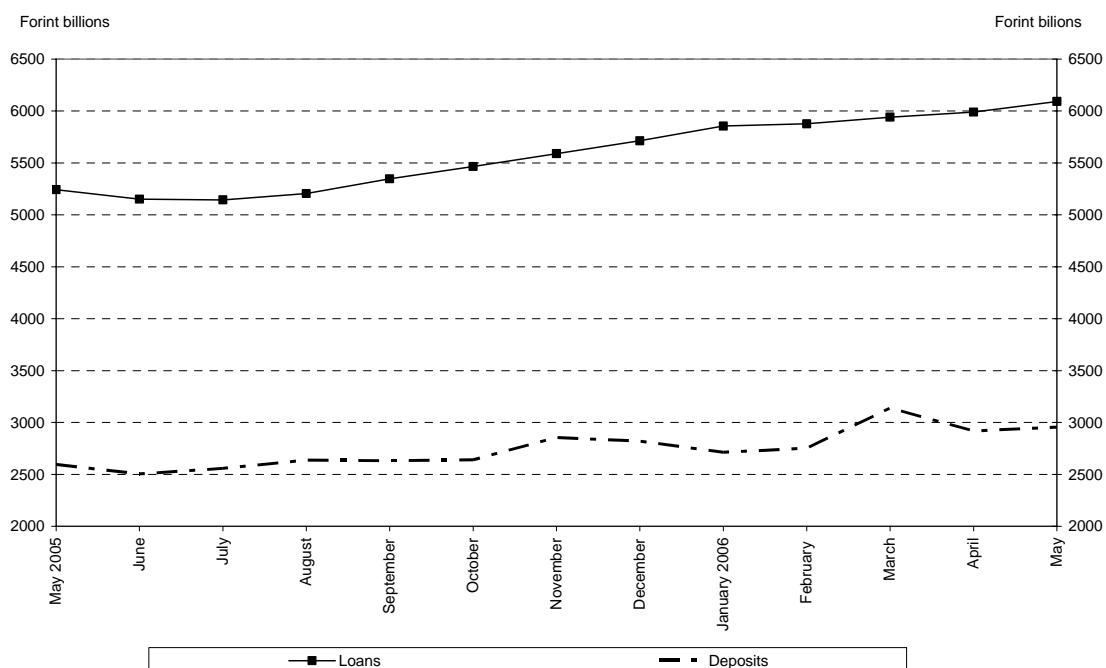


**Chart 6: Outstanding domestic loans**



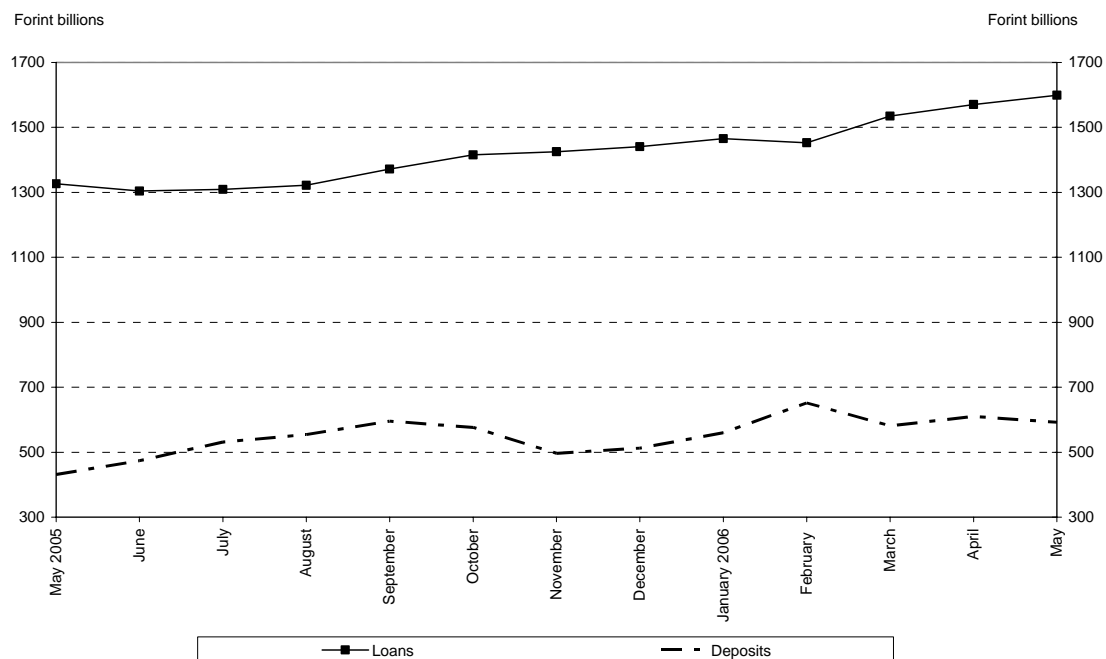
The total stock of loans granted by monetary financial institutions to non-financial corporations rose by HUF 101.6 billion in one month. Outstanding short- and long-term loans respectively were HUF 46.1 billion and HUF 55.5 billion higher than in April. Loans with maturity up to 5 years rose by HUF 11.6 billion and those with maturity over 5 years by HUF 43.9 billion. NFCs' deposits with MFIs were up by HUF 37.4 billion on the preceding month. Overnight deposits increased by HUF 43.2 billion, while deposits with agreed maturity up to one year fell by HUF 5.6 billion and deposits with agreed maturity over one year declined by HUF 0.3 billion. Outstanding repo positions remained unchanged.

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



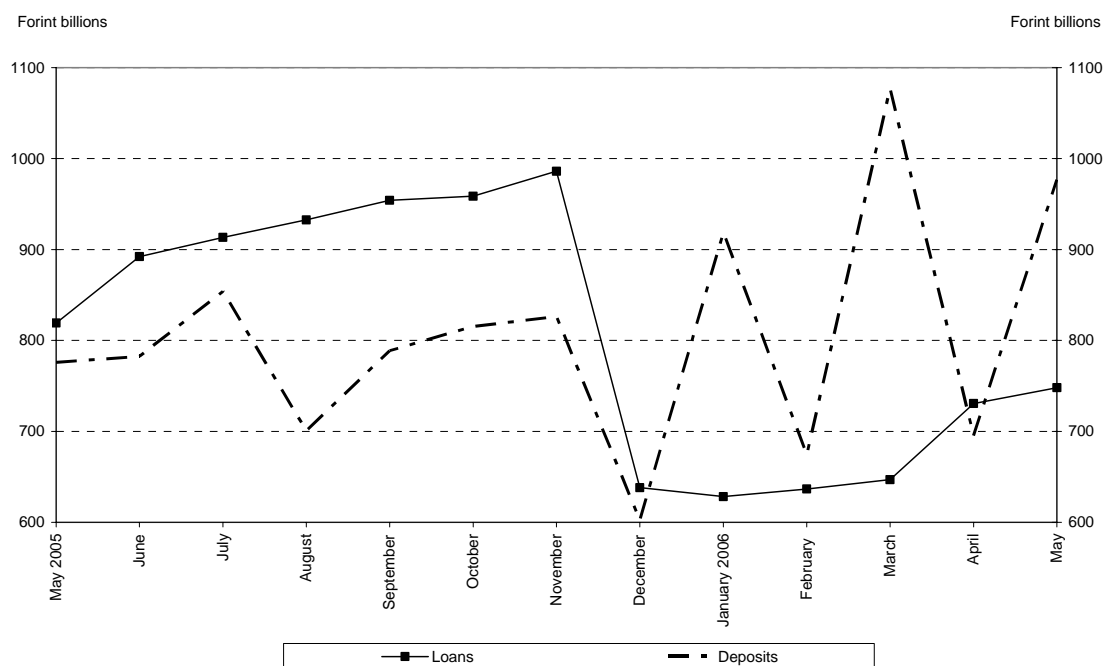
Outstanding loans to other financial corporations rose by HUF 28.8 billion in May. Loans with maturity up to one year increased by HUF 19.6 billion and those with maturity over one year by HUF 9.2 billion. Loans with maturity up to 5 years were up by HUF 9.2 billion, while those with maturity over 5 years remained unchanged. The sector's deposits with monetary financial institutions fell by HUF 17.8 billion. Overnight deposits, time deposits and outstanding repos decreased by HUF 17.0 billion, HUF 0.6 billion and HUF 0.2 billion, respectively.

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



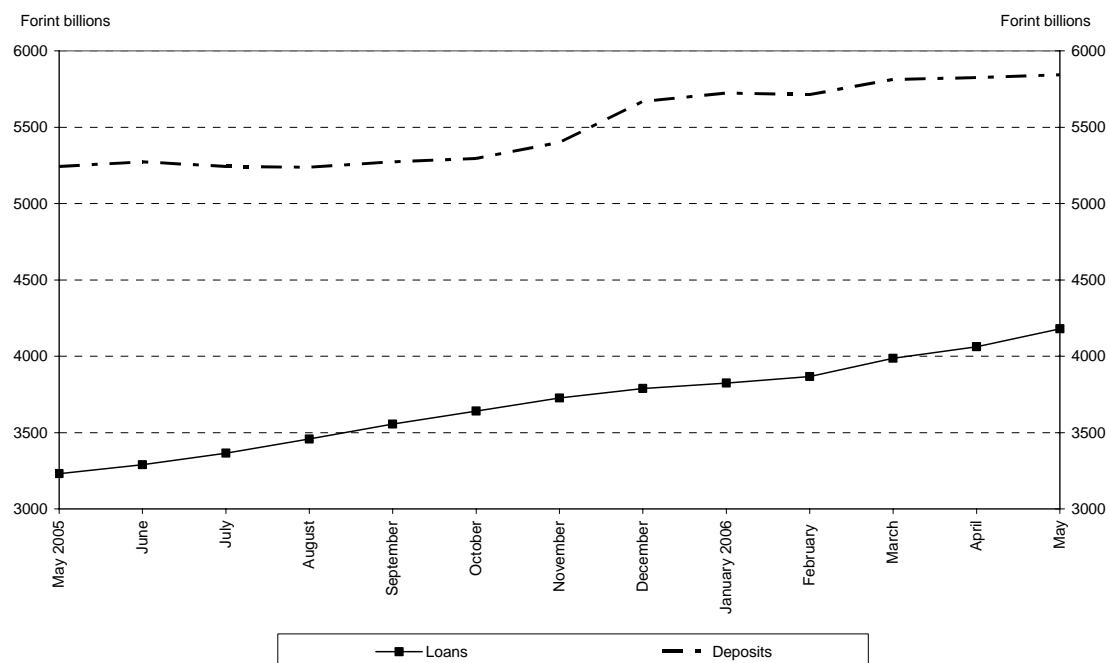
The stock of loans granted by monetary financial institutions to general government rose by HUF 17.4 billion. The general government's deposits with MFIs were up HUF 281.3 billion on the preceding month. Deposits of the central government increased by HUF 283.9 billion, while those of the local government sub-sector fell by HUF 2.6 billion.

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



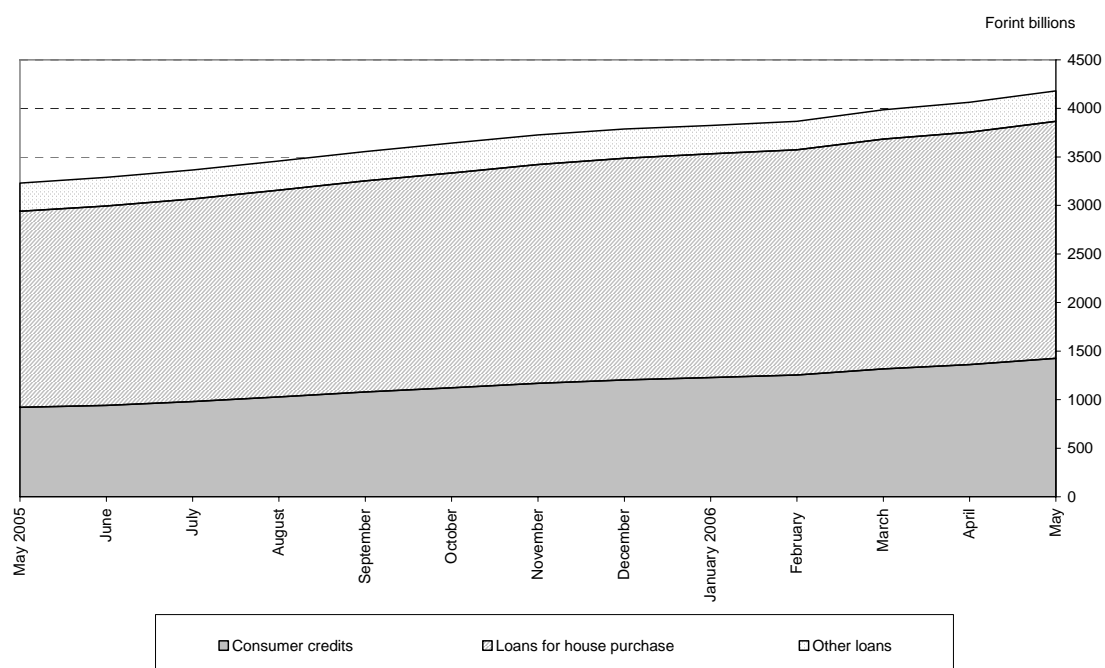
The outstanding total of loans granted by monetary financial institutions to the household sector rose by HUF 116.7 billion in May. Households' deposits with MFIs were HUF 17.6 billion higher than in the preceding month.

**Chart 10: Loans and deposits of households**



Within loans outstanding to households, housing loans dropped from 58.9% to 58.4% as a percentage of the total, with the stock of loans rising by HUF 44.3 billion. Consumer credit edged up from 33.5% to 34.1% as a proportion of the total, with the outstanding amount of consumer credit increasing by HUF 65.7 billion. Other loans to the household sector rose by HUF 6.7 billion in the month under review.

**Chart 11: Loans to households**

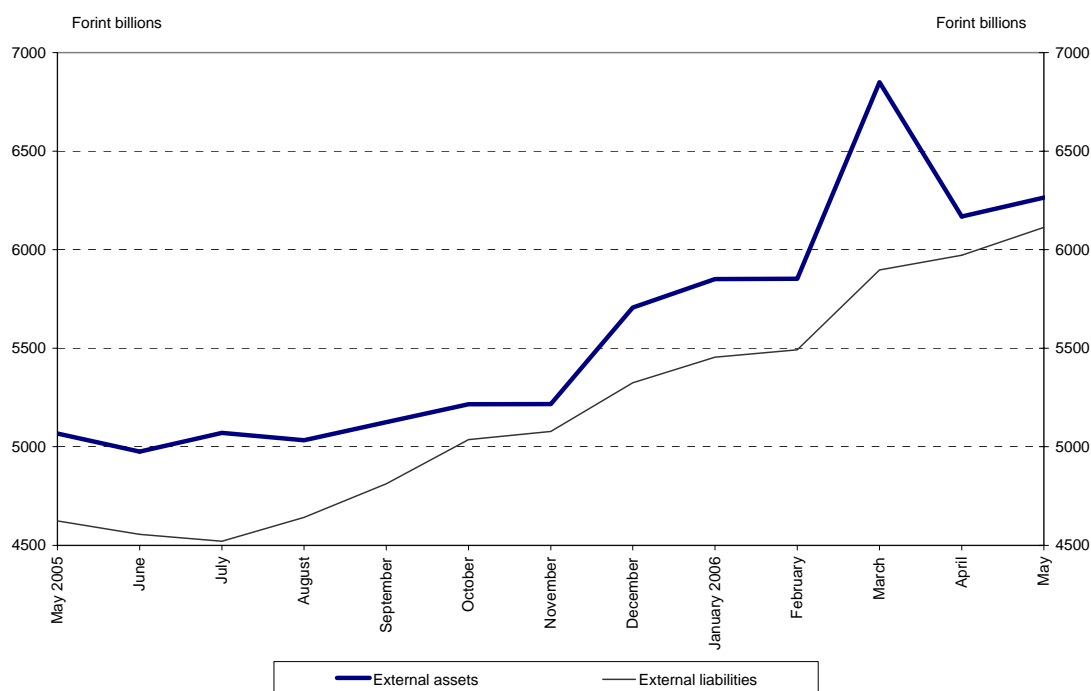


Net assets of monetary financial institutions vis-à-vis non-residents were HUF 45.4 billion lower in May than in April. MFIs' external assets rose by HUF 95.4 billion, while their liabilities by HUF 140.8 billion.

Assets of the central bank vis-à-vis non-residents increased by HUF 38.9 billion, while its liabilities vis-à-vis non-residents fell by HUF 10.9 billion. Net assets rose by HUF 49.7 billion.

Net assets of other monetary financial institutions vis-à-vis non-residents were down HUF 95.2 billion. The sector's external assets and external liabilities rose by HUF 56.5 billion and HUF 151.7 billion, respectively.

**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 reflects 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://www.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708\\_monstatpubl\\_hu.xls](http://www.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708_monstatpubl_hu.xls).*

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