

30 May 2008

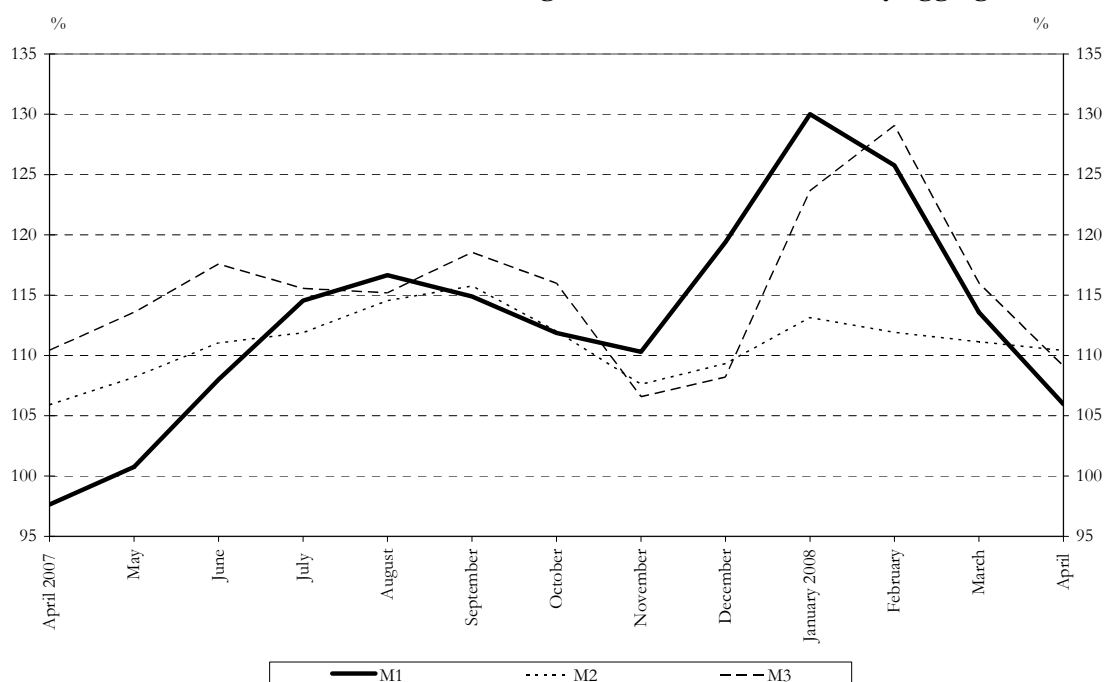
PRESS RELEASE

Consolidated balance sheet of MFIs: April 2008

In April 2008, the monetary base fell by HUF 91.1 billion to HUF 2,985.1 billion. The annualised month-on-month growth index¹ of the monetary base (M0) stood at 115.3%, down 5.1 percentage points on the previous month.

The annualised month-on-month growth index of the monetary aggregate M1 fell by 7.6 percentage points to 106.0% and that of M2 by 0.7 percentage points to 110.4%. The annualised month-on-month growth index of M3, at 109.1%, was 6.9 percentage points lower than in the previous month.

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



The not seasonally adjusted stock of the monetary aggregate M3 fell by HUF 6.1 billion to HUF 14,681.4 billion.

The percentage share of M1 – comprising currency outside monetary financial institutions and overnight deposits – changed from 43.7% to 42.5%, with its stock falling by HUF 172.7 billion to HUF 6,246.6 billion. Within this figure, the stock of overnight deposits fell by HUF 173.9 billion to HUF 4,176.5 billion.

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

The percentage share of M2-M1 – a measure of deposits with an agreed maturity of up to two years – rose from 47.5% to 48.7%, the combined stock of M2-M1 rising by HUF 166.2 billion to HUF 4,176.5 billion.

The percentage share of M3-M2 – comprising outstanding repos, money market fund shares and debt securities with maturities of up to two years – remained unchanged at the previous month's 8.8%. The combined stock of M3-M2 rose by only HUF 0.4 billion to HUF 1,292.2 billion.

Chart 2 Components of the monetary aggregates

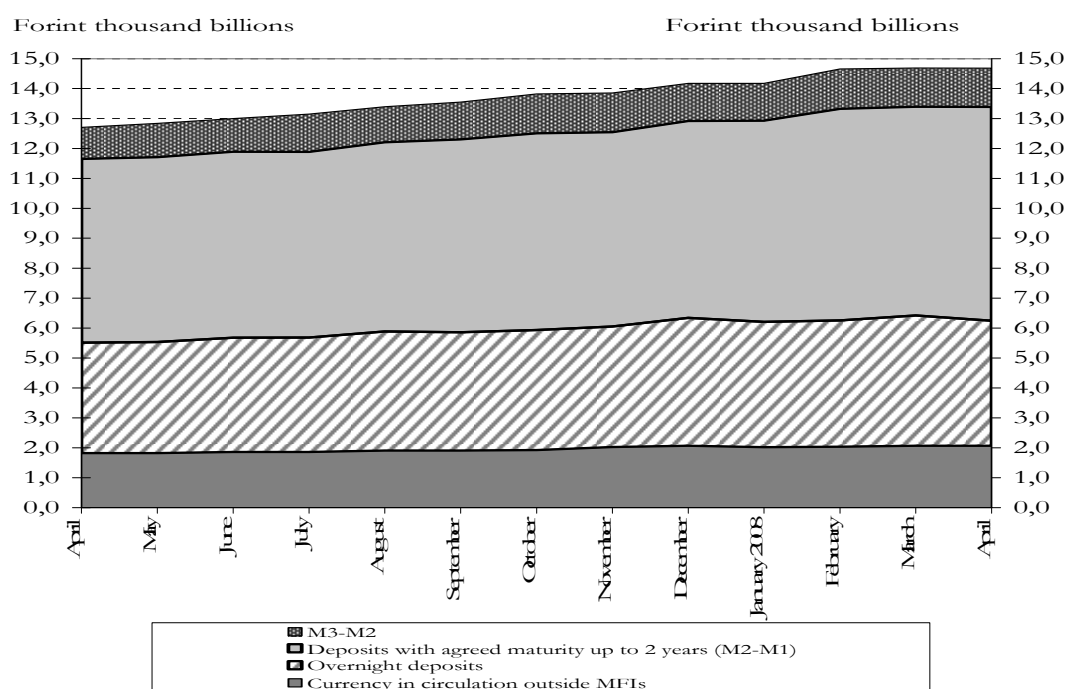


Chart 3 Seasonally adjusted M1

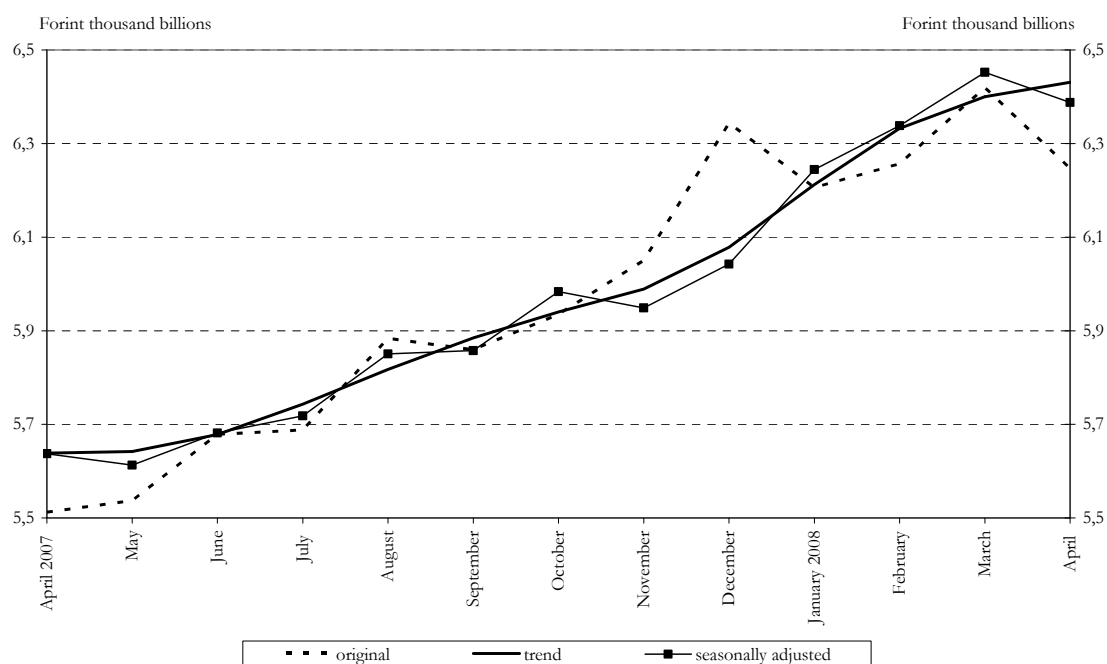


Chart 4 Seasonally adjusted M2

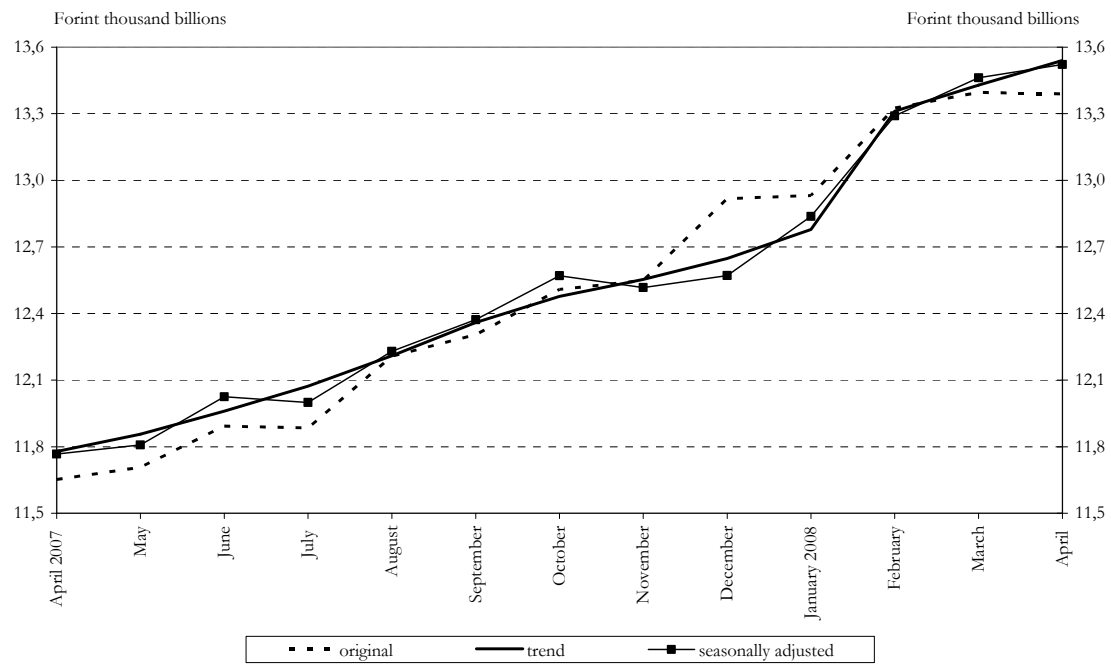
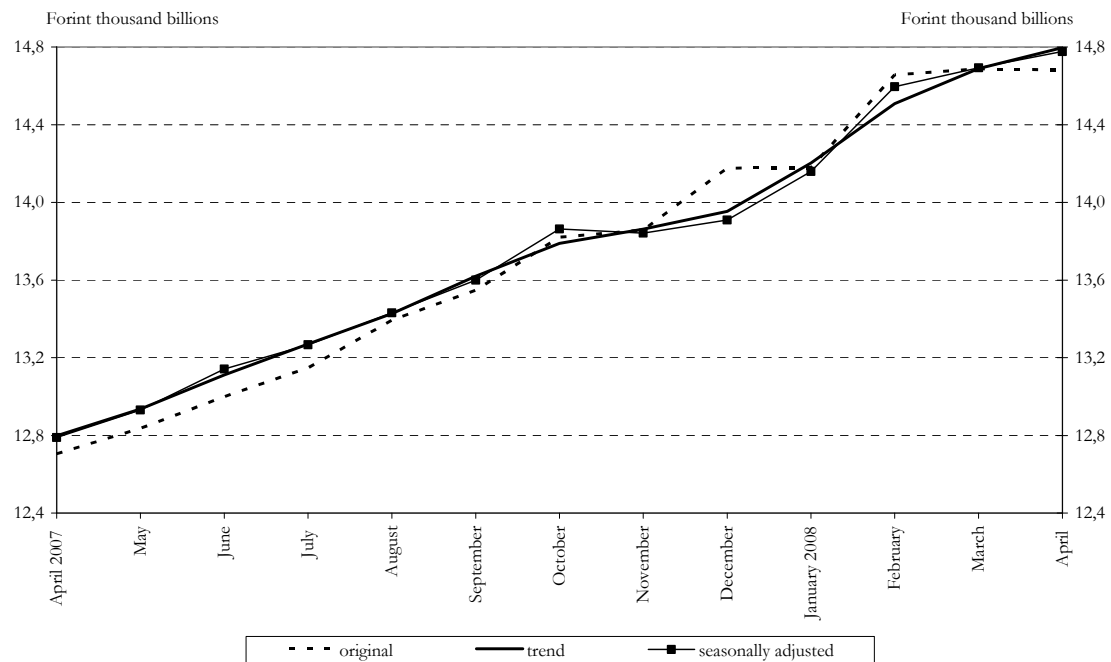


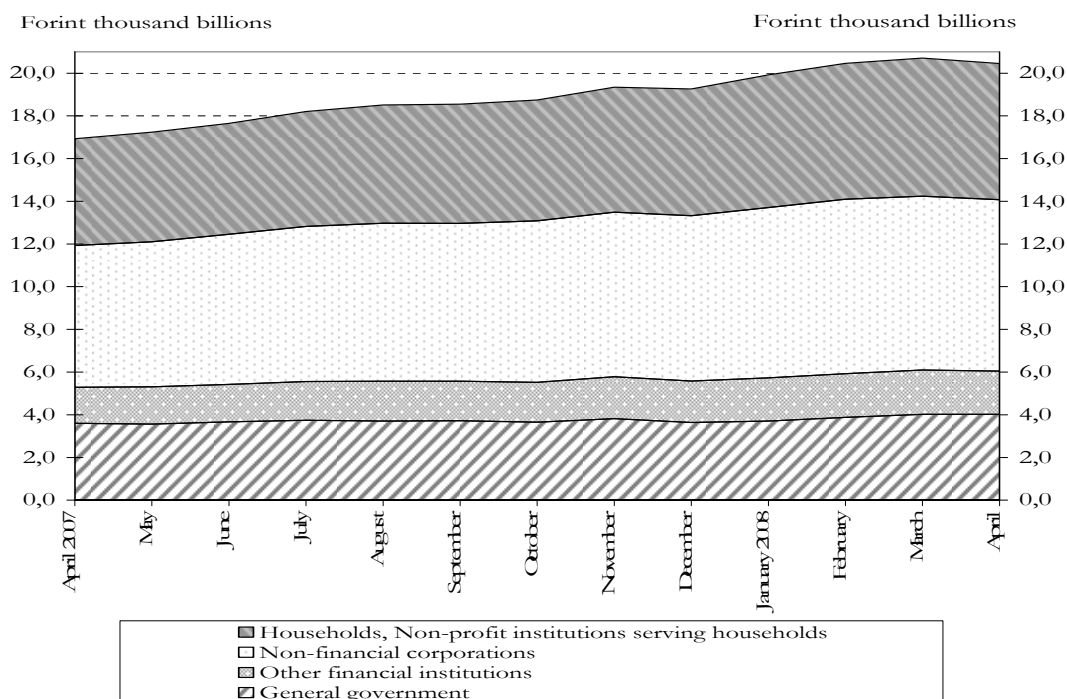
Chart 5 Seasonally adjusted M3



Domestic assets of monetary financial institutions² fell by HUF 259.5 billion to HUF 20,452.3 billion in April. Here, assets with general government fell by HUF 0.7 billion, those with other financial corporations by HUF 47.0 billion and those with non-financial corporations by HUF 117.5 billion. Assets with households and non-profit institutions serving households were down HUF 93.0 billion on the previous month.

Within the total stock of domestic assets, the percentage share of assets with non-financial corporations was 39.3% and that of assets with households and NPISHs was 31.2%, both remaining unchanged at their level in March. Assets with general government and other financial corporations, respectively, accounted for 19.6% and 9.9% of total assets.

Chart 6 Composition of the stock of domestic loans



The total stock of loans granted by monetary financial institutions to non-financial corporations fell by HUF 111.2 billion to HUF 7,567.8 billion.

Short-term loans, at HUF 2,774.9 billion, were down HUF 52.4 billion. Loans with a maturity of over one year fell by HUF 58.8 billion to HUF 4,792.9 billion. Within longer-term term loans, loans with a maturity of up to five years fell by HUF 41.1 billion to HUF 1,985.7 billion and loans with a maturity of over five years by HUF 17.7 billion to HUF 2,807.2 billion. Short-term loans and loans with a maturity of over five years accounted for 36.7% and 37.1%, respectively, of total loans. The percentage share of loans with a maturity of up to five years was 26.2% in the month.

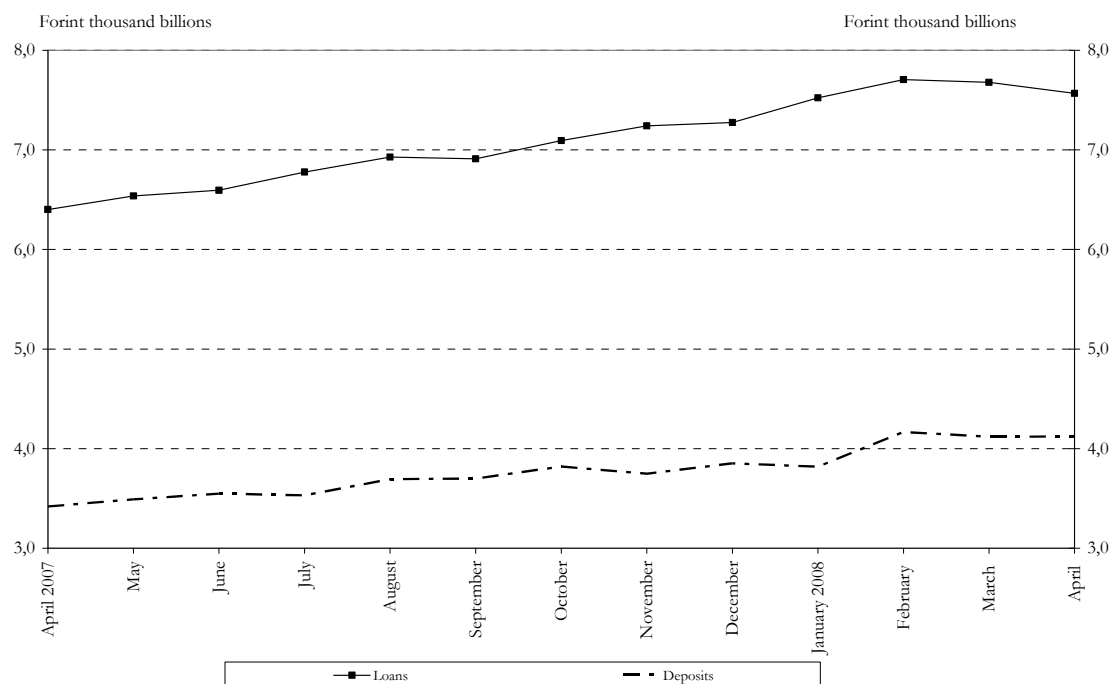
The percentage share of foreign currency loans with a maturity of up to one year fell from 35.6% to 32.5%, that of loans with a maturity of over one year and up to five years from 57.9% to 56.0% and that of loans with a maturity of over five years from 72.4% to 70.8%. The total stock of foreign currency loans, at HUF 4,003.5 billion, was HUF 219.1 billion lower than in March. Here, exchange rate changes and transactions accounted for HUF 122.6 billion and HUF 96.5 billion, respectively, of the fall in the value of loans.

The sector's deposits with monetary financial institutions rose by HUF 1.8 billion to HUF 4,121.3 billion. Within total deposits, the share of overnight deposits was 48.5% and that of

² MFIs' domestic assets include debt securities, and shares and other equity, in addition to loans.

deposits with an agreed maturity was 51.4%. The share of outstanding repos was 0.2%, unchanged from March. Overnight deposits fell by HUF 88.6 billion to HUF 1,997.5 billion. Here, the fall in foreign currency deposits accounted for 70% of the change in total deposits. Deposits with a maturity of up to one year rose by HUF 90.6 billion to HUF 2,062.5 billion. The combined stock of deposits with a maturity of over one year and outstanding repos fell by HUF 0.2 billion.

Chart 7 Loans and deposits of non-financial corporations

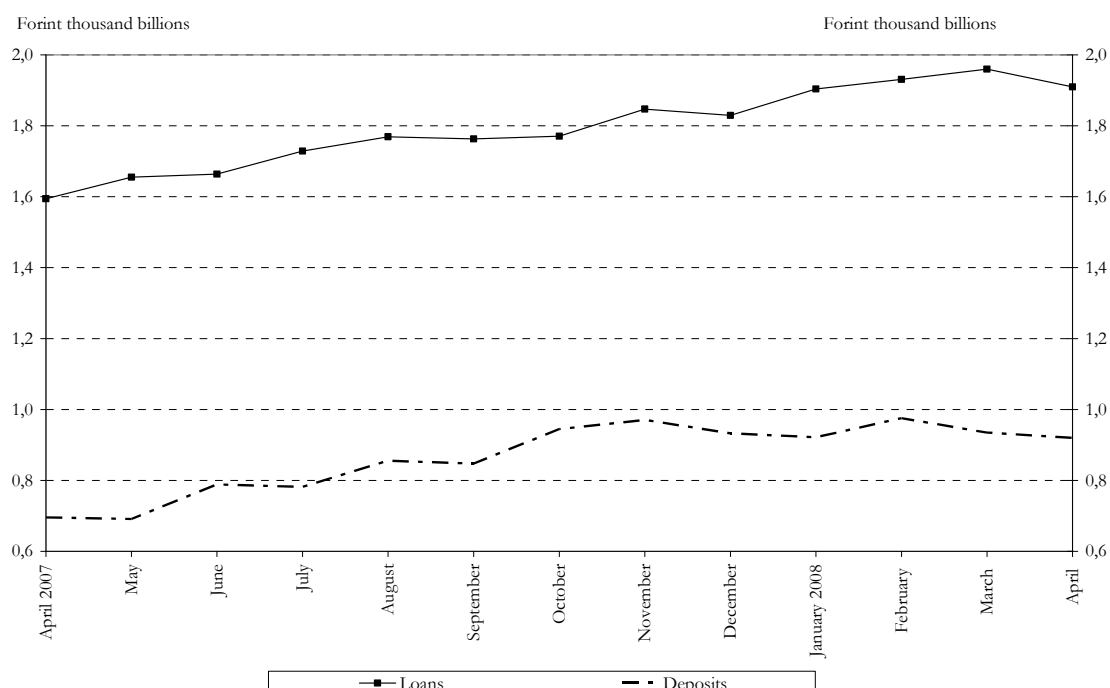


The stock of loans granted to other financial corporations fell by HUF 50.0 billion to HUF 1,909.7 billion. Loans with a maturity of up to five years, rising by 0.8 percentage points to 45.5% in April, continued to account for the highest percentage share within the total. In contrast, the share of loans with a maturity of up to one year fell from 29.0% to 28.6% and that of loans with a maturity of over five years from 26.2% to 25.9%.

The stocks of forint and foreign currency loans fell by HUF 10.6 billion to HUF 236.2 billion and by HUF 39.4 billion to HUF 1,673.5 billion, respectively. Exchange rate changes and transactions accounted for HUF 76.5 billion and HUF 37.0 billion, respectively, of the increase in foreign currency loans.

In April, deposits of other financial corporations fell by HUF 15.0 billion to HUF 919.9 billion. Within total deposits, the value of overnight deposits fell by HUF 27.8 billion to HUF 182.3 billion and that of deposits with an agreed maturity by HUF 5.2 billion to HUF 712.2 billion. In contrast, outstanding repos increased by HUF 18.0 billion to HUF 25.4 billion.

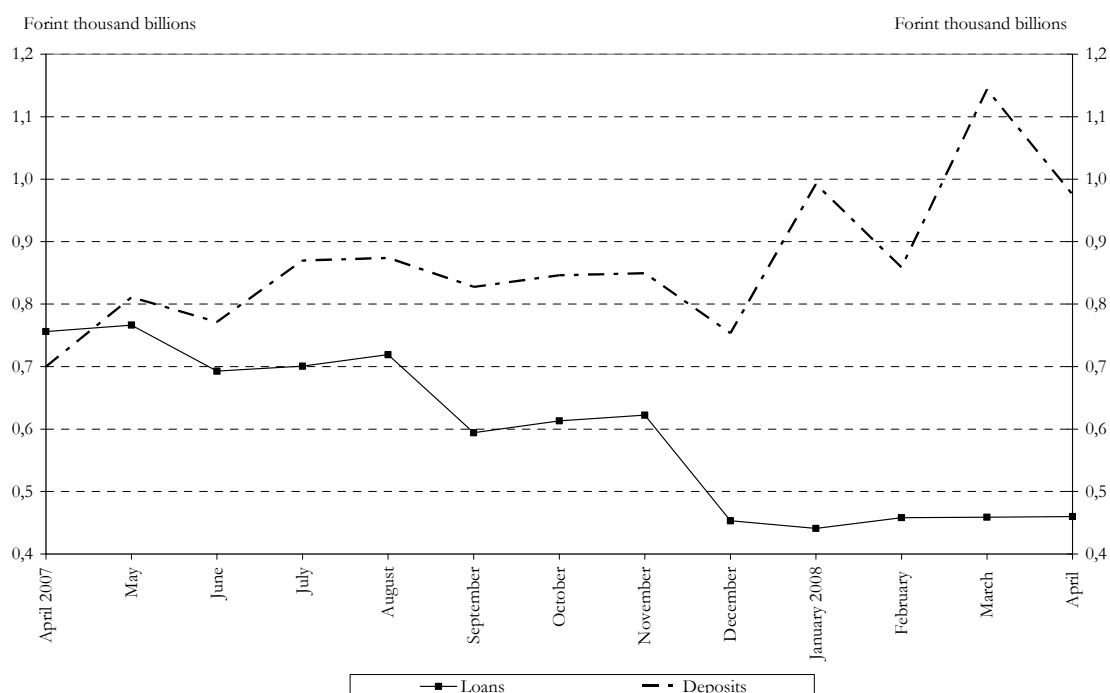
Chart 8 Loans and deposits to other financial corporations



Loans granted by monetary financial institutions to the general government sector rose by HUF 1.0 billion to HUF 459.9 billion.

The stock of the general government sector's deposits with monetary financial institutions fell by HUF 168.2 billion to HUF 975.3 billion. That reflected decreases of HUF 138.0 billion and HUF 30.2 billion, respectively, in deposits of the central government and the local government sub-sector.

Chart 9 Loans and deposits of the general government sector

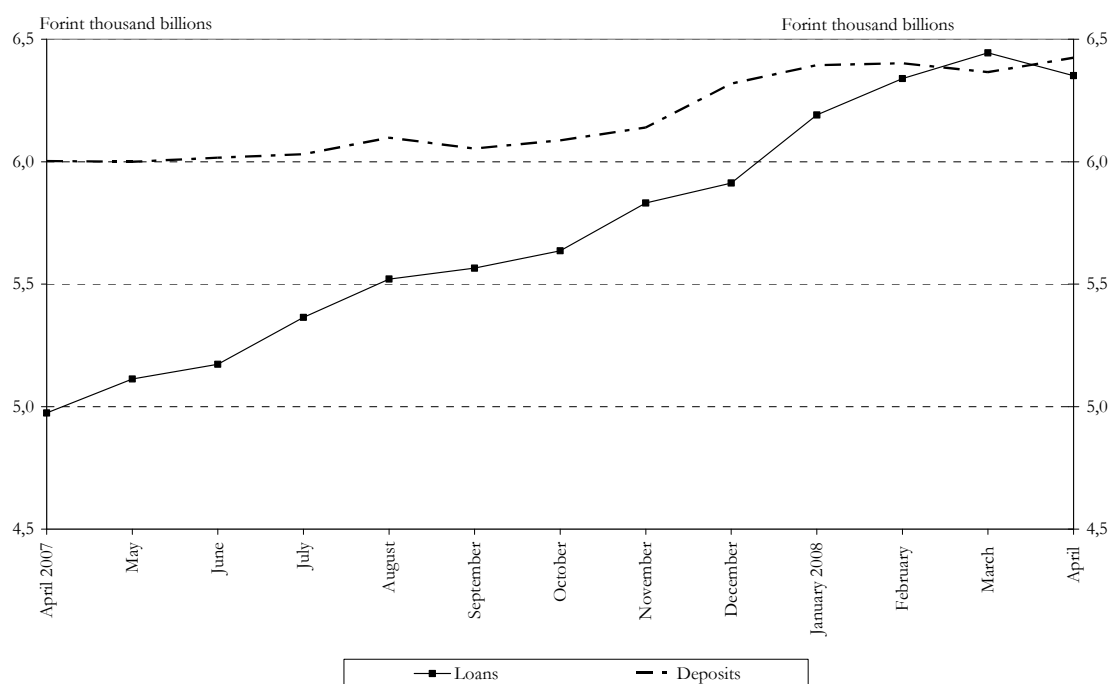


Loans granted to the household sector fell by HUF 92.6 billion to HUF 6,351.2 billion. Here, forint and foreign currency loans, respectively, were down HUF 25.4 billion and HUF 67.2 billion. Transactions reduced the value of foreign currency loans by HUF 181.5 billion, while exchange rate valuation effects increased it by HUF 114.3 billion.

The share of foreign currency loans within the total fell slightly: this month it was down from 59.3% to 59.1%.

In April, household deposits with monetary financial institutions rose by HUF 59.0 billion to a total of HUF 6,424.4 billion.

Chart 10 Loans and deposits of the household sector



Within loans granted to households, the share of housing loans edged up from 52.1% to 52.2%, with their stock falling by HUF 37.8 billion. Foreign currency loans fell from 51.1% to 50.9% as a percentage of housing loans. The percentage share of consumer credit within the total stock of loans to households dropped from 42.6% to 42.4%, with the outstanding amount of loans falling by HUF 49.2 billion to HUF 2,695.8 billion. Foreign currency loans rose from 71.4% to 71.6% as a percentage of total consumer credit. The share of other loans remained unchanged at 5.3%, with a HUF 5.6 billion fall in their stock. Here, the percentage share of foreign currency loans rose fell 42.3% to 39.3%.

Chart 11 Composition of household loans

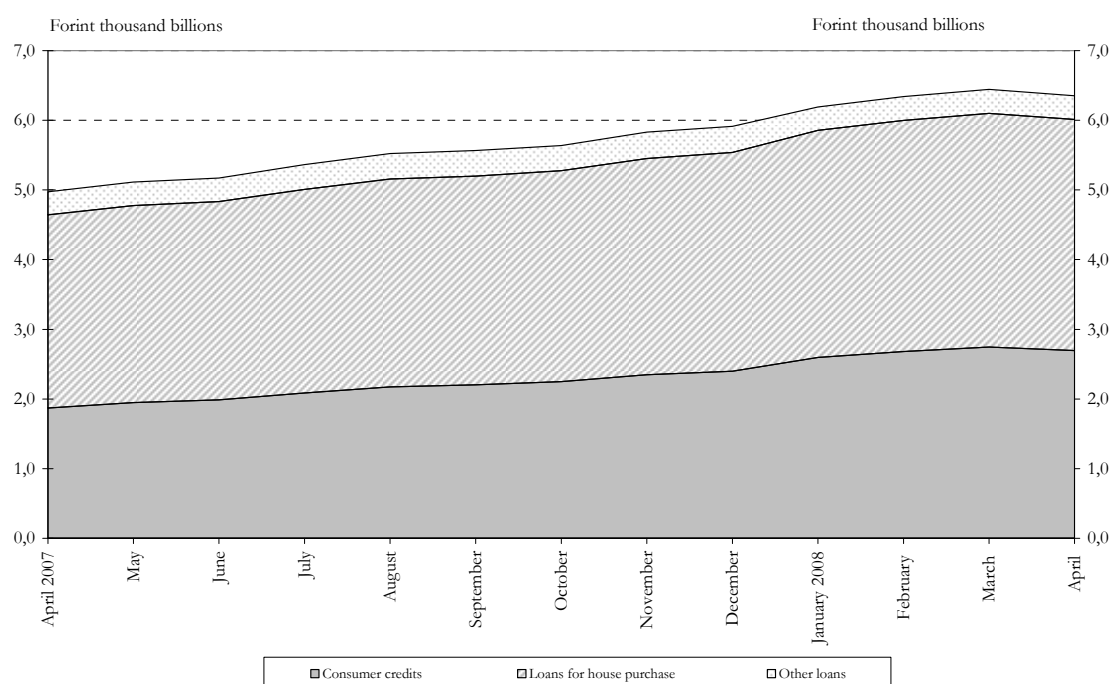
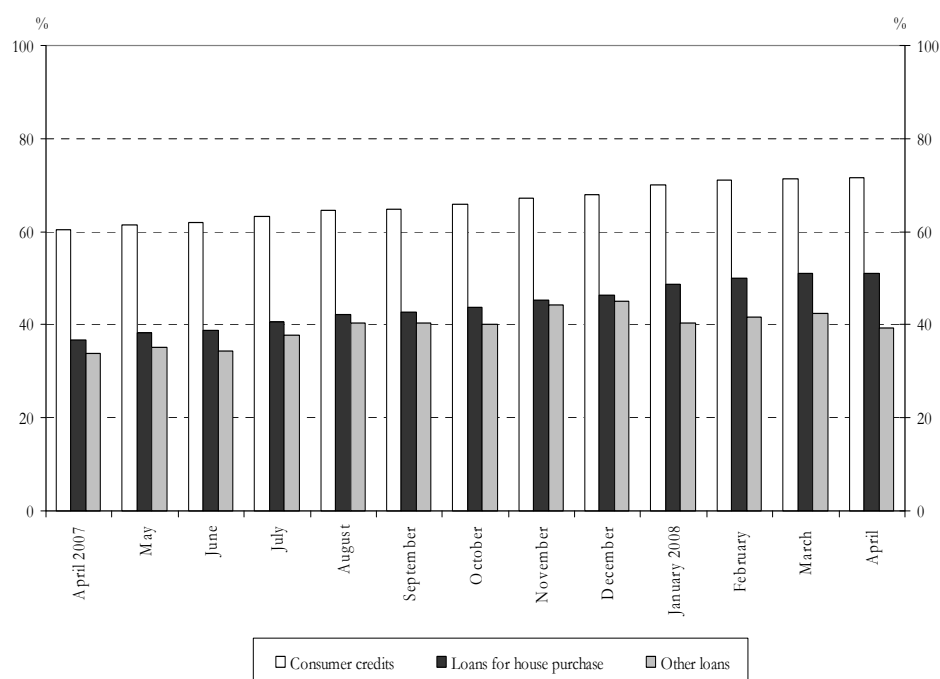


Chart 12 Percentage share of foreign currency loans to households in a breakdown by types of loan



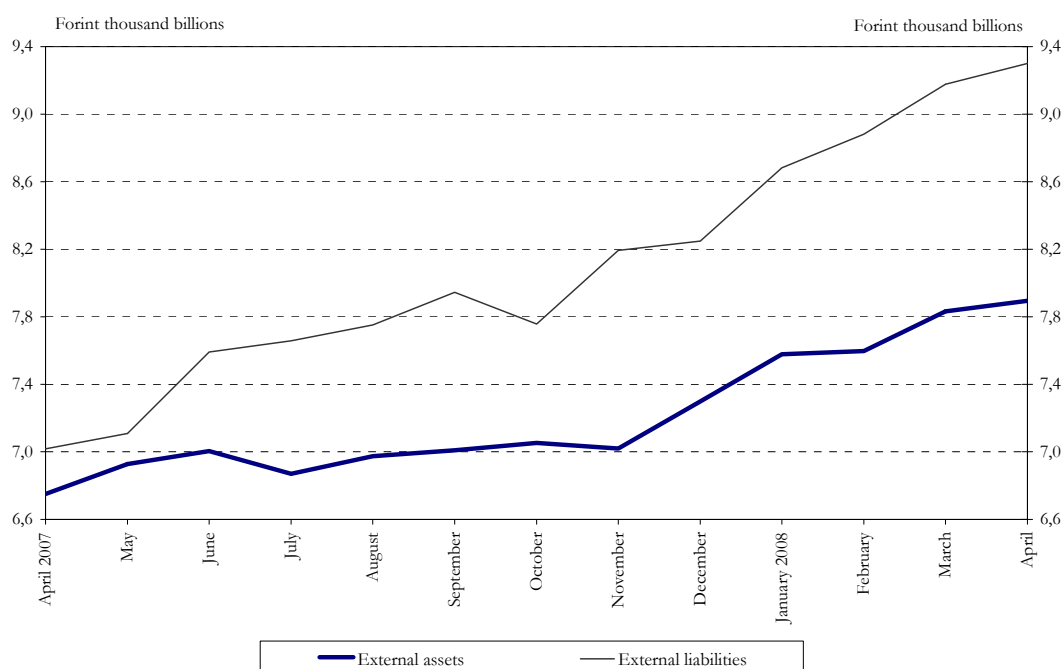
Household deposits with monetary financial institutions rose by HUF 59.0 billion in one month. The stocks of deposits within the various maturity categories rose in comparison with March. Overnight deposits rose by HUF 34.6 billion and deposits with an agreed maturity by HUF 24.4 billion.

External assets and liabilities of monetary financial institutions rose by HUF 62.3 billion to HUF 7,894.1 billion and by HUF 123.5 billion to HUF 9,300.6 billion, respectively. On balance, monetary financial institutions' net external liabilities increased by HUF 61.3 billion to HUF 1,406.4 billion.

Assets of the central bank vis-à-vis the rest of the world fell by HUF 84.1 billion, from HUF 4,571.5 billion to HUF 4,487.4 billion, while its liabilities rose by HUF 5.1 billion to HUF 411.8 billion. As a consequence, the stock of net external assets fell by HUF 89.2 billion to HUF 4,075.7 billion.

Net liabilities of other monetary financial institutions with non-residents were down HUF 27.9 billion on the month. External assets increased by HUF 146.3 billion to HUF 3,406.7 billion. Here, exchange rate changes made a negative contribution of HUF 47.2 billion, while transactions contributed HUF 193.6 billion. External liabilities rose by HUF 118.4 billion to HUF 8,888.8 billion. Exchange rate changes reduced the value of liabilities by HUF 224.7 billion and transactions increased it by HUF 343.2 billion.

Chart 13 External assets and liabilities



Methodological notes

Percentages and ratios are calculated from data without rounding. The sums of sub-totals may not add to total due to rounding.

Ensuring comparability of data over different periods requires eliminating seasonal variations and distortions. The time series for the monetary aggregates are therefore 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 constructed from trend data by dividing the data in the reference period by that in the previous period, and annualising the quotient by raising it to the 12th power. The underlying reason for using trend data is that the month-on-month growth rates tend to be more variable and may

contain one-off effects without eliminating seasonal effects. As an effect, the annualised month-on-month growth rates are comparable with other annual indices.

The advantage of month-on-month indices is that they reflect only the developments of the last month. In contrast, the year-on-year indices (monthly year-on-year changes over the last 12 months) represent an entire year's movements; however, they are more stable.

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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