



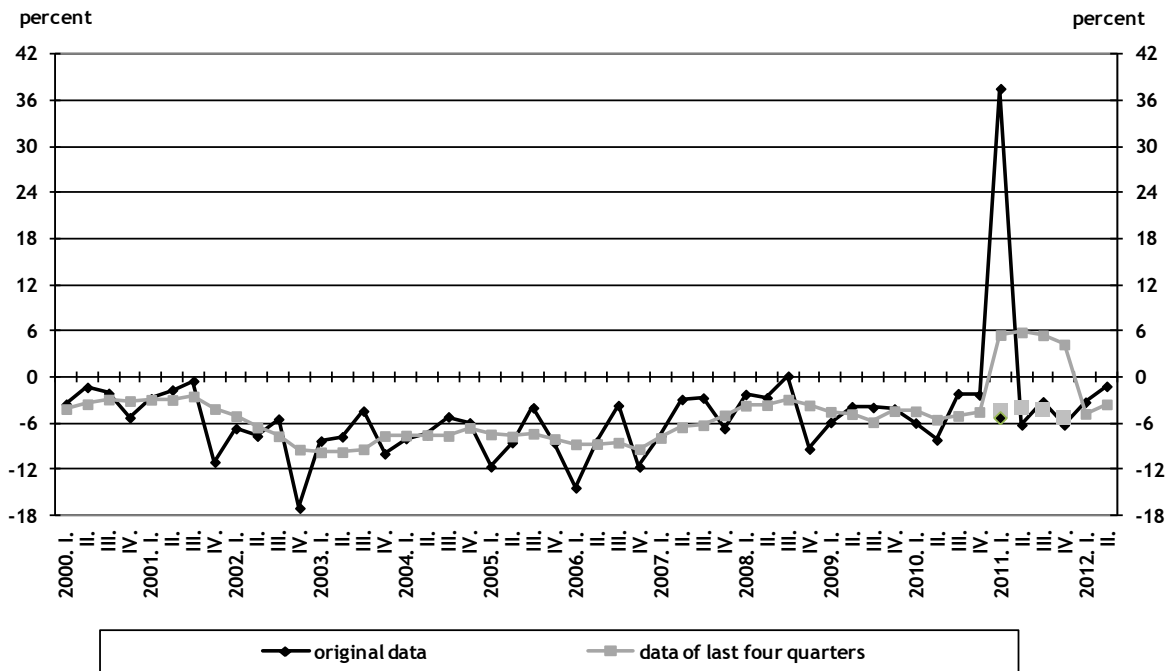
PRESS RELEASE

Preliminary financial accounts for general government and households: 2012 Q2

According to preliminary financial accounts data, general government net lending was equal to -3.5 per cent of Hungary's GDP in the four quarters to 2012 Q2. General government consolidated gross debt at nominal value amounted to 77.6 per cent of GDP at the end of 2012 Q2. The appreciation of the forint reduced the government debt by HUF 253 billion, while transactions in liabilities increased it by HUF 27 billion in Q2.

Net lending of households was equivalent to 5.3 per cent of GDP in the four quarters to 2012 Q2, according to preliminary financial accounts data.

Net lending of general government in percent of GDP\*



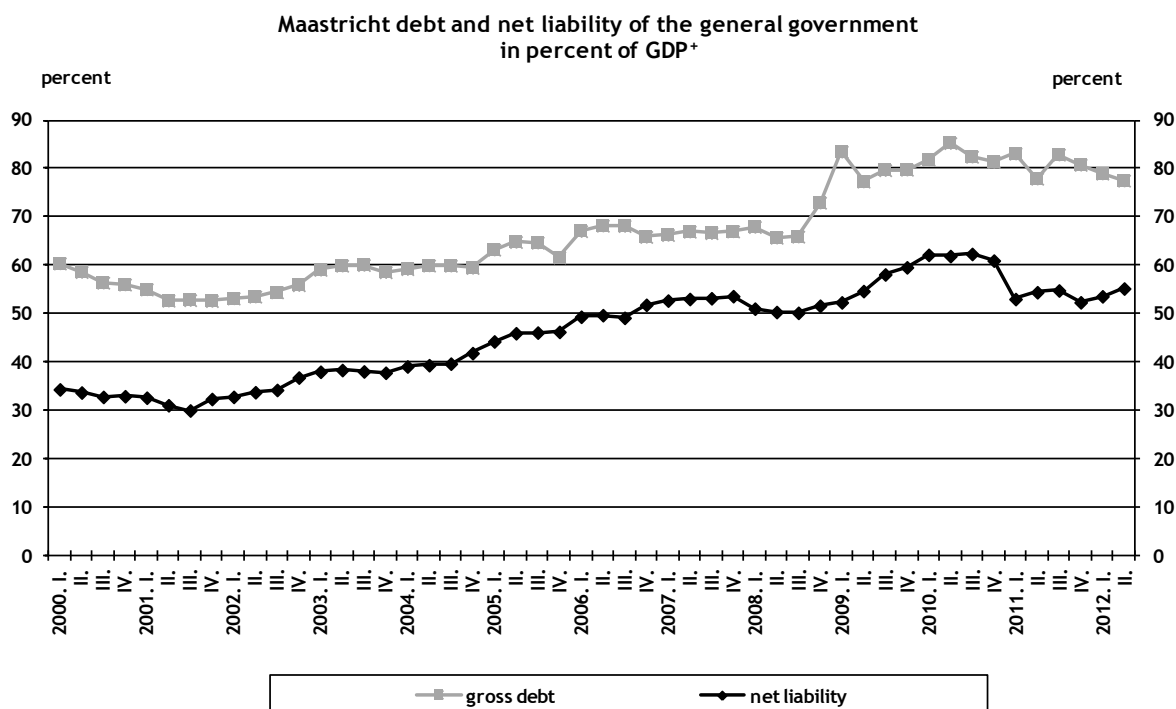
\*2012 Q2 data are based on the MNB's own GDP estimate.

For 2011, the quarterly data (shown in black, only for Q1) and the data referring to the four quarters (shown in grey), which show general government net lending excluding the effect of the capital transfer due to withdrawals from private pension funds, were plotted as separate data points. The effect of withdrawals from private pension funds before 2011 and in 2012 has not been removed from the Chart.

According to preliminary data, general government net lending amounted to HUF -1,007 billion or -3.5 per cent of Hungary's GDP in the four quarters to 2012 Q2. General government net lending (HUF -84 billion) was equal to -1.2 per cent of quarterly GDP in 2012 Q2.

At the end of 2012 Q2, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 22,173 billion, equivalent to 77.6 per cent of GDP. The government debt fell by HUF 253 billion due to the appreciation of the forint (revaluation) and increased by HUF 27 billion due to

transactions. Net liabilities of general government amounted to HUF 15,798 billion or 55.3 per cent of GDP at the end of 2012 Q2.



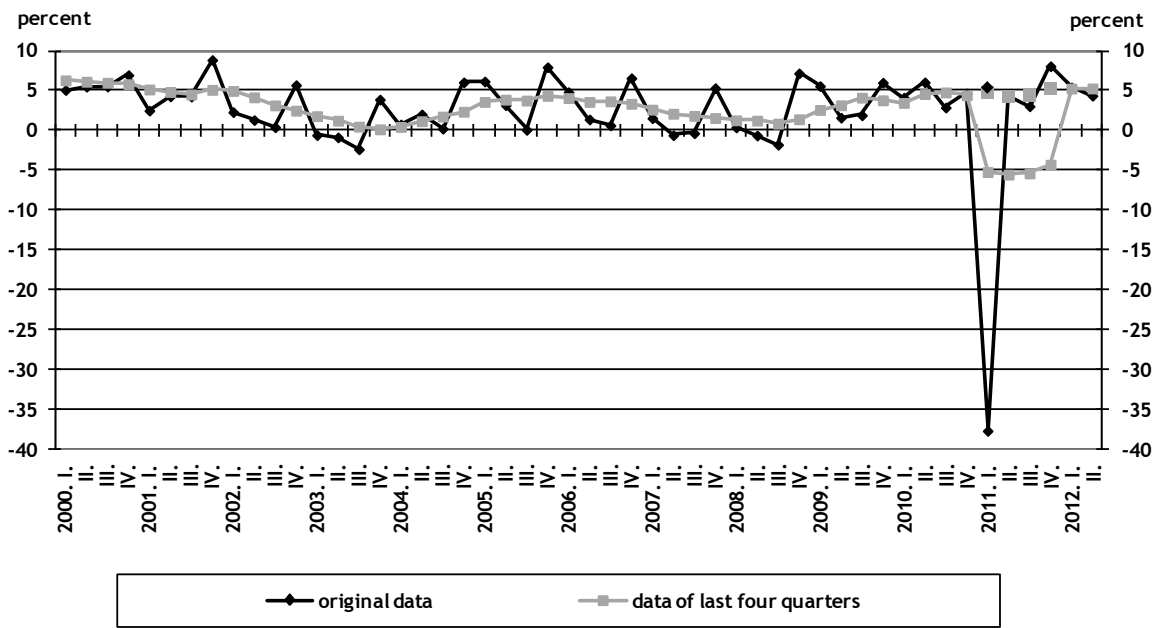
+The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.7). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite sign. 2012 Q2 data are based on the MNB's own GDP estimate.

In 2012 Q2, net borrowing of central government amounted to HUF 16 billion. The increase in financial assets of central government due to transactions mainly reflected a considerable increase in deposits. This was partly offset by declines in long-term loans and equity assets (mainly mutual fund shares) due to transactions. As a result of new withdrawals from private pension funds, households provided a HUF 56.2 billion capital transfer to general government. This also contributed to the increase in financial assets of central government. The change in the stock of financial liabilities due to transactions was similar to that in financial liabilities. The increase in liabilities mainly reflected significant positive transactions in long-term securities (government bonds) and other, mainly tax, liabilities. Long-term loan liabilities and short-term securities liabilities fell slightly due to transactions.

Net borrowing of local government authorities was HUF 88 billion. This reflected a fall in financial assets, which was driven mainly by a significant decline in deposits due to transactions. A reduction in other tax liabilities was the main factor contributing to the fall in financial liabilities due to transactions.

Net lending of social security funds was HUF 20 billion. On the assets side, other assets rose significantly. On the liabilities side, loans fell.

Net lending of households in percent of GDP\*



\*2012 Q2 data are based on the MNB's own GDP estimate.

For 2011, the quarterly data (shown in black) and the data referring to the four quarters (shown in grey), which show general government net lending excluding the effect of the capital transfer due to withdrawals from private pension funds, were plotted as separate data points. The effect of withdrawals from private pension funds before 2011 and in 2012 has not been removed from the Chart.

According to preliminary financial accounts data, household net lending (HUF 1,514 billion) was equivalent to 5.3 per cent of GDP in the four quarters to 2012 Q2. Net lending (HUF 312 billion) amounted to 4.4 per cent of quarterly GDP in 2012 Q2. Excluding the effect of the capital transfer related to withdrawals from private pension funds in May 2012, household net lending amounted to HUF 368 billion or 5.2 per cent of quarterly GDP in 2012 Q2.

On the assets side, holdings of debt securities issued by central government increased sharply due to transactions. Forint deposits, holdings of mutual fund shares and other assets also rose significantly. By contrast, life insurance reserves fell significantly, due to withdrawals from private pension funds. On the liabilities side, foreign currency loans fell sharply due to transactions, while forint loans increased.

Detailed preliminary financial accounts data are available on the MNB's website at: Statistics/Statistical Data and Information/Statistical Time Series/XII. Financial Accounts/Preliminary Financial Accounts of Households and General Government. The full set of financial accounts for the institutional sectors of the national economy for the period 2012 Q2 will be published on 1 October 2012.

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## Tables

### Main data of the general government and the households

	2009Q1	2009Q2	2009Q3	2009Q4	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2
<b>Net lending, quarterly transactions, billion HUF</b>														
General government (S.13)	-342	-244	-251	-290	-353	-536	-145	-170	2338	-425	-229	-483	-211	-84
Households (S.14)	326	104	123	424	245	399	198	346	-2343	295	219	631	352	312
<b>Net lending, quarterly transactions, excluding the effect of the main capital transfers due to opt-outs from private pension funds and early repayment of foreign exchange loans, billion HUF</b>														
General government (S.13)	-342	-244	-251	-322	-411	-536	-145	-170	-340	-425	-229	-435	-156	-140
Households (S.14)	326	104	123	456	303	399	198	346	335	295	219	457	156	368
<b>Net lending of last four quarters, billion HUF</b>														
General government (S.13)	-1174	-1240	-1500	-1127	-1138	-1430	-1325	-1205	1486	1596	1513	1200	-1348	-1007
Households (S.14)	681	825	1063	977	897	1191	1266	1188	-1401	-1504	-1482	-1197	1498	1514
<b>Net lending of last four quarters, excluding the effect of the main capital transfers due to opt-outs from private pension funds and early repayment of foreign exchange loans, billion HUF</b>														
General government (S.13)	-1174	-1240	-1500	-1159	-1228	-1520	-1415	-1263	-1192	-1081	-1165	-1429	-1245	-959
Households (S.14)	681	825	1063	1009	987	1281	1356	1246	1277	1174	1195	1306	1128	1200
<b>Consolidated gross debt of the general government, billion HUF</b>														
General government (S.13)	21864	20018	20470	20450	21075	22123	21759	21777	22478	21309	22958	22693	22399	22173
<b>Quarterly changes in consolidated gross debt of the general government, billion HUF</b>														
changes in debt	2490	-1846	452	-20	626	1047	-364	19	700	-1169	1649	-265	-294	-225
of which: transactions	714	-959	305	-52	717	166	40	-76	1226	-1193	572	-1030	301	27
revaluation	1762	-888	148	32	-92	881	-404	94	-526	24	1077	764	-595	-253
other changes in volume	13	0	0	0	0	0	0	0	0	0	0	0	0	0
	2009Q1	2009Q2	2009Q3	2009Q4	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q1
<b>Net lending, quarterly transactions, percent of GDP</b>														
General government (S.13)	-5,9	-3,8	-3,9	-4,1	-5,9	-8,2	-2,1	-2,3	37,5	-6,2	-3,2	-6,2	-3,2	-1,2
Households (S.14)	5,6	1,6	1,9	6,0	4,1	6,1	2,9	4,7	-37,6	4,3	3,1	8,1	5,4	4,4
<b>Net lending, quarterly transactions, excluding the effect of the main capital transfers due to opt-outs from private pension funds and early repayment of foreign exchange loans, percent of GDP</b>														
General government (S.13)	-5,9	-3,8	-3,9	-4,6	-6,9	-8,2	-2,1	-2,3	-5,5	-6,2	-3,2	-5,6	-2,4	-2,0
Households (S.14)	5,6	1,6	1,9	6,5	5,1	6,1	2,9	4,7	5,4	4,3	3,1	5,9	2,4	5,2
<b>Net lending of last four quarters, percent of GDP</b>														
General government (S.13)	-4,5	-4,8	-5,8	-4,4	-4,4	-5,5	-5,0	-4,5	5,5	5,8	5,5	4,3	-4,8	-3,5
Households (S.14)	2,6	3,2	4,1	3,8	3,5	4,6	4,8	4,4	-5,2	-5,5	-5,4	-4,3	5,3	5,3
<b>Net lending of last four quarters, excluding the effect of the main capital transfers due to opt-outs from private pension funds and early repayment of foreign exchange loans, percent of GDP</b>														
General government (S.13)	-4,5	-4,8	-5,8	-4,5	-4,8	-5,9	-5,4	-4,7	-4,4	-4,0	-4,2	-5,1	-4,4	-3,4
Households (S.14)	2,6	3,2	4,1	3,9	3,8	4,9	5,1	4,7	4,7	4,3	4,3	4,7	4,0	4,2
<b>Consolidated gross debt of the general government, percent of GDP</b>														
General government (S.13)	83,5	77,4	79,7	79,8	81,9	85,3	82,5	81,4	83,1	78,0	82,9	80,8	79,0	77,6

## Methodological notes

### 1 Change in financial assets and liabilities of households due to the dissolution of a credit institution

In 2012 Q2, financial assets and liabilities of households vis-à-vis a credit institution were liquidated through other changes in volume, due to the dissolution of the credit institution. This did not have an impact on household net lending. According to the national accounts methodology, the amount of compensation from the National Deposit Insurance Fund has been recorded as a capital transfer, which has increased household net lending by an estimated HUF 30 billion.

### 2 Recording withdrawals from private pension funds in 2012

In 2012 Q2, withdrawals from pension funds and entries into the state pension scheme were recorded using the same statistical methodology as a year earlier. The difference between the two approaches was that private pension funds paid the amount due to households (amount in excess of capital guaranteed investment plus personal membership fees) directly and that the transfer took place in cash and government securities, and not on the basis of the actual composition of the portfolio. The assets transferred were recorded as a capital transfer for central government and households' claims on pension funds were reduced by the combined amount of capital transfer and disbursements by pension funds. The value of the capital transfer is currently estimated to be HUF 56.2 billion (of which HUF 47.2 billion was actually disbursed by the end of June) and the amount due to households to be HUF 3 billion.

### 3 Uncertainties related to 2012 Q2 data for the household sector

In compiling data for 2012 Q2, estimates were used to calculate changes in deposits held abroad, claims on voluntary pension funds and other household assets. Foreign financial assets of households are not fully captured by the statistics, and consequently, financial accounts data on financial savings of the sector contain uncertainties. The estimates may change in later publications or may be replaced by actual data as they become available.

### 4 Uncertainties related to data for the general government sector

The estimates used to calculate certain general government assets and liabilities (loans granted, other assets and liabilities) in 2012 Q1 have been maintained. In contrast with past practice, direct reports by local government authorities were not used in 2012 Q2, as the reports were not made available until the cut-off date for the data.

## MAGYAR NEMZETI BANK STATISTICS

*One of the primary statutory duties of the Magyar Nemzeti Bank is to collect and publish statistical information. The statistical press release aims to help the reader understand the latest published data. The Quarterly Report on Inflation and the Report on Financial Stability, published periodically, contain the Bank's analyses of underlying economic processes and are accessible at [www.mnb.hu](http://www.mnb.hu).*

### References

[Data](#)  
[Financial accounts manual](#)  
[Methodological notes](#)

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