



MAGYAR NEMZETI BANK

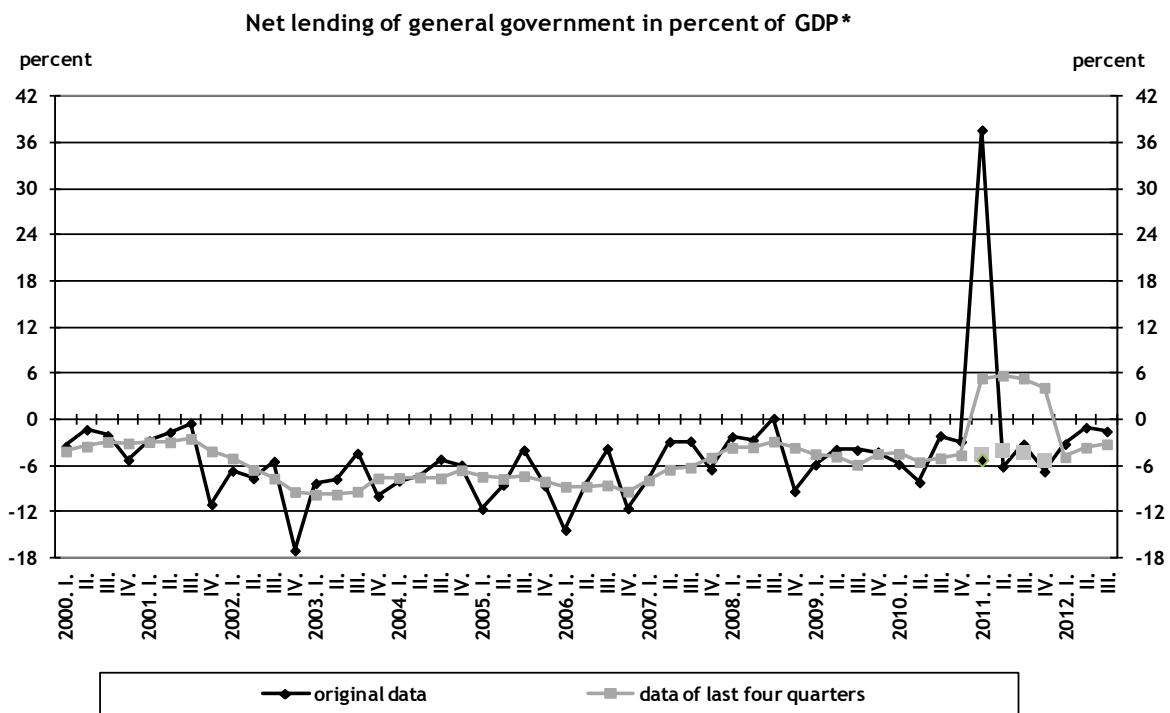
19 November 2012

## PRESS RELEASE

### Preliminary financial accounts for general government and households: 2012 Q3

According to preliminary financial accounts data, general government net lending was equal to -3.2 per cent<sup>1</sup> of Hungary's GDP in the four quarters to 2012 Q3. General government consolidated gross debt at nominal value amounted to 77.1 per cent of GDP at the end of 2012 Q3. The appreciation of the forint reduced government debt by HUF 149 billion, while net borrowing by the sector increased it by HUF 180 billion.

Net lending of households was equivalent to 5.6 per cent of GDP in the four quarters to 2012 Q3, according to preliminary financial accounts data.



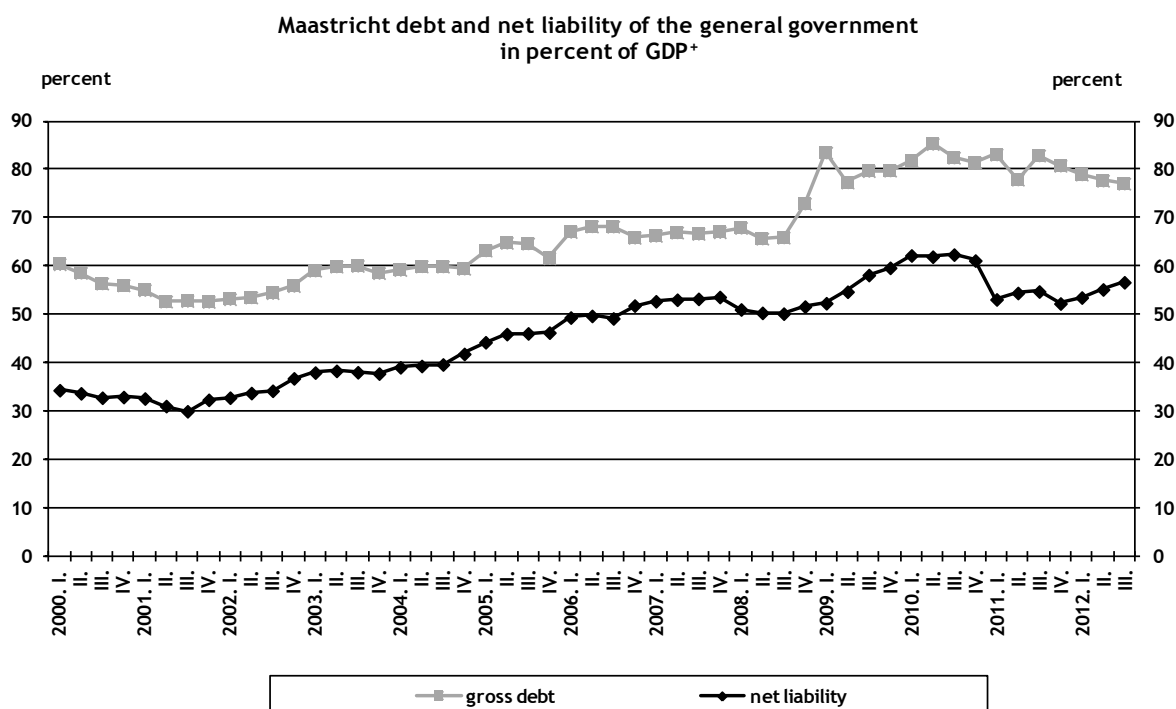
\* 2012 Q3 data are based on the MNB's own GDP estimate.

Note: 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 in March 2011, were plotted as separate data points.

According to preliminary data, general government net lending amounted to HUF -922 billion or -3.2 per cent of Hungary's GDP in the four quarters to 2012 Q3. General government net lending (HUF -114 billion) was equal to -1.5 per cent of quarterly GDP in 2012 Q3.

<sup>1</sup> The Central Statistical Office published backward revisions to Hungary's GDP data on 21 September 2012. The financial accounts data being published do not yet reflect the effect of this revision on the sectors' net lending as a percentage of GDP, given that the CSO has not yet modified the quarterly GDP data. The CSO will revise quarterly GDP data in December 2012.

At the end of 2012 Q3, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 22,199 billion, equivalent to 77.1 per cent of GDP. Net borrowing by the sector contributed HUF 180 billion to the increase in debt. By contrast, the appreciation of the forint reduced general government debt by HUF 149 billion. Net liabilities of general government amounted to HUF 16,330 billion or 56.7 per cent of GDP at the end of 2012 Q3.



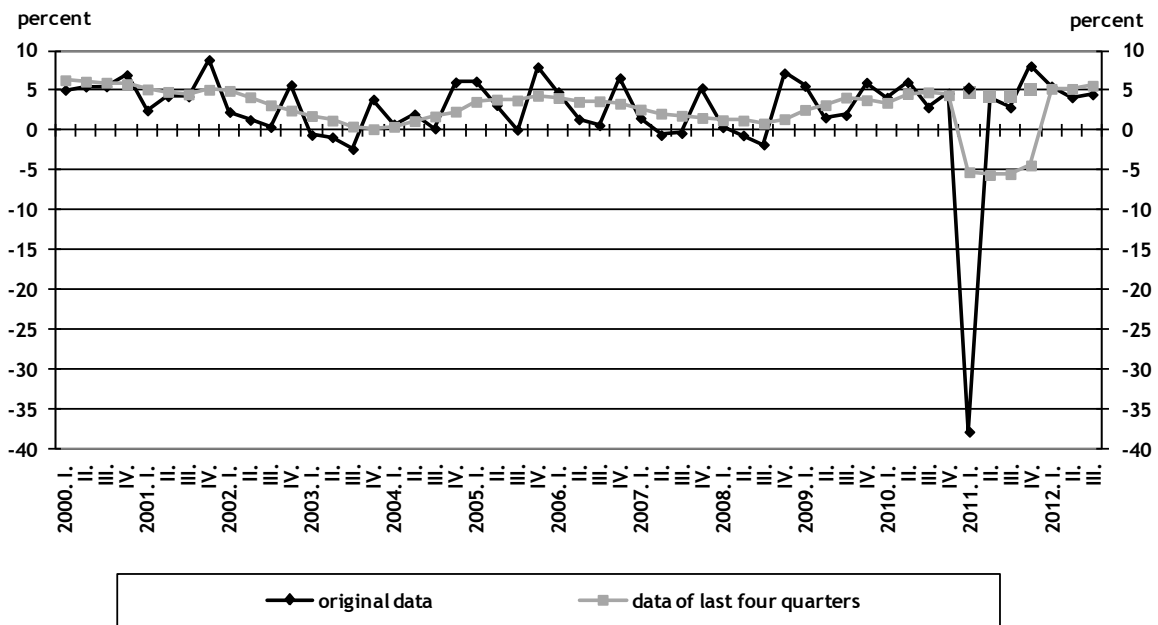
+ The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.7). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite sign. 2012 Q3 data are based on the MNB's own GDP estimate.

In 2012 Q3, net borrowing of central government amounted to HUF 113 billion. The increase in financial assets of central government due to transactions mainly reflected increases in deposit holdings and tax claims on the corporate sector. This was partly offset by a decline in the stock of equity assets (primarily in holdings of mutual fund shares) due to transactions. The stock of financial liabilities due to transactions also increased, mainly accounted for by non-resident purchases of government bonds. By contrast, long-term loans from abroad fell sharply due to transactions.

Net lending of local government authorities was HUF 38 billion, which mainly reflected an increase in deposits due to transactions on the assets side. This was partly offset by higher other tax liabilities.

Net borrowing of social security funds amounted to HUF 40 billion in 2012 Q3. On the assets side, tax claims fell, while liabilities increased, mainly accounted for by an increase in short-term loans due to transactions.

### Net lending of households in percent of GDP



\* 2012 Q3 data are based on the MNB's own GDP estimate.

Note: 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 in March 2011, were plotted as separate data points.

According to preliminary financial accounts data, household net lending (HUF 1,621 billion) was equivalent to 5.6 per cent of GDP in the four quarters to 2012 Q3. Net lending of the sector (HUF 337 billion) amounted to 4.5 per cent of quarterly GDP in 2012 Q3.

On the assets side, household holdings of debt securities issued by central government, mutual fund shares and foreign currency deposits increased significantly due to transactions. By contrast, domestic currency and deposit holdings, loans as well as holdings of quoted shares fell significantly due to transactions. On the liabilities side, repayments of foreign currency loans accounted for most of the decline in liabilities. This was partly offset by an increase in forint loans.

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 2012 Q3 will be published on 2 January 2013.

\*\*\*

## Tables

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

	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3
<b>Net lending, quarterly transactions, billion HUF</b>											
General government (S.13)	-345	-537	-144	-213	2343	-421	-230	-528	-206	-74	-114
Households (S.14)	245	399	198	346	-2353	287	207	630	360	293	337
<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)	-403	-537	-144	-213	-335	-421	-230	-479	-151	-130	-114
Households (S.14)	303	399	198	346	325	287	207	456	164	349	337
<b>Net lending of last four quarters, billion HUF</b>											
General government (S.13)	-1142	-1432	-1323	-1239	1448	1564	1479	1164	-1385	-1038	-922
Households (S.14)	896	1191	1265	1187	-1410	-1522	-1512	-1228	1485	1491	1621
<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)	-1232	-1522	-1413	-1297	-1229	-1114	-1199	-1465	-1281	-990	-874
Households (S.14)	986	1281	1355	1245	1267	1156	1165	1276	1115	1178	1307
<b>Consolidated gross debt of the general government, billion HUF</b>											
General government (S.13)	21074	22121	21757	21775	22475	21306	22955	22690	22396	22168	22199
<b>Quarterly changes in consolidated gross debt of the general government, billion HUF</b>											
changes in debt	625	1047	-364	18	700	-1169	1649	-265	-294	-227	31
of which: transactions	717	166	40	-76	1226	-1193	572	-1030	303	22	180
revaluation	-92	881	-404	94	-526	24	1077	764	-597	-249	-149
other changes in volume	0	0	0	0	0	0	0	0	0	0	0
	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3
<b>Net lending, quarterly transactions, percent of GDP</b>											
General government (S.13)	-5,8	-8,2	-2,1	-2,9	37,6	-6,1	-3,2	-6,8	-3,2	-1,0	-1,5
Households (S.14)	4,1	6,1	2,9	4,7	-37,8	4,2	2,9	8,1	5,5	4,2	4,5
<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)	-6,8	-8,2	-2,1	-2,9	-5,4	-6,1	-3,2	-6,1	-2,3	-1,8	-1,5
Households (S.14)	5,1	6,1	2,9	4,7	5,2	4,2	2,9	5,8	2,5	5,0	4,5
<b>Net lending of last four quarters, percent of GDP</b>											
General government (S.13)	-4,4	-5,5	-5,0	-4,6	5,4	5,7	5,3	4,1	-4,9	-3,6	-3,2
Households (S.14)	3,5	4,6	4,8	4,4	-5,2	-5,6	-5,5	-4,4	5,2	5,2	5,6
<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)	-4,8	-5,9	-5,4	-4,8	-4,5	-4,1	-4,3	-5,2	-4,5	-3,5	-3,0
Households (S.14)	3,8	4,9	5,1	4,7	4,7	4,2	4,2	4,5	3,9	4,1	4,5
<b>Consolidated gross debt of the general government, percent of GDP</b>											
General government (S.13)	81,9	85,3	82,5	81,4	83,1	77,9	82,9	80,8	79,0	77,7	77,1

### Methodological notes

1 The effects of compensation from the National Deposit Insurance Fund (NDIF) on household savings

In 2012 Q2, financial assets and liabilities of customers of a credit institution were liquidated through other changes in volume, due to the dissolution of the credit institution. The amount of compensation from the NDIF was recorded as a capital transfer, which increased net lending of the sectors affected. As a result of this capital transfer, household net lending increased by nearly HUF 30 billion in 2012 Q2, consistent with earlier data releases.

2 Recording withdrawals from private pension funds in 2012

A HUF 56 billion capital transfer between the household sector and general government was recorded in the national accounts in 2012 Q2, due to withdrawals from private pension funds and entries into the state pension scheme. Consistent with earlier data releases, this amount is reflected as a decline in pension fund reserves of households and an increase in financial assets of central government, reducing financial savings of households and increasing general government net lending in 2012 Q2.

3 Uncertainties related to 2012 general government sector data

Due to delayed receipt of data, estimates were used to calculate loan assets of local government authorities as well as their assets and liabilities in the form of trade credits and advances for 2012 Q3. In the financial accounts, the government balance sheet reports used for 2012 contain preliminary data, which may change in the future as a result of corrections by data providers.

4 Uncertainties related to 2012 Q3 data for the household sector

In compiling preliminary data for 2012 Q3, estimates were used to calculate changes in deposits held abroad, claims on voluntary pension funds and other household assets (mainly wages).

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.

### 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](#)

Email: [sajto@mnb.hu](mailto:sajto@mnb.hu)