



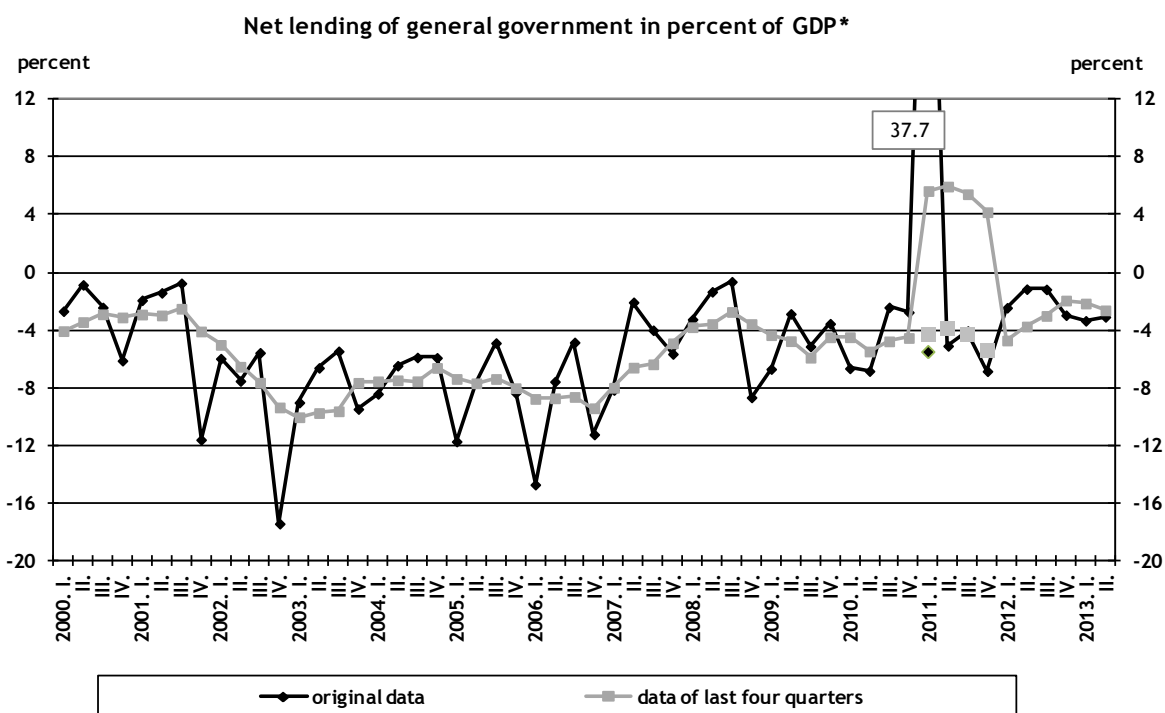
CENTRAL BANK OF HUNGARY

PRESS RELEASE

Preliminary financial accounts for general government and households
2013 Q2

Budapest, 21 August 2013 - According to preliminary financial accounts data, general government net lending was equal to -2.6 per cent of Hungary's GDP in the four quarters to 2013 Q2. General government consolidated gross debt at nominal value amounted to 81.4 per cent of GDP at the end of 2013 Q2. The sector's debt fell by HUF 315 billion due to the appreciation of the forint and increased by HUF 226 billion due to transactions.

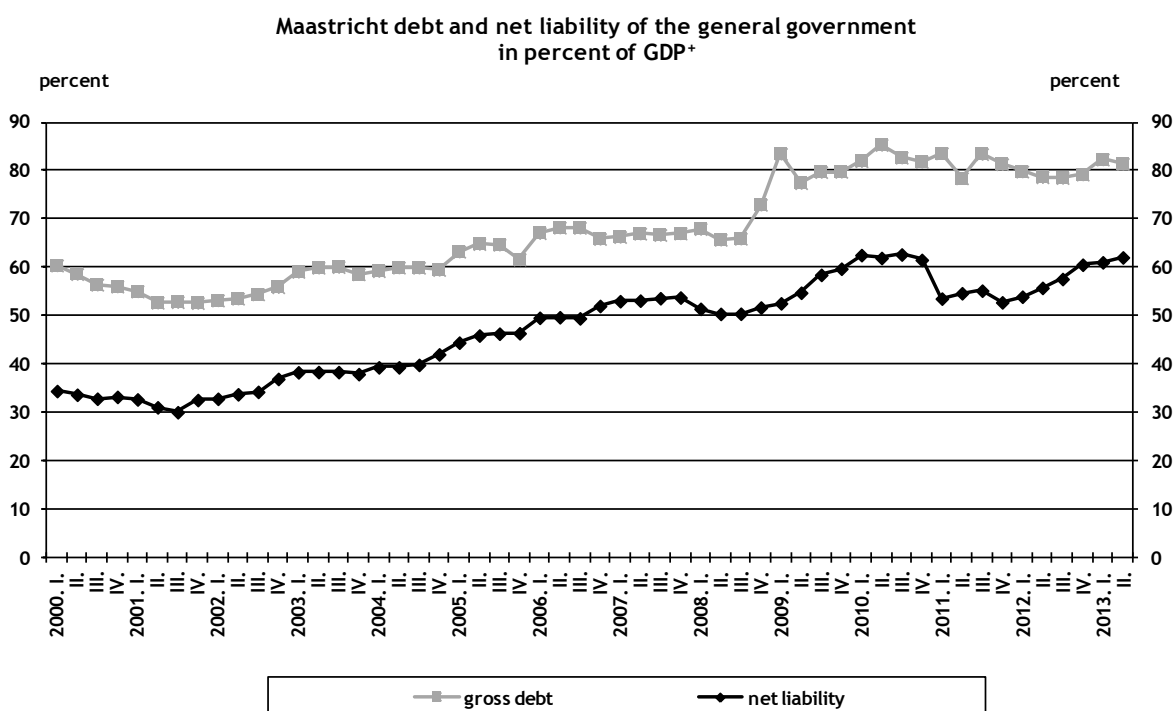
According to preliminary financial accounts data, net lending of households was equivalent to 5.7 per cent of GDP in the four quarters to 2013 Q2.



*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. 2013 Q2 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -749 billion or -2.6 per cent of Hungary's GDP in the four quarters to 2013 Q2. General government net lending (HUF -221 billion) was equal to -3.1 per cent of quarterly GDP in 2013 Q2.

At the end of 2013 Q2, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 23,250 billion, equivalent to 81.4 per cent of GDP. General government debt increased by HUF 226 billion due to transactions and fell by HUF 315 billion due to the appreciation of the forint. At the end of 2013 Q2, the sector's net liabilities amounted to HUF 17,728 billion or 62.1 per cent of GDP.

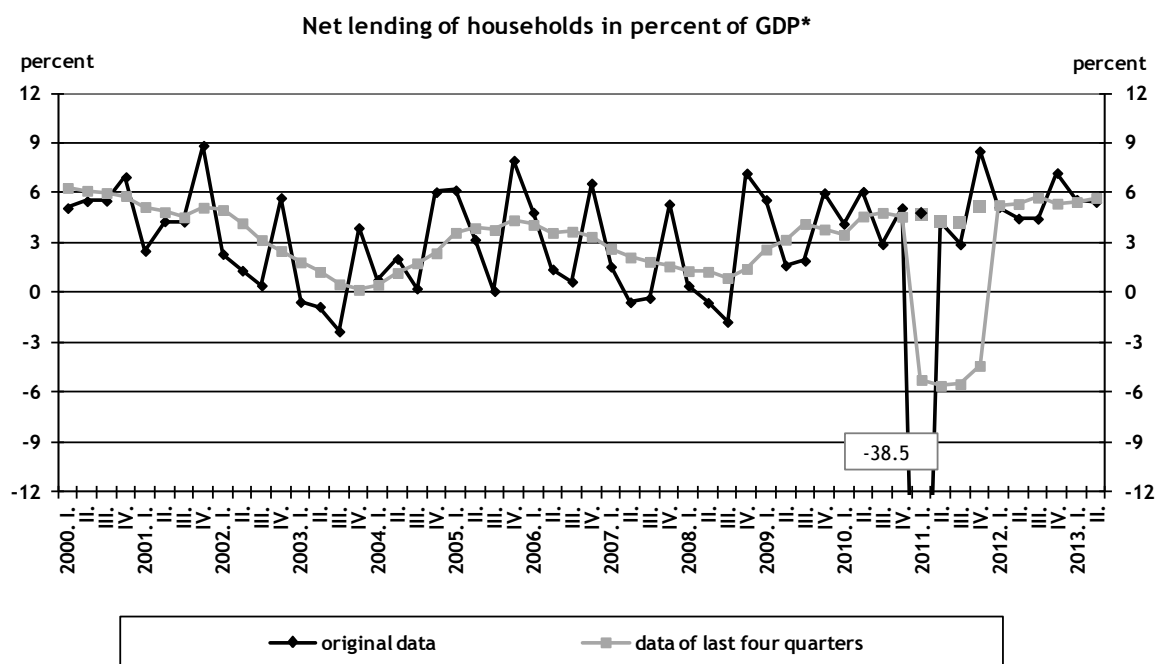


*The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.7). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite sign. 2013 Q2 data are based on the MNB's own GDP estimate.

In 2013 Q2, net borrowing of central government amounted to HUF 849 billion. On the assets side of the sector's balance sheet, trade credits and tax receivables from companies rose, while the stock of short-term loans fell. On the liabilities side, the stocks of long-term securities and loans increased significantly, largely reflecting the assumption of debt from local authorities in the second quarter. In addition, there was a large volume of issues of government debt securities.

Net lending of local government authorities was HUF 535 billion in 2013 Q2. On the assets side, the sector's deposits with credit institutions fell significantly. The change in liabilities mainly reflected the assumption of local authority debt by central government. As a result of this, the sector's long-term securities and loans fell significantly.

Net lending of social security funds amounted to HUF 93 billion in 2013 Q2. On the assets side, current account deposits and tax claims on households rose. On the liabilities side, there was a fall in short-term loans.



* 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. 2013 Q2 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households (HUF 1,630 billion) was equivalent to 5.7 per cent of GDP in the four quarters to 2013 Q2. Net lending of the sector (HUF 392 billion) amounted to 5.5 per cent of quarterly GDP in 2013 Q2.

On the assets side, the sector's holdings of debt securities issued by central government and mutual fund shares increased significantly. In addition, its holdings of currency, current account deposits and other assets also rose. By contrast, other deposits fell sharply due to transactions. The decline in liabilities mainly reflected repayments of foreign currency 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 2013 Q2 will be published on 1 October 2013.

Tables

Main data of the general government and the households

	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2
Net lending, quarterly transactions, billion HUF														
General government (S.13)	-393	-448	-164	-203	2333	-347	-289	-531	-155	-80	-85	-228	-216	-221
Households (S.14)	245	399	198	376	-2383	287	207	660	327	311	321	556	360	392
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														
General government (S.13)	-451	-448	-164	-203	-345	-347	-289	-482	-100	-131	-85	-228	-216	-221
Households (S.14)	303	399	198	376	295	287	207	486	131	362	321	556	360	392
Net lending of last four quarters, billion HUF														
General government (S.13)	-1153	-1419	-1255	-1207	1518	1618	1493	1166	-1322	-1055	-851	-548	-609	-749
Households (S.14)	896	1191	1265	1217	-1410	-1522	-1512	-1228	1482	1506	1620	1516	1549	1630
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														
General government (S.13)	-1243	-1509	-1345	-1265	-1160	-1059	-1185	-1463	-1218	-1002	-798	-544	-660	-749
Households (S.14)	986	1281	1355	1275	1267	1156	1165	1276	1112	1187	1301	1370	1600	1630
Consolidated gross debt of the general government, billion HUF														
General government (S.13)	21074	22121	21757	21775	22476	21307	22956	22691	22403	22177	22211	22386	23339	23250
Quarterly changes in consolidated gross debt of the general government, billion HUF														
changes in debt	625	1047	-364	18	701	-1169	1649	-265	-288	-226	34	175	953	-89
of which: transactions	717	166	28	-76	1226	-1193	572	-1041	313	23	149	-105	484	226
revaluation	-92	881	-392	94	-525	24	1077	776	-601	-249	-115	280	470	-315
other changes in volume	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2
Net lending, quarterly transactions, percent of GDP														
General government (S.13)	-6.6	-6.8	-2.4	-2.8	37.7	-5.1	-4.1	-6.8	-2.4	-1.2	-1.2	-3.0	-3.3	-3.1
Households (S.14)	4.1	6.1	2.9	5.1	-38.5	4.2	2.9	8.5	5.1	4.5	4.4	7.2	5.6	5.5
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														
General government (S.13)	-7.6	-6.8	-2.4	-2.8	-5.6	-5.1	-4.1	-6.2	-1.6	-1.9	-1.2	-3.0	-3.3	-3.1
Households (S.14)	5.1	6.1	2.9	5.1	4.8	4.2	2.9	6.3	2.1	5.2	4.4	7.2	5.6	5.5
Net lending of last four quarters, percent of GDP														
General government (S.13)	-4.5	-5.5	-4.8	-4.5	5.6	6.0	5.4	4.2	-4.7	-3.7	-3.0	-1.9	-2.1	-2.6
Households (S.14)	3.5	4.6	4.8	4.6	-5.2	-5.6	-5.5	-4.4	5.3	5.3	5.7	5.4	5.5	5.7
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														
General government (S.13)	-4.8	-5.8	-5.1	-4.8	-4.3	-3.9	-4.3	-5.2	-4.3	-3.6	-2.8	-1.9	-2.3	-2.6
Households (S.14)	3.8	4.9	5.2	4.8	4.7	4.3	4.2	4.6	4.0	4.2	4.6	4.9	5.6	5.7
Consolidated gross debt of the general government, percent of GDP														
General government (S.13)	82.0	85.3	82.7	81.8	83.6	78.5	83.4	81.4	79.9	78.7	78.5	79.2	82.4	81.4

Methodological notes

1 Uncertainties related to general government sector data

Fiscal balance sheets and local authority cash flow reports for 2013 Q2 are not yet available to compile the preliminary financial accounts of general government. Therefore, estimates have been used to calculate certain assets and liabilities of the sector. These items (and consequently general government net lending) may change in later publications. The transformation of budgetary institutions, debt assumptions and asset reallocations in 2012 and 2013 had a significant impact on the structure of general government and may have caused uncertainty in fiscal and general government information used to compile the statistics, and consequently in the financial accounts data for general government.

2 Impact of the assumption of local authority debt on the financial accounts

Central government assumed HUF 583 billion of local government authority debt in June 2013. This has been recorded as a transfer from central government to local authorities, i.e. as revenue and expenditure, in the national accounts. As a result, net lending of central government fell by the amount of debt assumed, while that of local authorities increased by the same amount, leaving general government deficit unaffected. In the financial accounts, the debt assumption is reflected as an increase in central government liabilities and a decline in local authority liabilities. At the general government level, the debt assumption did not increase general government debt, as the stock of debt affected was transferred from one sub-sector of general government to another.

3 Uncertainties related to 2013 Q2 data for households

In compiling preliminary data for 2013 Q2, estimates were used to calculate changes in the household sector's deposits held abroad and other assets (mainly unpaid wages). Foreign financial assets of households are not fully captured by the statistics, and therefore data on financial savings of the sector contain uncertainties in the financial accounts. The estimates may change in later publications or may be replaced by actual data as they become available.

References

[Data](#)

[Financial accounts manual](#)

[Methodological notes](#)

MAGYAR NEMZETI BANK

Statistics

The primary statutory duty of the Magyar Nemzeti Bank is to deliver and maintain price stability. The MNB ensures the safe operation of the payment and settlement systems, as well as the uninterrupted flow of payments, safeguards the financial stability of the banking sector, manages the country's foreign currency reserves, collects and publishes statistical data, and issues the forint, Hungary's national legal tender.

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