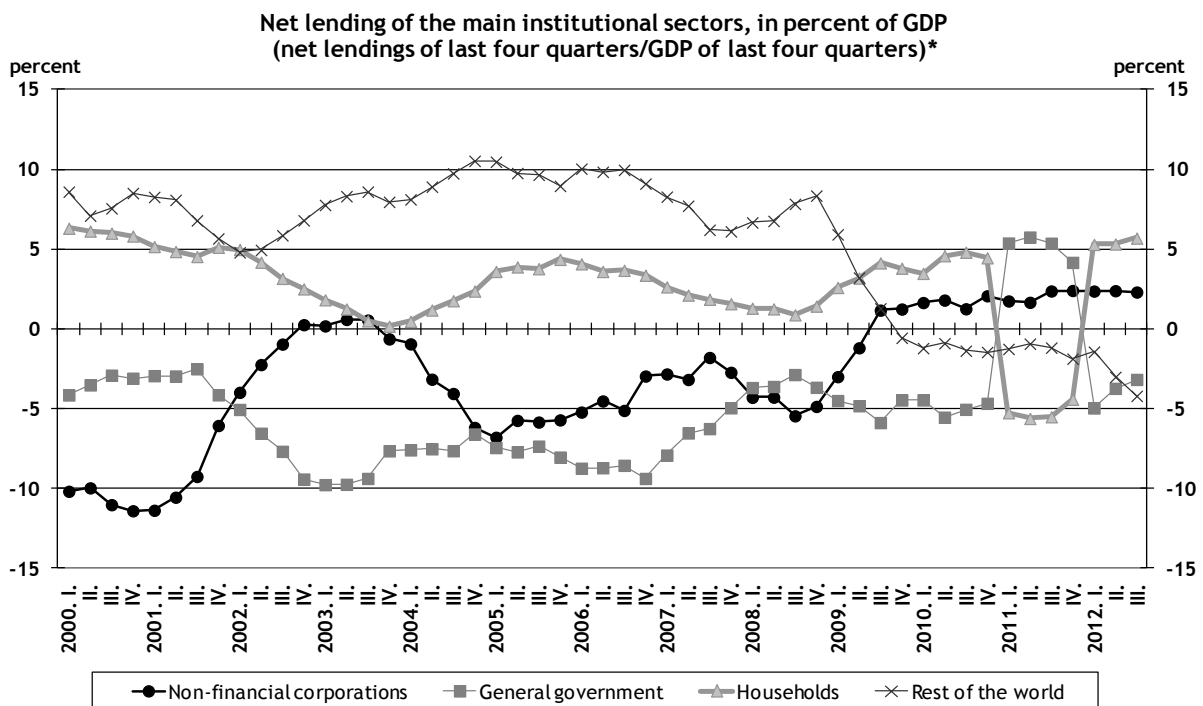




PRESS RELEASE

Hungary's financial accounts: 2012 Q3

According to financial accounts data, general government net lending was equal to -3.2 per cent of Hungary's GDP in the four quarters to 2012 Q3.¹ Net lending of households was equivalent to 5.7 per cent of GDP in the year to 2012 Q3. Net lending of non-financial corporations was equal to 2.3 per cent of GDP in the four quarters to 2012 Q3. According to financial accounts data, net lending of the rest of the world was -4.2 per cent of GDP in the four quarters to 2012 Q3.



*Note: For clarity, the Chart does not plot net lending of financial corporations and non-profit institutions serving households (their values are usually close to 0). Data for a given quarter show the sum of balances for the year ending with that quarter, expressed as a percentage of GDP for the same period.

According to financial accounts data, general government net lending amounted to HUF -892 billion or -3.2 per cent of GDP in the four quarters to 2012 Q3. In 2012 Q3, general government net lending (HUF -77 billion) was equal to -1.1 per cent of GDP in the quarter.

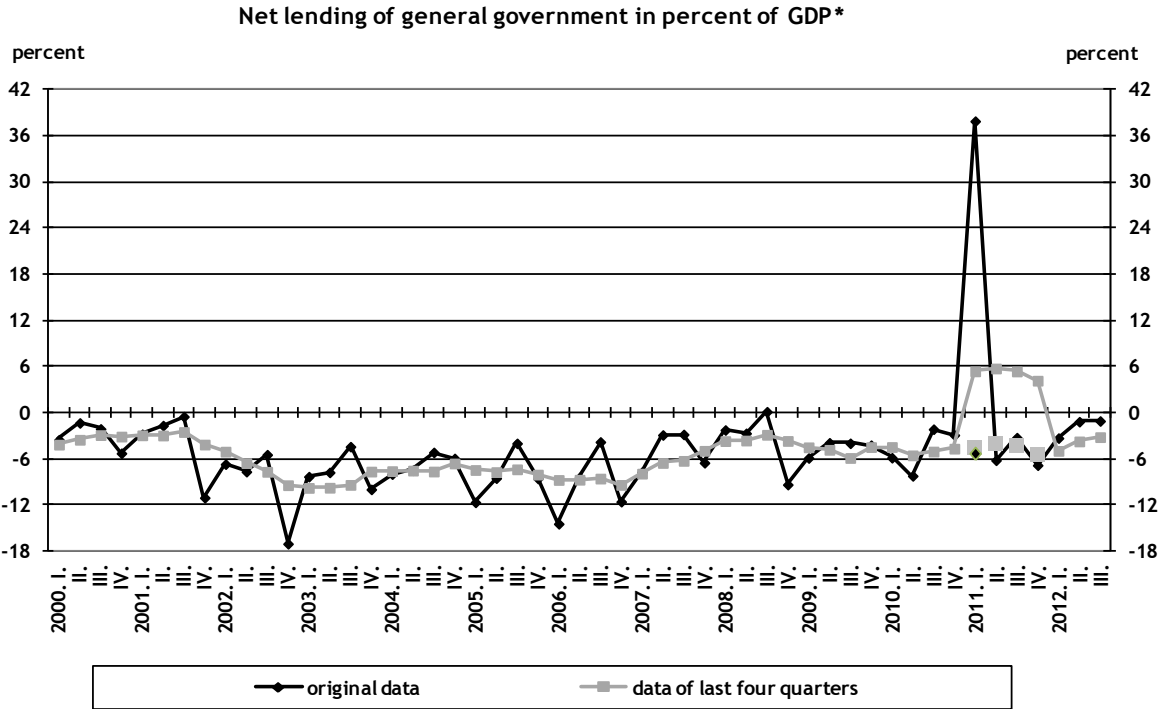
¹ The Central Statistical Office published backward revisions to Hungary's GDP data on 21 September 2012. The effect of this revision on the sectors' net lending as a percentage of GDP was not reflected in the preliminary financial accounts data published by the Bank, as the CSO had not yet modified its quarterly GDP data by the time of publication. The CSO revised quarterly GDP data on 7 December 2012. The GDP ratios published in this press release already reflect the impact of this revision.

At the end of 2012 Q3, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 22,204 billion, equivalent to 78.6 per cent of GDP. Transactions contributed HUF 182 billion to the increase in debt. By contrast, the appreciation of the forint reduced general government debt by HUF 148 billion. Net liabilities of the sector amounted to HUF 16,301 billion or 57.7 per cent of GDP at the end of 2012 Q3.

In 2012 Q3, central government net borrowing amounted to HUF 105 billion. On the assets side, the increase in financial assets of central government due to transactions mainly reflected increases in deposit holdings and tax claims on the corporate sector, which were partly offset by declines in short-term securities and 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 on account of purchases of government bonds by non-residents. By contrast, long-term loans from abroad fell significantly due to transactions in Q3.

Net lending of local government authorities was HUF 64 billion, which mainly reflected an increase in deposits due to transactions on the assets side. This was partly offset by higher other tax liabilities.

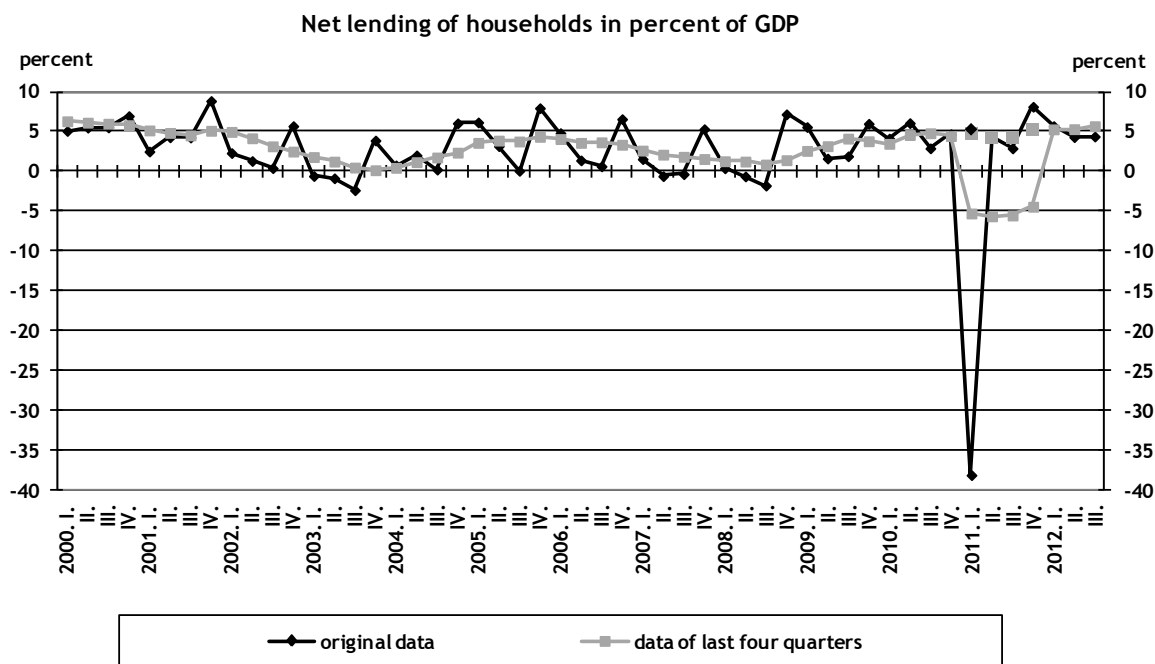
Net borrowing of social security funds amounted to HUF 37 billion in 2012 Q3. On the assets side, tax claims fell, while liabilities increased, mainly reflecting an increase in short-term loans due to transactions.



* 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 financial accounts data, household net lending (HUF 1,610 billion) was equal to 5.7 per cent of GDP in the four quarters to 2012 Q3. In 2012 Q3, household net lending (HUF 320 billion) amounted to 4.4 per cent of quarterly GDP.

On the assets side, the sector's holdings of debt securities issued by central government, mutual fund shares, foreign currency and foreign currency deposits increased significantly due to transactions. By contrast, domestic currency and deposit holdings, loans and holdings of quoted shares fell significantly due to transactions. The decline in liabilities mainly reflected repayments of foreign currency loans. This was partly offset by an increase in forint loans due to transactions. Conversions of foreign currency loans accounted for the larger part of the increase in forint loans.



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 household sector 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 financial accounts data, net lending of non-financial corporations was HUF 655 billion or 2.3 per cent of GDP in the four quarters to 2012 Q3. In 2012 Q3, the sector's net lending was HUF 196 billion, the equivalent of 2.7 per cent of GDP in the quarter.

On the assets side, non-financial corporations mainly increased their deposits as well as equity and other assets in 2012 Q3, while they reduced their foreign lending significantly. The stock of liabilities fell due to transactions, mainly reflecting a decline in foreign loans, which was partly offset by an increase in equity and other liabilities.

According to financial accounts data, net lending of the rest of the world (or whole-economy net borrowing) amounted to HUF -1,183 billion or -4.2 per cent of GDP in the four quarters to 2012 Q3. In 2011 Q3, the sector's net lending was HUF -449 billion, equal to -6.2 per cent of GDP in the quarter.

On the assets side, non-residents increased their holdings of securities other than shares as well as equity and other assets. By contrast, their deposits with credit institutions and loans fell. On the liabilities side, deposits, and equity and other liabilities increased due to transactions, while loans and securities other than shares fell.

Tables

Main data of the institutional sectors

	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3
Net lending, quarterly transactions, billion HUF											
Non-financial corporations (S.11)	32	374	14	133	-49	355	215	151	-56	364	196
Financial corporations (S.12)	132	-32	-53	-222	56	-90	-97	-63	-207	0	1
General government (S.13)	-345	-537	-144	-213	2343	-421	-230	-528	-207	-80	-77
Households (S.14)	245	399	198	346	-2353	287	207	630	360	299	320
Non-profit institutions serving households (S.15)	-13	11	8	-10	6	-2	-4	38	-5	-9	-2
Rest of the world (S.2)	-67	-230	-38	-49	-19	-144	-109	-246	100	-588	-449
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)	-403	-537	-144	-213	-335	-421	-230	-479	-152	-131	-77
Households (S.14)	303	399	198	346	325	287	207	456	164	350	320
Net lending of last four quarters, billion HUF											
Non-financial corporations (S.11)	426	470	333	553	472	454	655	673	666	674	655
Financial corporations (S.12)	110	-48	9	-175	-251	-309	-353	-193	-456	-366	-269
General government (S.13)	-1142	-1432	-1323	-1239	1448	1564	1479	1164	-1386	-1045	-892
Households (S.14)	896	1191	1265	1187	-1410	-1522	-1512	-1228	1485	1497	1610
Non-profit institutions serving households (S.15)	-12	7	12	-4	15	2	-9	38	27	19	21
Rest of the world (S.2)	-308	-232	-357	-384	-336	-250	-321	-518	-399	-843	-1183
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)	-1232	-1522	-1413	-1297	-1229	-1114	-1199	-1465	-1282	-992	-840
Households (S.14)	986	1281	1355	1245	1267	1156	1165	1276	1115	1178	1291
Consolidated gross debt of the general government, billion HUF											
General government (S.13)	21074	22121	21757	21775	22475	21306	22955	22690	22397	22171	22204
Quarterly changes in consolidated gross debt of the general government, billion HUF											
changes in debt	625	1047	-364	18	700	-1169	1649	-265	-293	-226	34
of which: transactions	717	166	40	-76	1226	-1193	572	-1030	304	23	182
revaluation	-92	881	-404	94	-526	24	1077	764	-597	-249	-148
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
Net lending, quarterly transactions, percent of GDP											
Non-financial corporations (S.11)	0.5	5.7	0.2	1.8	-0.8	5.2	3.0	1.9	-0.9	5.3	2.7
Financial corporations (S.12)	2.2	-0.5	-0.8	-3.0	0.9	-1.3	-1.4	-0.8	-3.3	0.0	0.0
General government (S.13)	-5.8	-8.2	-2.1	-2.9	37.9	-6.2	-3.2	-6.8	-3.3	-1.2	-1.1
Households (S.14)	4.1	6.1	2.9	4.7	-38.1	4.2	2.9	8.1	5.7	4.3	4.4
Non-profit institutions serving households (S.15)	-0.2	0.2	0.1	-0.1	0.1	0.0	-0.1	0.5	-0.1	-0.1	0.0
Rest of the world (S.2)	-1.1	-3.5	-0.6	-0.7	-0.3	-2.1	-1.5	-3.2	1.6	-8.5	-6.2
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)	-6.8	-8.2	-2.1	-2.9	-5.4	-6.2	-3.2	-6.2	-2.4	-1.9	-1.1
Households (S.14)	5.1	6.1	2.9	4.7	5.3	4.2	2.9	5.9	2.6	5.1	4.4
Net lending of last four quarters, percent of GDP											
Non-financial corporations (S.11)	1.7	1.8	1.3	2.1	1.8	1.7	2.4	2.4	2.4	2.4	2.3
Financial corporations (S.12)	0.4	-0.2	0.0	-0.7	-0.9	-1.1	-1.3	-0.7	-1.6	-1.3	-1.0
General government (S.13)	-4.4	-5.5	-5.0	-4.7	5.4	5.8	5.4	4.2	-4.9	-3.7	-3.2
Households (S.14)	3.5	4.6	4.8	4.5	-5.2	-5.6	-5.5	-4.4	5.3	5.3	5.7
Non-profit institutions serving households (S.15)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1
Rest of the world (S.2)	-1.2	-0.9	-1.4	-1.4	-1.2	-0.9	-1.2	-1.9	-1.4	-3.0	-4.2
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	-5.9	-5.4	-4.9	-4.6	-4.1	-4.4	-5.3	-4.6	-3.5	-3.0
Households (S.14)	3.8	4.9	5.2	4.7	4.7	4.3	4.2	4.6	4.0	4.2	4.6
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	80.0	78.9	78.6

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 received from the NDIF was recorded as a capital transfer in the national accounts, 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 51 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. This amount is reflected as a decline in pension fund reserves of households and an increase in financial assets of central government in the financial accounts, reducing financial savings of households and increasing general government net lending in 2012 Q2.

3 Uncertainties related to 2012 general government sector data

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 subsequent corrections by data providers.

4 Uncertainties related to 2012 data for the household sector

Foreign financial assets of households are not fully captured by the statistics, and consequently, data on financial savings of the household sector in the financial accounts are subject to uncertainty.

Revisions to past data

Changes in the net lending of the main institutional sectors compared to the last publication

	billion HUF								
	2008	2009	2010	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2
Non-financial corporations (S.11)	0	0	2	0	0	0	1	-13	-23
Financial corporations (S.12)	0	0	0	0	0	0	0	2	-5
General government (S.13)	0	0	-3	0	0	0	-1	-4	-4
Households (S.14)	0	0	0	0	0	0	0	-2	7
Non-profit institutions serving households (S.15)	0	0	0	0	0	0	0	0	0
Rest of the world (S.2)	0	0	0	0	0	0	0	17	25

Data revisions reflect changes in the data sources and the method of calculation of the financial accounts. The changes relating to the rest of the world sector were made in line with the revision of balance of payments 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.

References

[Comprehensive data](#)
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