

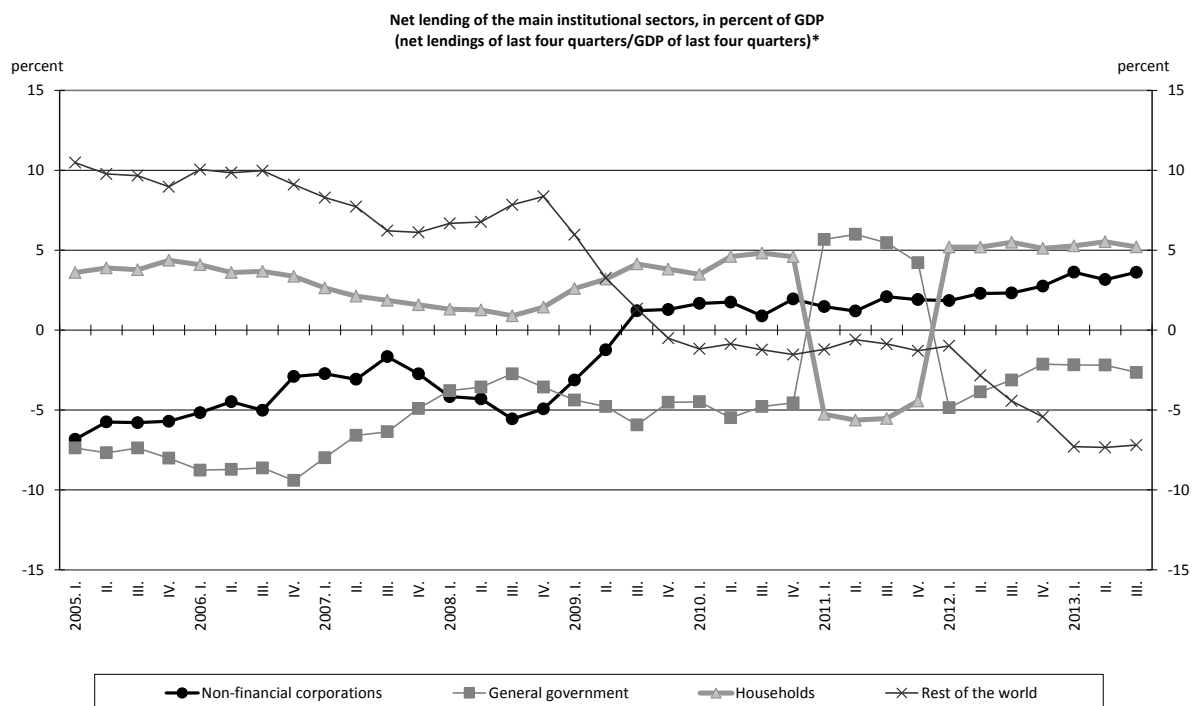


2 January 2014

PRESS RELEASE

Hungary's financial accounts: 2013 Q3

According to financial accounts data, general government net lending was equal to -2.6 per cent of Hungary's GDP in the four quarters to 2013 Q3.¹ Net lending of households was equivalent to 5.2 per cent of GDP in the period. Net lending of non-financial corporations was equal to 3.6 per cent of GDP in the four quarters to 2013 Q3. According to financial accounts data, net lending of the rest of the world was -7.2 per cent of GDP in the period.

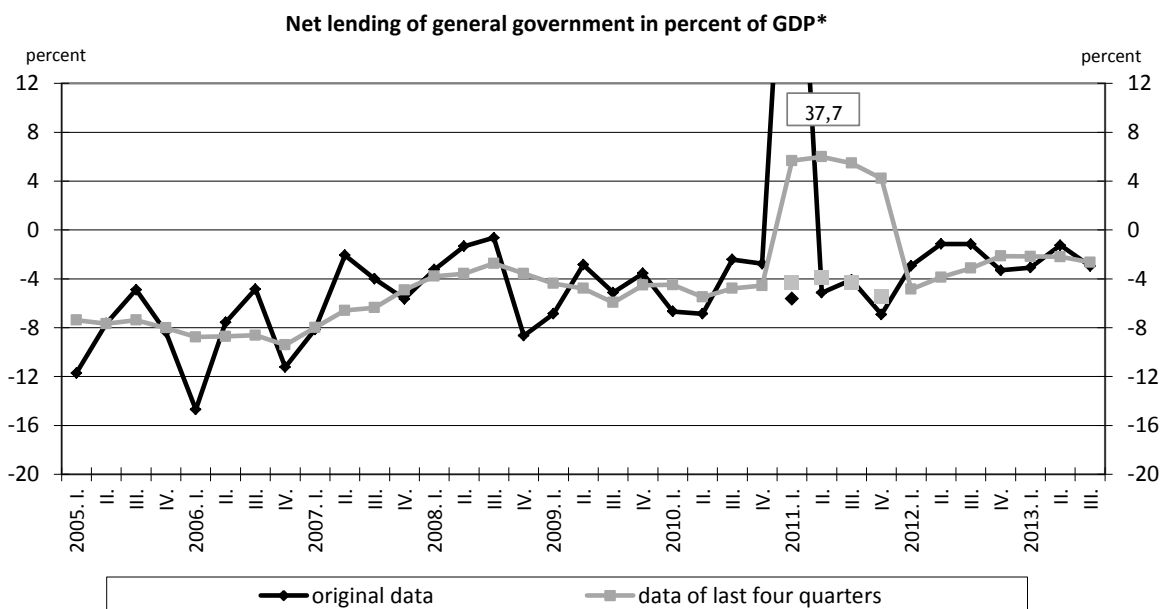


* Note: For clarity, the Chart does not plot net lending of financial corporations and non-profit institutions serving households (their values are usually close to 0). Data for a given quarter show the sum of balances for the year ending with that quarter, expressed as a percentage of GDP for the same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

According to financial accounts data, general government net lending amounted to HUF -762 billion or -2.6 per cent of Hungary's GDP in the four quarters to 2013 Q3. In 2013 Q3, general government net lending (HUF -221 billion) was equal to -3.0 per cent of quarterly GDP. At the end of 2013 Q3, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 23,089 billion, equivalent to 80.2 per cent of GDP. In

¹ The sectors' net lending data expressed as a percentage of GDP being published in this press release contain new quarterly GDP data released by the Central Statistical Office on 4 December 2013.

2013 Q3, net loan repayments reduced debt by HUF 283 billion and the depreciation of the forint increased it by HUF 123 billion. Net liabilities of the general government sector amounted to HUF 18,101 billion or 62.9 per cent of GDP at the end of 2013 Q3.



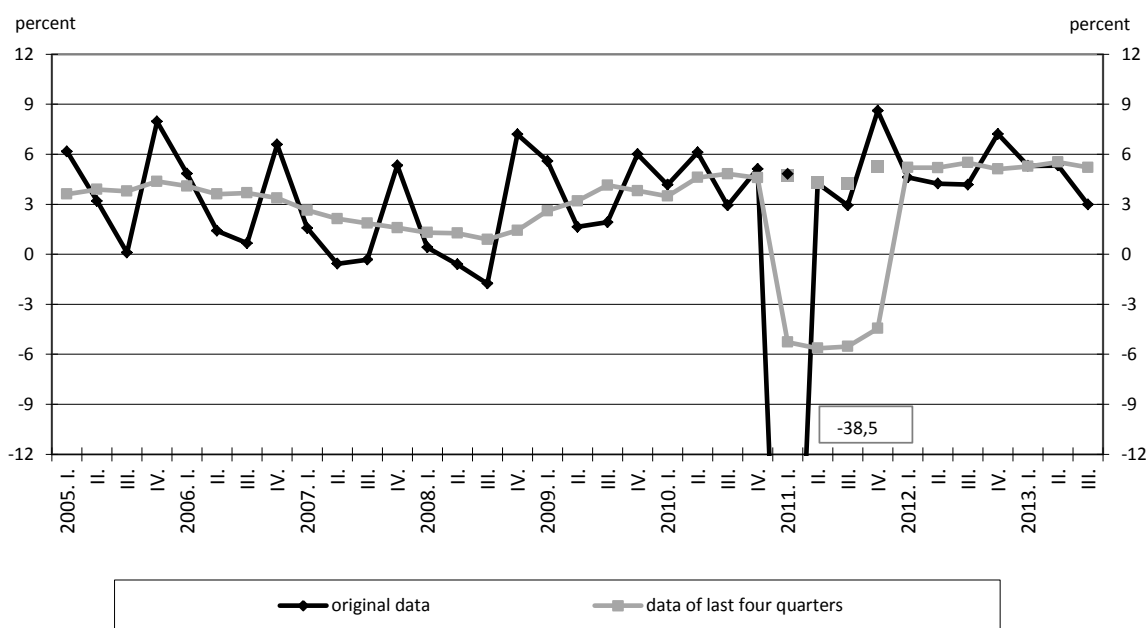
* For 2011, the quarterly data (shown in black, only for Q1) and the data referring to the four quarters (shown in grey), which show general government net lending excluding the effect of the capital transfer due to withdrawals from private pension funds in March 2011, were plotted as separate data points.

In 2013 Q3, central government net borrowing amounted to HUF 320 billion. On the assets side of the sector's balance sheet, deposits with the central bank fell significantly and tax receivables from companies increased. On the liabilities side, the stock of loans from abroad fell sharply as a result of repayments. In addition, there was a large volume of issues of government debt securities in the period.

Net lending of local government authorities was HUF 43 billion in 2013 Q3. On the assets side, the sector's deposits with credit institutions increased significantly. On the liabilities side, other liabilities to companies rose.

Net lending of the social security funds amounted to HUF 56 billion in 2013 Q3. On the assets side, current account deposits with the Treasury rose and tax receivables from households fell.

Net lending of households in percent of GDP*



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.

Net lending of households (HUF 1,498 billion) was equal to 5.2 per cent of GDP in the four quarters to 2013 Q3. Net lending of the sector (HUF 223 billion) amounted to 3.0 per cent of quarterly GDP in 2013 Q3.

Households continued to reallocate their assets in 2013 Q3. As seen in previous quarters, they increased significantly their holdings of currency, securities issued by central government and mutual fund shares. By contrast, deposits fell significantly due to transactions. On the liabilities side, net real estate borrowing in both the forint and foreign currency continued to decline in the period. In the case of consumer loans, net forint-denominated loans increased. However, this was offset by a greater decline in the stock of foreign currency-denominated loans.

Net lending of non-financial corporations was HUF 1,040 billion or 3.6 per cent of GDP in the four quarters to 2013 Q3. In 2013 Q3, the sector's net lending was HUF 403 billion, the equivalent of 5.4 per cent of quarterly GDP.

On the assets side, non-financial corporations increased significantly their holdings of current account deposits, loans and other assets, and reduced sharply other deposits and holdings of shares. On the liabilities side, long-term loans, other equity and other liabilities increased. By contrast, short-term loans fell significantly.

According to financial accounts data, net lending of the rest of the world (or whole-economy net borrowing) amounted to HUF -2,072 billion or -7.2 per cent of GDP in the four quarters to 2013 Q3. In 2013 Q3, the sector's net lending was HUF -515 billion, equal to -6.9 per cent of quarterly GDP.

On the assets side, non-residents increased their holdings of current account deposits and equity assets and reduced significantly their holdings of other deposits, securities other than shares, loans and other assets. On the liabilities side, current account deposits, short-term loans and other liabilities increased due to transactions. By contrast, other deposits, securities other than shares, long-term loans and equity fell.

Tables

Main data of the institutional sectors

	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3
Net lending, quarterly transactions, billion HUF											
Non-financial corporations (S.11)	-48	216	254	106	-63	346	264	225	186	226	403
Financial corporations (S.12)	56	-100	-100	-63	-170	25	48	-100	98	95	45
General government (S.13)	2 332	-347	-289	-530	-185	-79	-84	-252	-199	-91	-221
Households (S.14)	-2 383	287	207	659	291	293	301	549	342	385	223
Non-profit institutions serving households (S.15)	6	-2	-4	38	5	-10	-4	15	-5	6	0
Rest of the world (S.2)	21	-68	-85	-227	106	-589	-537	-501	-431	-625	-515
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)	-345	-347	-289	-481	-130	-130	-84	-252	-199	-91	-221
Households (S.14)	295	287	207	485	95	344	301	549	342	385	223
Net lending of last four quarters, billion HUF											
Non-financial corporations (S.11)	393	322	570	527	513	643	653	772	1 021	901	1 040
Financial corporations (S.12)	-253	-319	-367	-207	-433	-308	-160	-197	71	141	138
General government (S.13)	1 518	1 618	1 493	1 166	-1 351	-1 083	-878	-600	-614	-625	-762
Households (S.14)	-1 410	-1 522	-1 512	-1 229	1 445	1 451	1 545	1 434	1 485	1 577	1 498
Non-profit institutions serving households (S.15)	15	2	-9	38	37	29	29	6	-4	12	16
Rest of the world (S.2)	-324	-162	-237	-359	-274	-795	-1 247	-1 521	-2 058	-2 094	-2 072
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)	-1 160	-1 059	-1 185	-1 463	-1 247	-1 030	-825	-595	-664	-625	-762
Households (S.14)	1 267	1 156	1 165	1 275	1 075	1 132	1 226	1 289	1 536	1 577	1 498
Consolidated gross debt of the general government, billion HUF											
General government (S.13)	22 484	21 315	22 964	22 698	22 410	22 184	22 218	22 393	23 347	23 249	23 089
Quarterly changes in consolidated gross debt of the general government, billion HUF											
changes in debt	701	-1 169	1 649	-266	-288	-226	34	175	954	-98	-160
of which: transactions	1 226	-1 193	572	-1 041	313	23	149	-105	484	216	-283
revaluation	-525	24	1 077	776	-601	-249	-115	280	470	-314	123
other changes in volume	0	0	0	0	0	0	0	0	0	0	0
	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3
Net lending, quarterly transactions, percent of GDP											
Non-financial corporations (S.11)	-0,8	3,2	3,6	1,4	-1,0	5,0	3,7	3,0	2,9	3,1	5,4
Financial corporations (S.12)	0,9	-1,5	-1,4	-0,8	-2,7	0,4	0,7	-1,3	1,5	1,3	0,6
General government (S.13)	38,0	-5,1	-4,1	-6,9	-2,9	-1,1	-1,2	-3,3	-3,1	-1,3	-3,0
Households (S.14)	-38,9	4,2	2,9	8,6	4,6	4,2	4,2	7,2	5,3	5,3	3,0
Non-profit institutions serving households (S.15)	0,1	0,0	-0,1	0,5	0,1	-0,1	-0,1	0,2	-0,1	0,1	0,0
Rest of the world (S.2)	0,3	-1,0	-1,2	-3,0	1,7	-8,5	-7,4	-6,6	-6,7	-8,6	-6,9
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)	-5,6	-5,1	-4,1	-6,3	-2,1	-1,9	-1,2	-3,3	-3,1	-1,3	-3,0
Households (S.14)	4,8	4,2	2,9	6,3	1,5	5,0	4,2	7,2	5,3	5,3	3,0
Net lending of last four quarters, percent of GDP											
Non-financial corporations (S.11)	1,5	1,2	2,1	1,9	1,8	2,3	2,3	2,8	3,6	3,2	3,6
Financial corporations (S.12)	-0,9	-1,2	-1,3	-0,8	-1,6	-1,1	-0,6	-0,7	0,3	0,5	0,5
General government (S.13)	5,7	6,0	5,5	4,2	-4,9	-3,9	-3,1	-2,1	-2,2	-2,2	-2,6
Households (S.14)	-5,3	-5,6	-5,5	-4,4	5,2	5,2	5,5	5,1	5,3	5,5	5,2
Non-profit institutions serving households (S.15)	0,1	0,0	0,0	0,1	0,1	0,1	0,1	0,0	0,0	0,0	0,1
Rest of the world (S.2)	-1,2	-0,6	-0,9	-1,3	-1,0	-2,8	-4,4	-5,4	-7,3	-7,3	-7,2
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)	-4,3	-3,9	-4,3	-5,3	-4,5	-3,7	-2,9	-2,1	-2,4	-2,2	-2,6
Households (S.14)	4,7	4,3	4,3	4,6	3,9	4,0	4,4	4,6	5,4	5,5	5,2
Consolidated gross debt of the general government, percent of GDP											
General government (S.13)	84,0	78,9	84,1	82,1	80,6	79,3	79,0	79,8	82,8	81,5	80,2

Methodological notes

1 Uncertainties related to general government sector data

2013 Q2–Q3 balance sheet data were only available for the local government sub-sector at the time the financial accounts were compiled. Therefore, estimates have been used to calculate certain assets and liabilities of the other sub-sectors of general government. For this reason, data for these sub-sectors (and consequently general government net lending) may change in later publications, at the time the reports are received. Deficiencies related to the reporting of fiscal data have also contributed to uncertainty which may have been caused by the institutional changes taking place in 2012–2013 in fiscal and general government information and in the financial accounts data incorporating them.

2 Uncertainties related to data for households

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.

Revisions to past data

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

	billion HUF									
	2005	2006	2007	2008	2009	2010	2011	2012	2013Q1	2013Q2
Non-financial corporations (S.11)	0	0	0	0	-1	0	0	0	-36	-48
Financial corporations (S.12)	0	0	0	0	0	0	2	-2	-7	-10
General government (S.13)	0	0	0	0	0	0	0	0	10	24
Households (S.14)	0	0	0	0	0	0	-2	2	-1	1
Non-profit institutions serving households (S.15)	0	0	0	0	0	0	0	0	0	1
Rest of the world (S.2)	0	0	0	0	1	0	0	0	33	32

Data revisions reflect changes in the data sources and the methods of calculation of the financial accounts. In the case of general government, other assets and other liabilities changed in previous quarters of 2013, as an effect of new information having become available on EU transfers and taxes. The changes relating to the rest of the world sector were made in line with the revision of balance of payments data. The changes in balance-of-payments data reflect corrections by reporting institutions.

References

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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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