

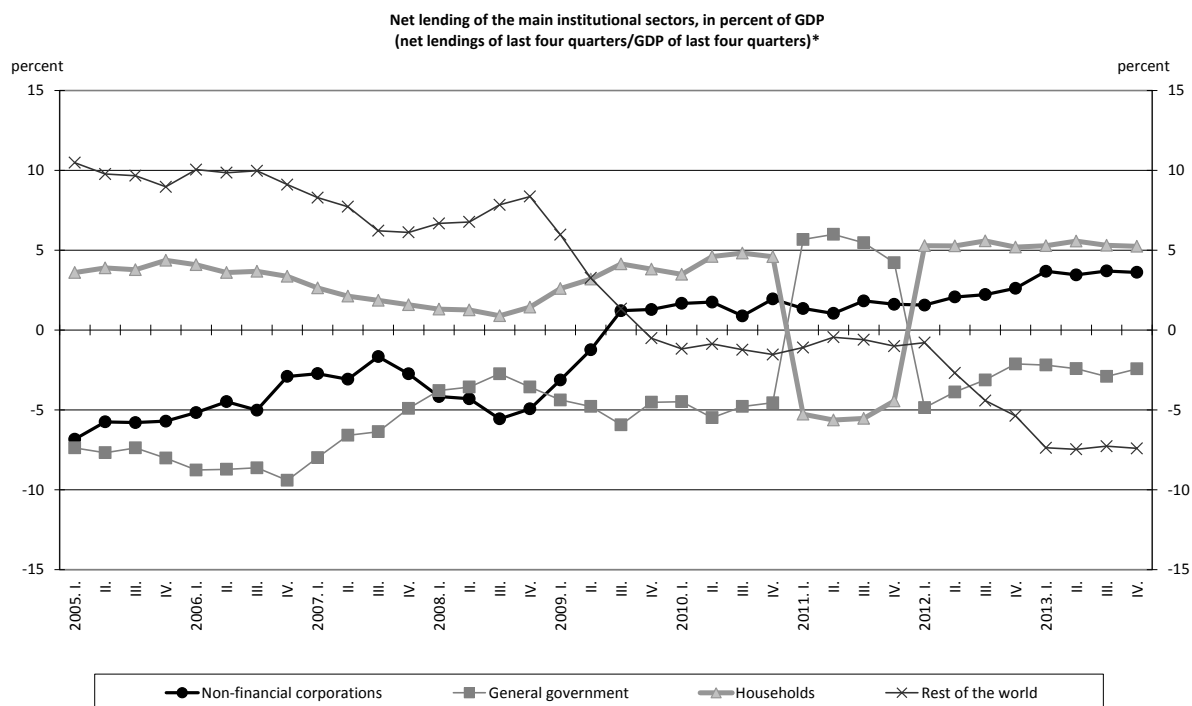


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## PRESS RELEASE

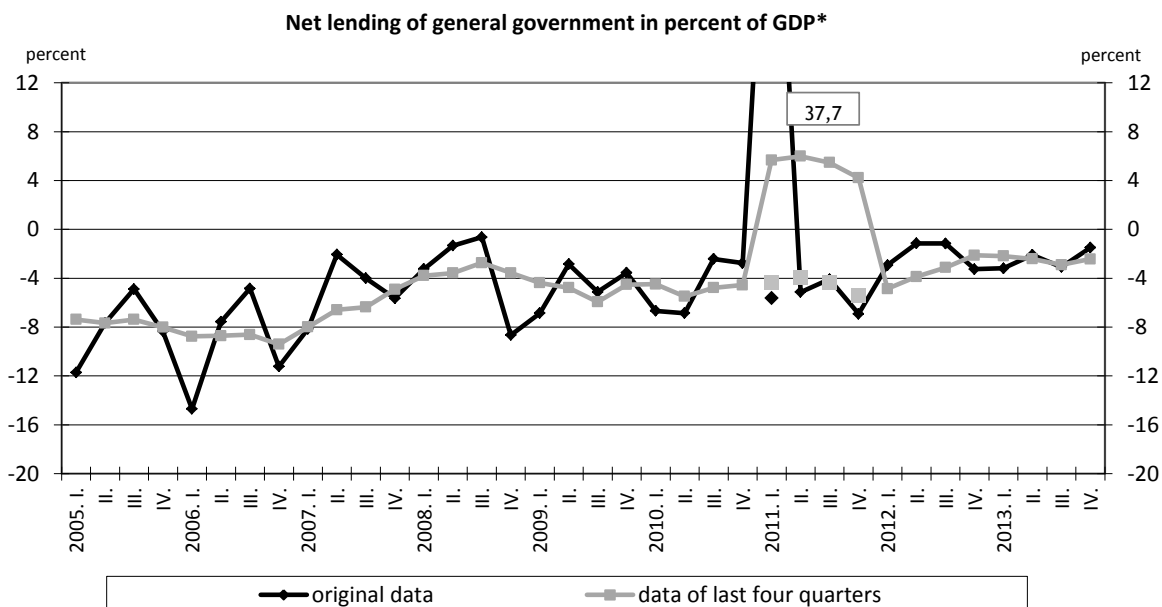
### Hungary's financial accounts: 2013 Q4

**According to financial accounts data, general government net lending was equal to -2.4 per cent of Hungary's GDP in 2013. Net lending of households was equivalent to 5.2 per cent of GDP. Net lending of non-financial corporations was 3.6 per cent of GDP and net lending of the rest of the world was -7.4 per cent of GDP in 2013.**



\* 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.

In 2013, general government net lending amounted to HUF -707 billion or -2.4 per cent of Hungary's GDP. General government net lending (HUF -119 billion) was equal to -1.5 per cent of quarterly GDP in 2013 Q4. At the end of 2013, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 23,068 billion, equivalent to 79.2 per cent of GDP. In 2013 Q4, general government debt fell by HUF 48 billion due to the appreciation of the forint and increased by HUF 26 billion due to net borrowing. Net liabilities of the general government sector amounted to HUF 18,396 billion or 63.2 per cent of GDP at the end of 2013.

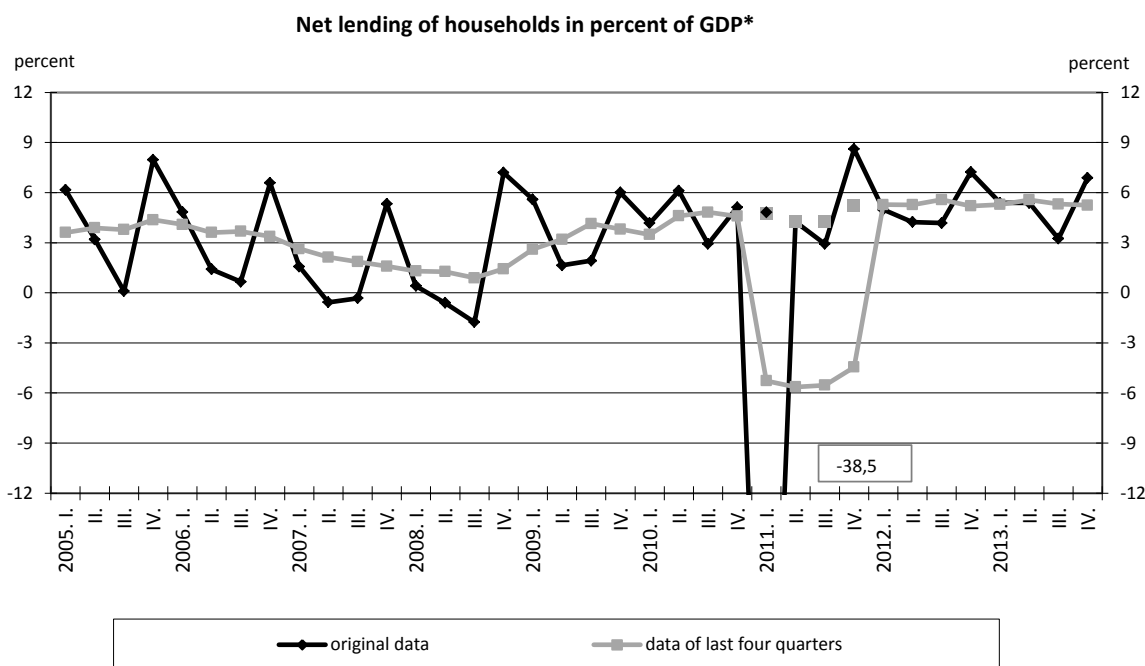


\* For 2011, the quarterly data (shown in black, only for Q1) and the data referring to the four quarters (shown in grey), which show general government net lending excluding the effect of the capital transfer due to withdrawals from private pension funds in March 2011, were plotted as separate data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

Central government net borrowing amounted to HUF 64 billion in 2013 Q4. On the assets side of the sector's balance sheet, deposits with the central bank and tax receivables from companies fell sharply. By contrast, trade advances (mainly to organisations classified into general government) increased significantly. On the liabilities side, issues of government securities abroad had a significant effect on the change in liabilities due to transactions, which was temporarily offset by large repurchases of government paper from non-financial corporations and other monetary financial institutions. Within other liabilities of central government, tax liabilities to non-financial corporations rose significantly.

Net lending of local government authorities was HUF 8 billion in 2013 Q4. On the assets side, the sector's deposits with monetary financial institutions fell and holdings of government securities also fell due to transactions. Other receivables from the corporate sector increased. On the liabilities side, the stock of loans increased, while other liabilities to non-financial corporations fell sharply.

Net borrowing of the social security funds amounted to HUF 63 billion in 2013 Q4. On the assets side, deposits with the Treasury fell sharply, while other receivables from households and companies increased significantly. On the liabilities side, short-term loans and trade liabilities increased.



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 1,525 billion) was equal to 5.2 per cent of GDP in 2013. The sector's net lending (HUF 548 billion) amounted to 6.9 per cent of quarterly GDP in the final quarter of 2013.

Households' saving behaviour was unchanged compared with previous quarters. In 2013 Q4, the sector increased significantly its holdings of currency, current account deposits, government securities and mutual fund shares. Outflows from other (non-current account) deposits held by households continued. The decline in liabilities mainly reflected repayments of loans. This was partly offset by an increase in other liabilities in line with other assets.

Net lending of the non-financial corporate sector was HUF 1,052 billion or 3.6 per cent of GDP in 2013. In 2013 Q4, non-financial corporations' net lending was HUF 191 billion, the equivalent of 2.4 per cent of quarterly GDP.

On the assets side, non-financial corporations increased significantly their deposits with monetary financial institutions, long-term loans and holdings of equity in foreign companies in 2013 Q4. By contrast, government securities holdings, short-term loans and trade receivables declined sharply. Repurchases of government securities by the central government sector contributed significantly to the temporary increase in deposits at the end of the year. On the liabilities side, equity held by non-residents and trade credit increased, while tax and wage liabilities fell.

According to financial accounts data, net lending of the rest of the world (or whole-economy net borrowing) amounted to HUF -2,157 billion or -7.4 per cent of GDP in 2013. In 2013 Q4, net lending was HUF -548 billion, equal to -6.9 per cent of quarterly GDP.

On the assets side, non-residents increased their long-term securities holdings, short-term loans and equity assets and reduced significantly their holdings of deposits with monetary financial institutions, short-term central bank securities, long-term loans and trade credit. On the liabilities side, other deposits, securities other than shares (excluding financial derivatives), loans taken out and unquoted shares increased due to transactions. By contrast, quoted shares and other liabilities fell.

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## Tables

### Main data of the institutional sectors

	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4
<b>Net lending, quarterly transactions, billion HUF</b>												
Non-financial corporations (S.11)	-80	207	223	96	-91	351	269	204	213	298	350	191
Financial corporations (S.12)	56	-100	-100	-63	-170	25	48	-101	101	99	78	-79
General government (S.13)	2 332	-347	-289	-530	-185	-80	-84	-248	-206	-151	-230	-119
Households (S.14)	-2 382	287	207	659	314	293	301	549	347	389	242	548
Non-profit institutions serving households (S.15)	6	-2	-4	38	5	-10	-4	15	-4	5	0	9
Rest of the world (S.2)	53	-60	-54	-217	111	-594	-542	-483	-460	-644	-505	-548
<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)	-345	-347	-289	-481	-130	-130	-84	-248	-206	-151	-230	-119
Households (S.14)	295	287	207	485	118	344	301	549	347	389	242	548
<b>Net lending of last four quarters, billion HUF</b>												
Non-financial corporations (S.11)	362	282	500	446	435	579	625	733	1 037	984	1 065	1 052
Financial corporations (S.12)	-253	-319	-366	-207	-433	-308	-160	-198	73	147	177	199
General government (S.13)	1 518	1 618	1 493	1 166	-1 351	-1 083	-878	-596	-617	-689	-835	-707
Households (S.14)	-1 410	-1 522	-1 512	-1 229	1 468	1 474	1 568	1 457	1 490	1 586	1 527	1 525
Non-profit institutions serving households (S.15)	15	2	-9	38	37	29	29	6	-3	12	16	10
Rest of the world (S.2)	-292	-122	-166	-278	-220	-754	-1 242	-1 508	-2 078	-2 128	-2 092	-2 157
<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)	-1 160	-1 059	-1 185	-1 463	-1 248	-1 031	-826	-592	-668	-689	-835	-707
Households (S.14)	1 267	1 156	1 165	1 275	1 098	1 154	1 249	1 312	1 541	1 586	1 527	1 525
<b>Consolidated gross debt of the general government, billion HUF</b>												
General government (S.13)	22 484	21 315	22 964	22 698	22 411	22 185	22 219	22 393	23 349	23 250	23 090	23 068
<b>Quarterly changes in consolidated gross debt of the general government, billion HUF</b>												
changes in debt	701	-1 169	1 649	-266	-287	-226	34	174	957	-100	-160	-22
of which: transactions	1 226	-1 193	572	-1 041	313	23	149	-106	483	219	-282	26
revaluation	-525	24	1 077	776	-601	-249	-115	280	473	-319	123	-48
other changes in volume	0	0	0	0	0	0	0	0	0	0	0	0
	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4
<b>Net lending, quarterly transactions, percent of GDP</b>												
Non-financial corporations (S.11)	-1,3	3,1	3,2	1,2	-1,4	5,1	3,7	2,7	3,3	4,1	4,7	2,4
Financial corporations (S.12)	0,9	-1,5	-1,4	-0,8	-2,7	0,4	0,7	-1,3	1,6	1,4	1,0	-1,0
General government (S.13)	38,0	-5,1	-4,1	-6,9	-2,9	-1,2	-1,2	-3,3	-3,2	-2,1	-3,1	-1,5
Households (S.14)	-38,8	4,2	2,9	8,6	5,0	4,2	4,2	7,2	5,4	5,4	3,2	6,9
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	0,1
Rest of the world (S.2)	0,9	-0,9	-0,8	-2,8	1,8	-8,6	-7,5	-6,4	-7,1	-8,9	-6,7	-6,9
<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)	-5,6	-5,1	-4,1	-6,3	-2,1	-1,9	-1,2	-3,3	-3,2	-2,1	-3,1	-1,5
Households (S.14)	4,8	4,2	2,9	6,3	1,9	5,0	4,2	7,2	5,4	5,4	3,2	6,9
<b>Net lending of last four quarters, percent of GDP</b>												
Non-financial corporations (S.11)	1,4	1,0	1,8	1,6	1,6	2,1	2,2	2,6	3,7	3,5	3,7	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	0,6	0,7
General government (S.13)	5,7	6,0	5,5	4,2	-4,9	-3,9	-3,1	-2,1	-2,2	-2,4	-2,9	-2,4
Households (S.14)	-5,3	-5,6	-5,5	-4,4	5,3	5,3	5,6	5,2	5,3	5,6	5,3	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	0,0
Rest of the world (S.2)	-1,1	-0,5	-0,6	-1,0	-0,8	-2,7	-4,4	-5,4	-7,4	-7,5	-7,3	-7,4
<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)	-4,3	-3,9	-4,3	-5,3	-4,5	-3,7	-2,9	-2,1	-2,4	-2,4	-2,9	-2,4
Households (S.14)	4,7	4,3	4,3	4,6	3,9	4,1	4,4	4,7	5,5	5,6	5,3	5,2
<b>Consolidated gross debt of the general government, percent of GDP</b>												
General government (S.13)	84,0	78,9	84,1	82,1	80,6	79,3	79,0	79,8	82,8	81,6	80,3	79,2

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## Methodological notes

### 1 Recording the capital grant to the Organisation for the Integration of Cooperative Credit Institutions

The Organisation for the Integration of Cooperative Credit Institutions, established in the autumn of 2013, is classified into central government in the financial accounts. The capital grant of HUF 135 billion to the Organisation in December 2013 did not affect the balance of the government sector, as it was recorded as a financial asset transfer within central government. Financial assets and liabilities of the Organisation were recorded in the balance sheet of the central government sector.

### 2 Uncertainties related to general government sector data for 2013

Preliminary balance sheets of the units of central government for 2013 were not received in full by the deadline and the balance sheets of institutions included in the chapter Ministry of Human Resources were not available at the time the financial accounts data were compiled. Therefore, data on certain assets and liabilities of the sub-sector are estimates. Estimates have been made for the following instruments: loans granted, trade credits and advances as well as other assets and other liabilities. These data, and consequently the sector's net lending, may change in later publications.

### 3 Uncertainties related to 2013 Q4 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.

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### 4 Changes to releases of financial accounts data due to a methodological change

The present financial accounts data release is the final that has been compiled using the old methodological standards for the national accounts (SNA93 and ESA95). The next release of the full set of financial accounts, to be issued on 30 June 2014, will contain data compiled in accordance with the new methodological standards. Detailed information on the planned changes to the release of data is available on the MNB's website related to the changeover to the new methodology for the balance of payments and the financial accounts.

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## 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	2013Q3
Non-financial corporations (S.11)	0	0	0	0	0	0	-81	-39	27	72	-53
Financial corporations (S.12)	0	0	0	0	0	0	0	-1	3	5	33
General government (S.13)	0	0	0	0	0	0	0	3	-7	-60	-9
Households (S.14)	0	0	0	0	0	0	0	23	5	4	20
Non-profit institutions serving households (S.15)	0	0	0	0	0	0	0	0	1	-1	0
Rest of the world (S.2)	0	0	0	0	0	0	81	13	-29	-19	10

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 a result 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

[Summary tables](#)

[Time series](#)

[Charts](#)

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