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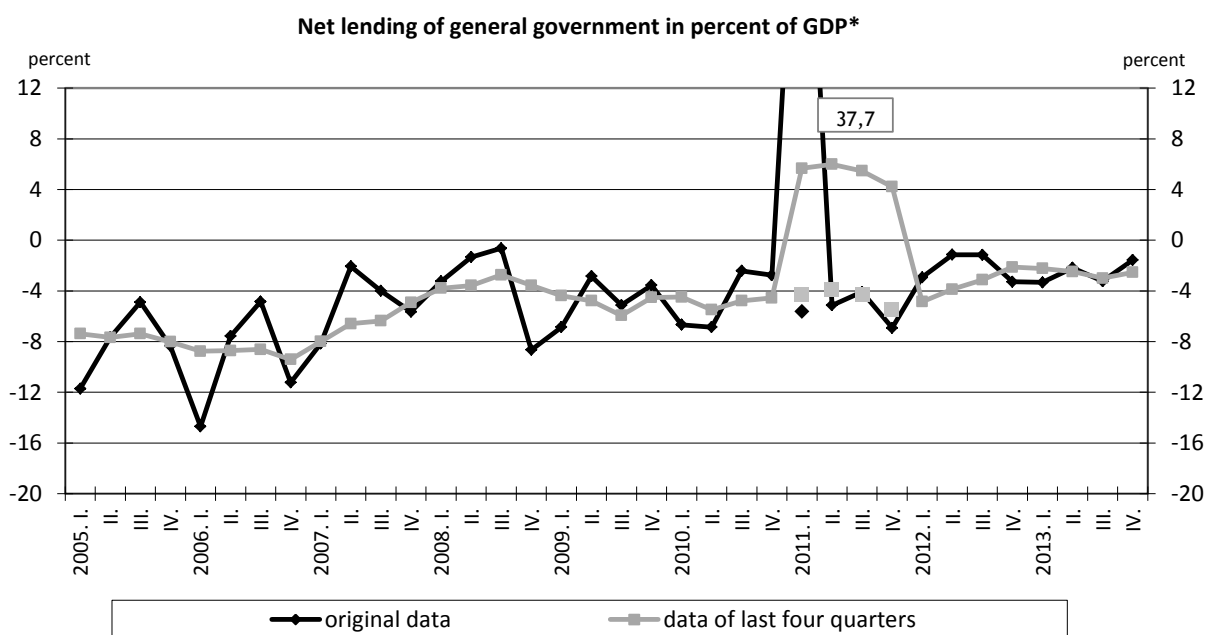
PRESS RELEASE

Preliminary financial accounts for general government and households

2013 Q4

According to preliminary financial accounts data, general government net lending was equal to -2.5 per cent of Hungary's GDP in 2013. General government consolidated gross debt at nominal value amounted to 79.0 per cent of GDP at the end of 2013. Net borrowing increased the sector's debt by HUF 17 billion and the appreciation of the forint reduced it by HUF 38 billion in 2013 Q4.

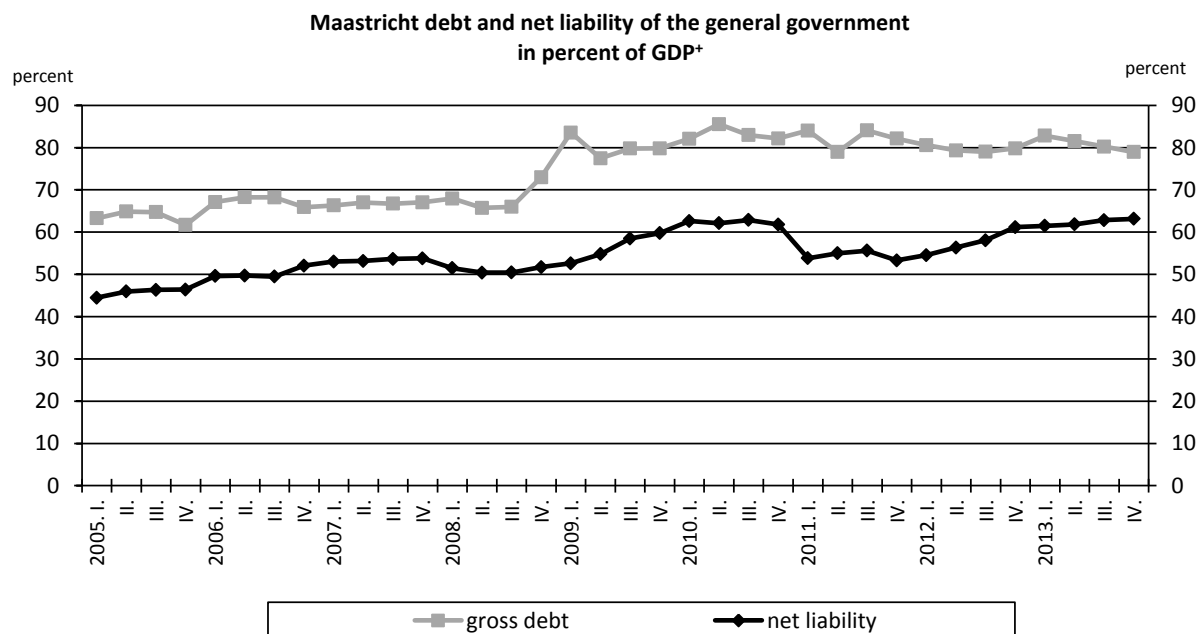
According to preliminary financial accounts data, net lending of households was equivalent to 5.3 per cent of GDP in 2013.



* 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. 2013 Q3 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -741 billion or -2.5 per cent of Hungary's GDP in 2013. General government net lending (HUF -127 billion) was equal to -1.6 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 79.0 per cent of GDP. General government debt fell by HUF 38 billion due to the appreciation of the forint and increased by HUF 17 billion due to net borrowing. At the end of 2013, the sector's net liabilities amounted to HUF 18,451 billion or 63.2 per cent of GDP.

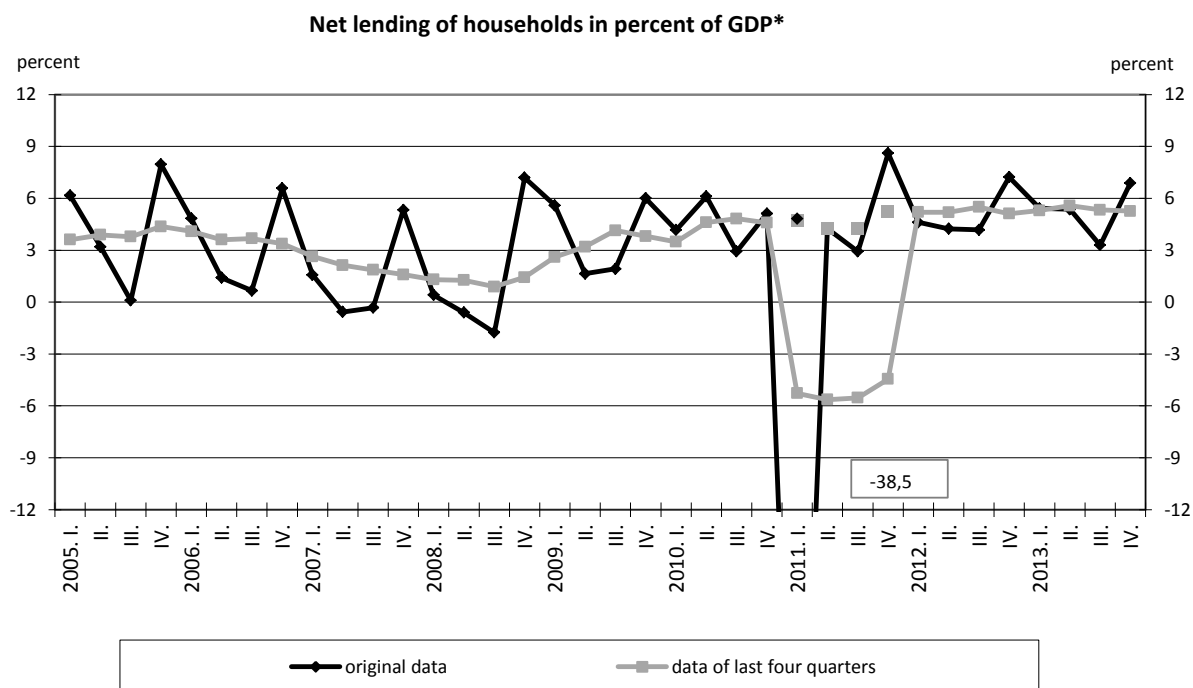


* The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.7). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite sign. 2013 Q3 data are based on the MNB's own GDP estimate.

In 2013 Q4, net borrowing of central government amounted to HUF 72 billion. On the assets side of the sector's balance sheet, deposits with the central bank and tax receivables from companies fell sharply, while trade receivables (mainly from organisations classified into general government) increased significantly. On the liabilities side, holdings of government securities by the corporate sector and other monetary financial institutions fell due to transactions, while purchases of government paper by non-residents increased sharply. Within other liabilities of central government, tax liabilities to non-financial corporations rose significantly.

Net lending of local government authorities was HUF 7 billion in 2013 Q4. On the assets side, holdings of local authority deposits with monetary financial institutions fell and holdings of government securities by local authorities also fell due to transactions. On the liabilities side, the stock of loans increased, while other liabilities to non-financial corporations fell.

Net lending of social security funds amounted to HUF 61 billion in 2013 Q4. On the assets side, deposits with the Treasury fell significantly, while other receivables from households and companies increased sharply. On the liabilities side, short-term loans and trade liabilities increased.



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

According to preliminary financial accounts data, net lending of households (HUF 1,538 billion) was equivalent to 5.3 per cent of GDP in 2013. Net lending of the sector (HUF 554 billion) amounted to 6.9 per cent of quarterly GDP in 2013 Q4.

Households' saving behaviour changed little relative to the previous quarters. In 2013 Q4, they increased significantly their holdings of currency, current account deposits, government securities and mutual fund shares. Withdrawals from other (non-current account) deposits continued. The decline in liabilities mainly reflected repayments of loans, which was partly offset by the increase in other liabilities in line with other assets.

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 Q4 will be published on 1 April 2014.

Tables

Main data of the general government and the households

	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4
Net lending, quarterly transactions, billion HUF												
General government (S.13)	2332	-347	-289	-530	-185	-79	-84	-250	-215	-158	-242	-127
Households (S.14)	-2382	287	207	659	291	293	301	549	349	388	246	554
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	-250	-215	-158	-242	-127
Households (S.14)	295	287	207	485	95	344	301	549	349	388	246	554
Net lending of last four quarters, billion HUF												
General government (S.13)	1518	1618	1493	1166	-1351	-1083	-878	-597	-628	-706	-864	-741
Households (S.14)	-1410	-1522	-1512	-1229	1445	1450	1545	1434	1492	1588	1533	1538
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)	-1160	-1059	-1185	-1463	-1247	-1030	-825	-593	-679	-706	-864	-741
Households (S.14)	1267	1156	1165	1275	1075	1131	1226	1289	1543	1588	1533	1538
Consolidated gross debt of the general government, billion HUF												
General government (S.13)	22484	21315	22964	22698	22410	22184	22218	22393	23346	23249	23089	23068
Quarterly changes in consolidated gross debt of the general government, billion HUF												
changes in debt	701	-1169	1649	-266	-288	-226	34	174	954	-97	-160	-21
of which: transactions	1226	-1193	572	-1041	313	23	149	-105	479	218	-287	17
revaluation	-525	24	1077	776	-601	-249	-115	280	474	-315	126	-38
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
Net lending, quarterly transactions, percent of GDP												
General government (S.13)	38,0	-5,1	-4,1	-6,9	-2,9	-1,1	-1,2	-3,3	-3,3	-2,2	-3,2	-1,6
Households (S.14)	-38,8	4,2	2,9	8,6	4,6	4,2	4,2	7,2	5,4	5,4	3,3	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	-3,3	-2,2	-3,2	-1,6
Households (S.14)	4,8	4,2	2,9	6,3	1,5	5,0	4,2	7,2	5,4	5,4	3,3	6,9
Net lending of last four quarters, percent of GDP												
General government (S.13)	5,7	6,0	5,5	4,2	-4,9	-3,9	-3,1	-2,1	-2,2	-2,5	-3,0	-2,5
Households (S.14)	-5,3	-5,6	-5,5	-4,4	5,2	5,2	5,5	5,1	5,3	5,6	5,3	5,3
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	-2,5	-3,0	-2,5
Households (S.14)	4,7	4,3	4,3	4,6	3,9	4,0	4,4	4,6	5,5	5,6	5,3	5,3
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	79,0

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

Fiscal balance sheets and local authority cash flow reports for 2013 were not yet available at the time the preliminary financial accounts of general government were compiled. Therefore, estimates have been used to calculate certain assets and liabilities of the general government sector. Estimates have been made for the following instruments: loans granted, shares and other equity, trade credits 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

In compiling preliminary data for 2013 Q4, estimates were used to calculate certain assets (primarily wage claims) and liabilities to general government. 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

DIRECTORATE 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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