

## PRESS RELEASE

### Hungary's financial accounts (stocks of and transactions in financial assets and liabilities) based on preliminary 2002 Q4 data

From 1 April 2003, the MNB will publish a new set of statistical information, called Hungary's financial accounts. These statistics, constituting a part of the national accounts and compiled on the basis of international methodological recommendations, encompass all sectors of the economy and the rest of the world, and present the sectors' financial assets and liabilities as well as changes therein.

The release of data was preceded by several years of preparatory work, which required introducing a number of new data reports. Data on financial accounts will be compiled and published quarterly, using comprehensive tables of stocks and transactions data covering all sectors of the national economy.

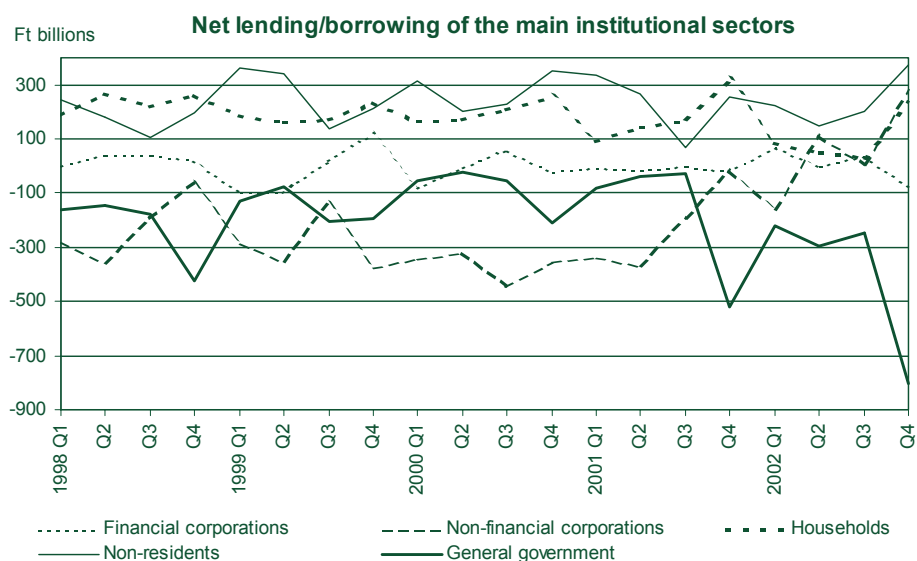
The most important indicator of data reporting is net lending which describes financial savings of the economic sectors – the corporate, household, general government and the rest of the world sectors.

With the publication of the financial accounts, the Bank will cease to publish the Net lending of households press release, as the information contained therein is also included in the Financial accounts press release. Data in a breakdown by instrument and the operational indicators will continue to be available among the detailed financial accounts data on households.

The financial accounts data and a methodological description of the compilation of accounts data are available on the Bank's website.

\* \* \*

In 2002 Q4, net borrowing of general government rose to a record level. As an effect primarily of state transfers, net lending of non-financial corporations improved further. Associated by a declining trend, household savings increased in the final quarter, in line with seasonal patterns. Net lending of the rest of the world (net borrowing of the Hungarian economy) increased slightly.



According to financial accounts data, net borrowing of general government amounted to Ft 802.5 billion in 2002 Q4. Other (non-transaction) changes in financial assets accounted for Ft –43.9 billion. Consequently, net financial worth of general government fell by a total Ft 846.4 billion.

The central government deficit amounted to Ft 862.5 billion and that of local government authorities to Ft 97.8 billion. By contrast, the social security funds registered a Ft 157.8 billion surplus.

Net lending of non-financial corporations amounted to Ft 277.6 billion. This substantial amount of financial savings was attributable mainly to transfers from the state. Other changes in financial assets, deriving primarily from revaluations, amounted to Ft –212.3 billion. As a result, net financial worth of non-financial corporations increased by Ft 65.3 billion.

Net lending of households amounted to Ft 230 billion in the period under review. In line with seasonal patterns, financial savings of the sector rose, but remained below the values recorded for the same periods of previous years. Other changes in of financial assets amounted to Ft 90.2 billion, so households registered an increase of Ft 320.2 billion in net financial worth.

The rest of the world financed the combined financial deficit of the resident sectors by Ft 371.3 billion. Other (non-transaction) changes in financial assets amounted to Ft 114.2 billion. At bottom, net financial worth of the rest of the world vis-à-vis the resident sectors increased by Ft 485.5 billion in 2002 Q4.