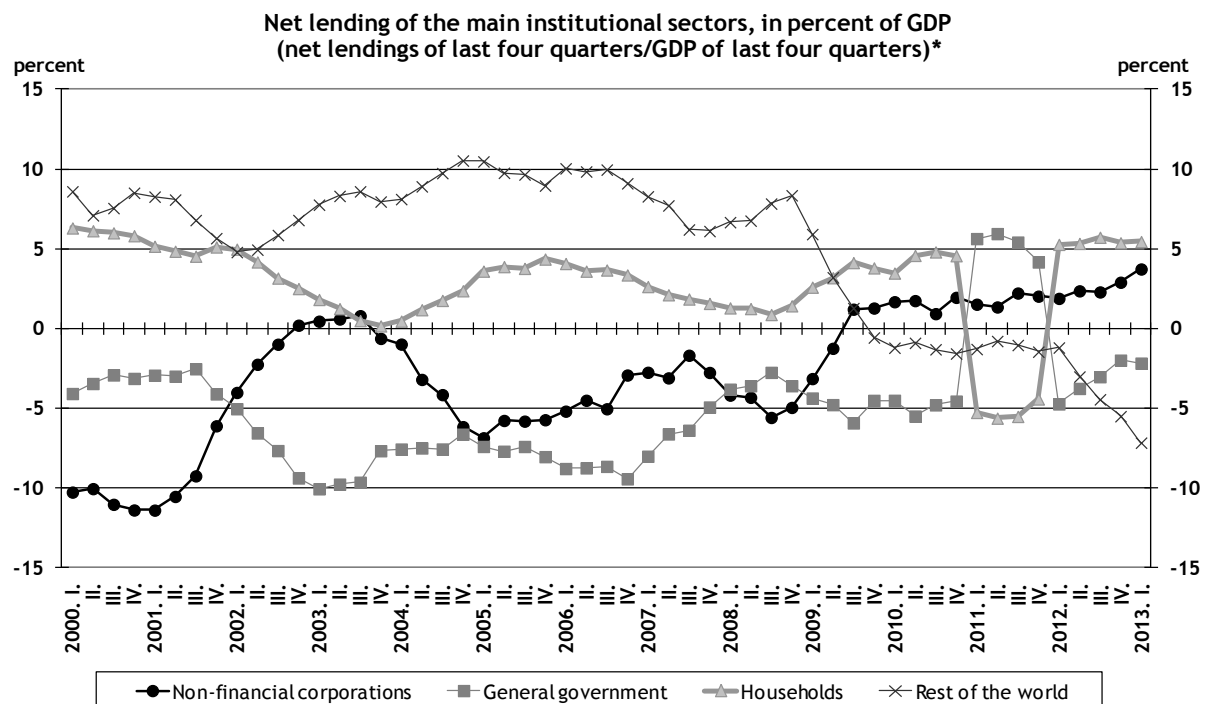


PRESS RELEASE

Hungary's financial accounts: 2013 Q1

According to financial accounts data, general government net lending was equal to -2.2 per cent of Hungary's GDP in the four quarters to 2013 Q1. Net lending of households was equivalent to 5.5 per cent of GDP in the period. Net lending of non-financial corporations was equal to 3.7 per cent of GDP in the four quarters to 2013 Q1. According to financial accounts data, net lending of the rest of the world was -7.1 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.

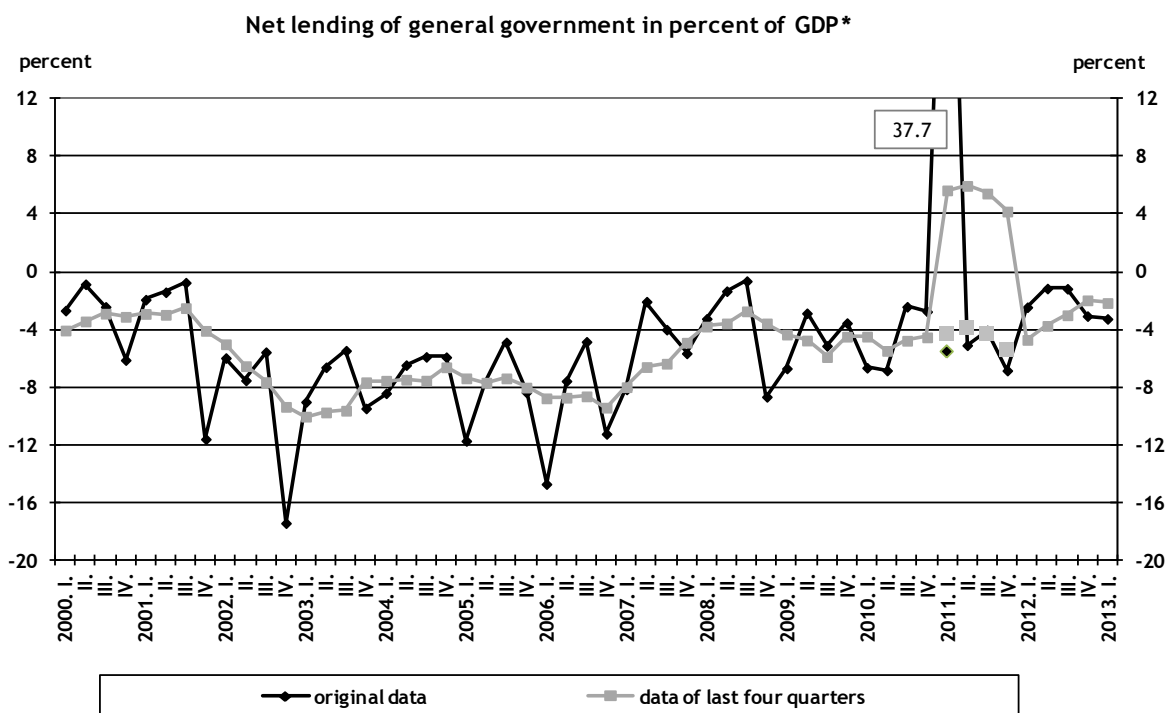
According to financial accounts data, general government net lending amounted to HUF -612 billion or -2.2 per cent of GDP in the four quarters to 2013 Q1. General government net lending (HUF -210 billion) was equal to -3.3 per cent of quarterly GDP in 2013 Q1.

At the end of 2013 Q1, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 23,340 billion, equivalent to 82.4 per cent of GDP. Net borrowing and the depreciation of the forint contributed HUF 484 billion and HUF 470 billion, respectively, to the increase in debt in 2013 Q1. Net liabilities of the sector amounted to HUF 17,315 billion or 61.1 per cent of GDP at the end of 2013 Q1.

In 2013 Q1, central government net borrowing amounted to HUF 370 billion. Overall, the sector's financial assets changed slightly in the period. Only deposits with the central bank increased significantly. By contrast, other asset categories fell slightly. The increase in liabilities mainly reflected the large volume of issues of government debt securities. This was partly offset by repayments of foreign loans and a decline in other liabilities.

Net lending of local government authorities was HUF 98 billion in 2013 Q1. The rise in the sector's deposits with credit institutions contributed significantly to the increase in assets. Liabilities were broadly unchanged, with a minor shift in other liabilities (tax liabilities increased, while wage and contribution liabilities fell).

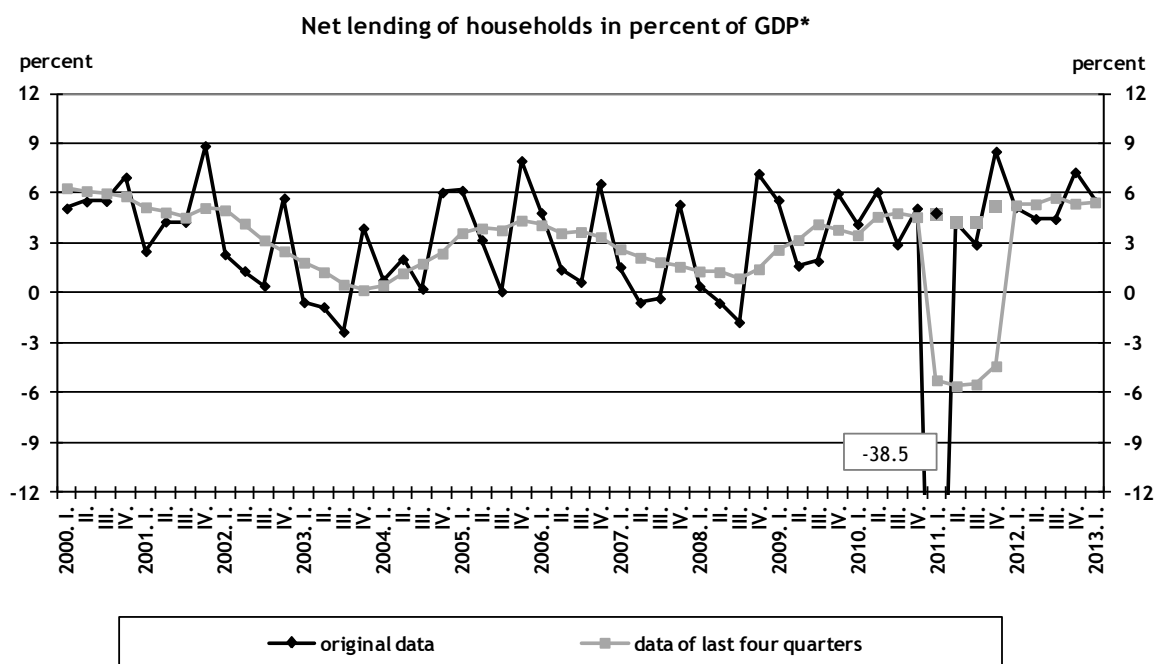
Net lending of the social security funds amounted to HUF 62 billion. On the assets side, contribution claims increased. On the liabilities side, short-term loan liabilities and trade credits fell significantly.



* 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, net lending of households (HUF 1,548 billion) was equal to 5.5 per cent of GDP in the four quarters to 2013 Q1. Net lending of households (HUF 354 billion) amounted to 5.5 per cent of quarterly GDP in 2013 Q1.

On the assets side, the sector's holdings of debt securities issued by central government and mutual fund shares increased significantly. There were slight increases in the sector's current account deposits and insurance technical reserves. By contrast, holdings of foreign currency cash and deposits and other assets fell due to transactions. The decline in liabilities due to transactions mainly reflected repayments of loans and other liabilities.



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 1,060 billion or 3.7 per cent of GDP in the four quarters to 2013 Q1. The sector's net lending was HUF 169 billion, the equivalent of 2.6 per cent of quarterly GDP in 2013 Q1.

On the assets side, non-financial corporations increased their holdings of other deposits, long-term debt securities, foreign lending as well as equity assets and other claims. By contrast, they reduced their current account deposits. On the liabilities side, foreign loans and equity liabilities rose significantly and other liabilities increased slightly. By contrast, forint borrowing from credit institutions, borrowing from other financial intermediaries and securities other than shares fell.

According to financial accounts data, net lending of the rest of the world (or whole-economy net borrowing) amounted to HUF -2,024 billion or -7.1 per cent of GDP in the four quarters to 2013 Q1. The sector's net lending was HUF -399 billion, equal to -6.2 per cent of quarterly GDP in 2013 Q1.

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

Tables

Main data of the institutional sectors

	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
Net lending, quarterly transactions, billion HUF													
Non-financial corporations (S.11)	78	287	17	141	-33	244	262	95	-68	380	245	266	169
Financial corporations (S.12)	133	-34	-53	-222	56	-100	-100	-64	-191	-4	10	-154	77
General government (S.13)	-393	-448	-164	-203	2332	-347	-289	-530	-156	-80	-85	-236	-210
Households (S.14)	245	399	198	376	-2383	287	207	660	328	311	321	561	354
Non-profit institutions serving households (S.15)	-13	11	8	-10	6	-2	-4	38	-4	-10	-4	14	0
Rest of the world (S.2)	-66	-230	-22	-97	5	-97	-93	-217	76	-611	-499	-514	-399
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)	-451	-448	-164	-203	-345	-347	-289	-481	-101	-131	-85	-236	-210
Households (S.14)	303	399	198	376	295	287	207	486	132	362	321	561	354
Net lending of last four quarters, billion HUF													
Non-financial corporations (S.11)	434	456	248	523	412	370	615	569	533	669	652	823	1060
Financial corporations (S.12)	110	-49	8	-176	-253	-319	-367	-208	-455	-359	-249	-339	-71
General government (S.13)	-1153	-1419	-1255	-1207	1518	1618	1493	1166	-1322	-1055	-851	-557	-612
Households (S.14)	896	1191	1265	1217	-1410	-1522	-1512	-1228	1483	1507	1621	1521	1548
Non-profit institutions serving households (S.15)	-12	7	12	-4	15	2	-9	38	28	20	20	-4	1
Rest of the world (S.2)	-306	-230	-339	-414	-343	-210	-281	-401	-331	-845	-1252	-1549	-2024
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)	-1243	-1509	-1345	-1265	-1160	-1059	-1185	-1463	-1218	-1002	-798	-553	-662
Households (S.14)	986	1281	1355	1275	1267	1156	1165	1276	1113	1188	1302	1376	1598
Consolidated gross debt of the general government, billion HUF													
General government (S.13)	21074	22121	21757	21775	22476	21307	22956	22691	22403	22177	22211	22386	23340
Quarterly changes in consolidated gross debt of the general government, billion HUF													
changes in debt	625	1047	-364	18	701	-1169	1649	-265	-288	-226	34	175	954
of which: transactions	717	166	28	-76	1226	-1193	572	-1041	313	23	149	-105	484
revaluation	-92	881	-392	94	-525	24	1077	776	-601	-249	-115	280	470
other changes in volume	0	0	0	0	0	0	0	0	0	0	0	0	0
	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
Net lending, quarterly transactions, percent of GDP													
Non-financial corporations (S.11)	1.3	4.4	0.3	1.9	-0.5	3.6	3.7	1.2	-1.1	5.4	3.4	3.4	2.6
Financial corporations (S.12)	2.2	-0.5	-0.8	-3.0	0.9	-1.5	-1.4	-0.8	-3.0	-0.1	0.1	-2.0	1.2
General government (S.13)	-6.6	-6.8	-2.4	-2.8	37.7	-5.1	-4.1	-6.8	-2.4	-1.2	-1.2	-3.1	-3.3
Households (S.14)	4.1	6.1	2.9	5.1	-38.5	4.2	2.9	8.5	5.2	4.5	4.4	7.3	5.5
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	-0.1	0.2	0.0
Rest of the world (S.2)	-1.1	-3.5	-0.3	-1.3	0.1	-1.4	-1.3	-2.8	1.2	-8.8	-6.9	-6.7	-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)	-7.6	-6.8	-2.4	-2.8	-5.6	-5.1	-4.1	-6.2	-1.6	-1.9	-1.2	-3.1	-3.3
Households (S.14)	5.1	6.1	2.9	5.1	4.8	4.2	2.9	6.3	2.1	5.2	4.4	7.3	5.5
Net lending of last four quarters, percent of GDP													
Non-financial corporations (S.11)	1.7	1.8	0.9	2.0	1.5	1.4	2.2	2.0	1.9	2.4	2.3	2.9	3.7
Financial corporations (S.12)	0.4	-0.2	0.0	-0.7	-0.9	-1.2	-1.3	-0.7	-1.6	-1.3	-0.9	-1.2	-0.3
General government (S.13)	-4.5	-5.5	-4.8	-4.5	5.6	6.0	5.4	4.2	-4.7	-3.7	-3.0	-2.0	-2.2
Households (S.14)	3.5	4.6	4.8	4.6	-5.2	-5.6	-5.5	-4.4	5.3	5.3	5.7	5.4	5.5
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	0.0	0.0
Rest of the world (S.2)	-1.2	-0.9	-1.3	-1.6	-1.3	-0.8	-1.0	-1.4	-1.2	-3.0	-4.4	-5.5	-7.1
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	-5.8	-5.1	-4.8	-4.3	-3.9	-4.3	-5.2	-4.3	-3.6	-2.8	-2.0	-2.3
Households (S.14)	3.8	4.9	5.2	4.8	4.7	4.3	4.2	4.6	4.0	4.2	4.6	4.9	5.6
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	79.9	78.7	78.5	79.2	82.4

Methodological notes

1 Uncertainties related to general government sector data

Due to delays in data delivery, fiscal balance sheets for 2013 Q1 and annual reports for 2012 were not available at the time of compiling the financial accounts of general government. Therefore, estimates were used to calculate certain assets and liabilities of the general government sector (mainly outstanding loans, advances and trade credits). These items (and, consequently, general government net lending) may change in later publications. In addition, the transformation of budgetary institutions, debt assumptions and asset reallocations in 2012 and 2013 had a significant impact on the structure of general government cause uncertainty in fiscal and general government information. Monitoring these in the fiscal and general government information currently used for statistical purposes is very difficult.

2 Uncertainties related to 2013 Q1 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						
	2009	2010	2011	2012Q1	2012Q2	2012Q3	2012Q4
Non-financial corporations (S.11)	0	0	0	10	15	20	47
Financial corporations (S.12)	0	0	-1	13	-4	1	-18
General government (S.13)	0	0	0	-5	1	-1	-2
Households (S.14)	0	0	0	-1	1	3	16
Non-profit institutions serving households (S.15)	0	0	0	2	0	0	-1
Rest of the world (S.2)	0	0	1	-18	-12	-23	-43

Data revisions reflect changes in the data sources and the methods 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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[Financial accounts manual](#)

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