



FINANCIAL ACCOUNTS OF HUNGARY 1970–1989

DATA SOURCES, METHODS AND
RESULTS OF DATA COMPILATION



2018



FINANCIAL ACCOUNTS OF HUNGARY 1970–1989

2018

Annual stock data on the financial assets and liabilities of the national economy and of specific institutional sectors (financial worth and net financial worth)

Annual transaction data on the financial assets and liabilities of the national economy and specific institutional sectors (financing, financial savings, net lending)

Additional quarterly data series on stocks of forint currency holdings and of certain bank deposits and bank loans

Additional annual data series from pre-1970 data on specific financial assets and liabilities

Inventory including a description of data sources, calculation and estimation processes, and interim results

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The purpose of the data compilation and the publication is to provide statistical information. Nevertheless, compared to the statistical processes commonly used today, the data rely on a broader basis of expert estimates and assumptions. The data sources used and the estimates and assumptions applied primarily reflect the author's judgment. Data accuracy is defined in terms of billions of forints. The data compilation was completed at the end of 2017.

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Introduction

Financial accounts statistics are macroeconomic statistics comprising a part of national accounts, presenting the financial assets and liabilities of an economy or an institutional sector in terms of stocks at the end of a period and flows (changes in stocks) over that period. Information is thereby provided about the wealth and financing processes of the economy and economic actors. Currently, financial accounts statistics are based on the international methodology provided by the System of National Accounts (SNA 2008) recommendation and the EU regulation on the European System of Accounts (ESA 2010). The first full description of financial accounts was included in the SNA 1993. Financial accounts comprise an integrated system of balance sheets presenting stocks, and of accounts presenting flows (transactions and other changes in stocks). The main aggregates of statistics are net financial worth (derived as the difference between the stocks of financial assets and liabilities) and net lending / net borrowing (corresponding to the change in net financial worth resulting from transactions over a period, also known as financial savings). The stocks of financial assets and liabilities together with that of non-financial assets make up the full balance sheet of institutional sectors, while the net lending / net borrowing indicator links non-financial and financial accounts at the level of transactions.

Financial accounts statistics provide financial data broken down into the following main categories:

- Institutional sectors (resident sectors /corporations, general government, households/ and the rest of the world);
- Counterpart sectors (sectors against which the sector concerned has claims or liabilities);
- Financial instruments (various types of financial assets and liabilities);
- Components of stocks and flows (transactions, revaluation and other changes in volume);
- Breakdown by denomination (original currency of instruments: forint and foreign currency);
- Period and periodicity (quarterly and annual data);
- Valuation of stocks (market value, also nominal value for government debt).

In Hungary, the compilation and dissemination of financial accounts statistics is a responsibility of the MNB. The active and regularly reviewed data series of the statistics have been processed on a quarterly basis from the end of 1989 and beginning of 1990, and are updated quarterly in Excel sheets available on the central bank's website. (Statistics, time series: XII. Financial accounts of the national economy (stocks and transactions of financial assets and liabilities)) To date, methodological information and analyses related to data reporting have been released in three statistical publications (Financial Accounts of Hungary 2005, 2008, 2014). Financial accounts data are available in the publications and databases of several international institutions (BIS, ECB, Eurostat, OECD) to which Hungary reports data together with other countries.

This publication presents the financial accounts of the period preceding 1990. Previously, financial accounts have not been drawn up for that period, and the methodological foundations of international statistics were also not consolidated until the early 1990s. The scope of other financial statistics available for the period preceding that date was (and still is) limited, which explains the particular significance of the present data compilation. At this point, it has been possible to compile comprehensive data covering all sectors and instruments in annual terms for the period between 1970 and 1989. Additionally, for specific sectors and instruments it has also been possible to generate longer time series and quarterly data based on the data sources identified. As regards their contents and granularity, the data are compatible with the accounts starting from the end of 1989, enabling long time series to be derived by linking the two data sets.

Below, first a summary of key results is provided, followed by the detailed figures of the back financial accounts in the form of standard tables. The detailed figures are also available on the central bank's website in Excel sheets. The inventory describing the data sources and the methods of data compilation is provided in the second part of this publication.

1 Key back financial accounts data

1.1 DEVELOPMENT OF THE FINANCIAL WORTH OF THE NATIONAL ECONOMY BETWEEN 1969 AND 1989

At the end of 1969, Hungary's non-consolidated financial assets amounted to HUF 1,244 billion (approximately 400% of GDP), comprised of HUF 212 billion worth of assets held by non-financial corporations, 200 billion by financial corporations, 685 billion by the general government, and 145 billion by households. 55% of the financial assets were held by the general government, and mainly comprised shares and other equity. At the same time, the non-consolidated liabilities of the national economy amounted to HUF 1,277 billion (409% of GDP), 76% of which was accounted for by non-financial corporations. The liabilities of the general government (HUF 80 billion) were equivalent to 26% of GDP. At the end of 1969, Hungary's net liability, i.e. the net financial worth of the rest of the world amounted to HUF 34 billion, corresponding to 11% of GDP.¹

Table 1
Stocks of non-consolidated financial assets and liabilities of the national economy

Non-consolidated stocks of main sectors	1969		1979		1989	
	HUF bn	GDP%	HUF bn	GDP%	HUF bn	GDP%
Financial assets	1 244	398	3 902	572	8 497	493
Non-financial corporations	212	68	715	105	1 624	94
Central bank (MNB)	155	49	777	114	1 657	96
Credit institutions	43	14	217	32	1 213	70
Other financial corporat.	2	1	9	1	41	2
General government	685	219	1 755	257	2 973	173
Households	145	47	426	62	985	57
Non-profit institutions	1	0	3	0	5	0
Liabilities	1 277	409	4 162	610	9 401	546
Non-financial corporations	972	311	2 533	371	4 762	276
Central bank (MNB)	154	49	777	114	1 614	94
Credit institutions	43	14	218	32	1 219	71
Other financial corporat.	3	1	12	2	43	3
General government	80	26	513	75	1 347	78
Households	25	8	109	16	415	24
Net financial worth	-34	-11	-260	-38	-904	-52

Ten years later, within the total liabilities of the national economy (HUF 4,162 billion, 610% of GDP) the liabilities of non-financial corporations only amounted to 61%, and the ratio dropped to 51% by the end of 1989.² By contrast, the liabilities of the central bank, credit institutions and the general government accounted for an

¹ For the purposes of this publication, financial assets are equivalent to receivables or claims, and liabilities to payables. In a few instances, total assets are referred to as 'worth'. The central bank subsector is defined as MNB, being the central bank. The sector of non-financial corporations is referred to simply as corporations. The rest of the world sector includes non-residents, and the domestic sector (i.e. the national economy) includes residents. The term 'general government' is used in reference to the government sector, within which the local government subsector includes councils and council institutions in the period concerned.

² To a large extent, this is attributable to the fact that corporate worth (the stock of non-financial assets) had not been revalued since the 1960s, as a result of which the value of corporate equity reflects the historical cost of the assets rather than their current market value.

increasing share of Hungary's total liabilities. By 1979, the liabilities of the general government reached 75% of GDP (HUF 513 billion), and subsequently the indicator as a percentage of GDP essentially remained constant until the early 1990s. The liabilities of the central bank exceeded the GDP levels from as early as 1977, and dropped slightly below those levels only following the introduction of the two-tier banking system. Due to the indebtedness of sectors, the net liabilities of the national economy reached 38% of GDP (HUF 260 billion) by the end of 1979, rising to 52% of GDP (HUF 904 billion) by the end of 1989.

According to the financial accounts data, at the end of 1969 the consolidated claims of the national economy from the rest of the world amounted to approximately HUF 47 billion (15% of GDP), against liabilities to the rest of the world of HUF 80 billion (close to 26% of GDP). About one half of the stock of claims, and approximately two-thirds of the stock of payables was linked to the central bank (HUF 23 and 52 billion, respectively). At the time, trade-related corporate receivables amounted to HUF 18 billion, and government loans to HUF 6 billion. At the end of 1969, payables in the form of trade credits of non-financial corporations amounted to HUF 11 billion, and the government's credit debt owed to the rest of the world amounted to HUF 17 billion.

Table 2
Stocks of consolidated financial assets and liabilities of the national economy

Claims and liabilities vis-a-vis the rest of the world	1969		1979		1989	
	HUF bn	GDP%	HUF bn	GDP%	HUF bn	GDP%
Financial assets	47	15	178	26	553	32
Non-financial corporations	18	6	75	11	220	13
Central bank (MNB)	23	7	82	12	171	10
Credit institutions	0	0	0	0	94	5
Other financial corporat.	0	0	0	0	5	0
General government	6	2	20	3	40	2
Households	0	0	1	0	23	1
Non-profit institutions	0	0	0	0	0	0
Liabilities	80	26	438	64	1 456	85
Non-financial corporations	11	3	40	6	145	8
Central bank (MNB)	52	17	343	50	1 133	66
Credit institutions	0	0	23	3	161	9
Other financial corporat.	0	0	0	0	1	0
General government	17	6	32	5	16	1
Households	0	0	0	0	0	0
Net financial worth	-34	-11	-260	-38	-904	-52

Until the end of 1989, the claims of non-financial corporations, the central bank and the general government from the rest of the world (external financial assets) increased relatively proportionally, accompanied by a spectacular hike in the trade receivables of corporations in the second half of the 1980s. Major liabilities to the rest of the world appeared in the financial assets of credit institutions and households at the same time. As a combined effect of these, by the end of 1989 the claims of resident economic sectors from non-residents rose to HUF 553 billion (32% of GDP). The overall liabilities of resident sectors to the rest of the world amounted to HUF 1,456 billion (85% of GDP). As regards liabilities, direct government borrowing became less prominent in the period under consideration, accompanied by the central bank's increasing dominance in terms of the country's external financing. Consequently, from the second half of the 1970s approximately 78% of the stock of external liabilities was linked to the central bank, amounting to HUF 1,133 billion (66% of GDP) at the end of 1989. The end of the period also saw a take-off in the payables of credit institutions and non-financial corporations to the rest of the world (rising to HUF 161 billion and 145 billion, respectively), which in the latter case was also due to foreign direct investments in addition to trade credits. (The stock of non-resident shares in corporations is estimated to have been HUF 39 billion at the end of 1989.)

The composition of receivables and payables by instrument was considerably simpler before the regime change than it has been since. Listed shares, investment fund shares and pension funds reserves are not shown at all in backward financial accounts, and debt securities are only shown from 1982 onwards. The central bank's assets may also have included foreign securities previously; however, in the data sources these could not be separated from deposits held with the rest of the world. The financial accounts statistics only include financial derivatives for the relations of the central bank with the rest of the world, although the MNB also traded forwards with non-financial corporations. In the period under consideration, 85-90% of central bank assets were comprised by loans granted. At the end of 1969, HUF 83 billion of all loans was outstanding to non-financial corporations, and the remaining approximately HUF 49 billion to the general government. At the end of 1979, the central bank's credit claims of HUF 699 billion included HUF 243 billion of loans granted to corporations and HUF 451 billion of loans granted to the government. At the launch of the two-tier banking system in early 1987, the stock of corporate credit (then HUF 354 billion) was transferred to the newly established credit institutions, which were granted refinancing loans by the central bank. At the end of 1989, the MNB's credit claims (HUF 1,384 billion) were comprised of HUF 163 billion in loans to credit institutions, HUF 1,208 billion to the general government, and HUF 13 billion to other sectors. At that time, an additional HUF 65 billion is shown in deposit claims on credit institutions.³ At the end of 1989, the central bank's assets included HUF 106 billion worth of debt securities, comprised of foreign securities (HUF 63 billion), discount bills (HUF 31 billion), and domestic government bonds (HUF 12 billion, including the stock transferred from Központi Váltó- és Hitelbank).

Table 3
Stocks of financial assets and liabilities of the central bank

Financial assets and liabilities of central bank	1969		1979		1989	
	HUF bn	GDP%	HUF bn	GDP%	HUF bn	GDP%
Financial assets	155	49	777	114	1 657	96
Monetary gold	4	1	19	3	29	2
Currency	0	0	2	0	11	1
Deposits	18	6	49	7	105	6
Debt securities	0	0	0	0	106	6
Loans	132	42	699	102	1 384	80
Shares and equity	0	0	2	0	8	0
Financial derivatives	0	0	7	1	13	1
Liabilities	154	49	777	114	1 614	94
Currency (forint)	18	6	64	9	200	12
Deposits	106	34	491	72	325	19
Debt securities	0	0	10	1	226	13
Loans	26	8	187	27	802	47
Shares and equity	1	0	9	1	25	1
Financial derivatives	0	0	0	0	0	0
Other accounts payable	3	1	17	2	36	2
Net financial worth	0	0	0	0	42	2

In the period under consideration, currency issued accounted for 8-12% of all central bank liabilities. At the end of 1969, the stock of forint banknotes and coins in circulation amounted to HUF 18.4 billion (6% of GDP), of which, according to financial accounts data, HUF 16.6 billion may have been held by households, HUF 1.4 billion by non-financial corporations, and HUF 0.2 billion by credit institutions and the general government each.⁴ At the end of 1989, cash in circulation amounted to approximately HUF 200 billion (12% of GDP), of which approximately HUF

³ Short-term credit claims between monetary institutions (central banks and credit institutions) are shown under deposits.

⁴ In order to present small amounts, unlike the rest of the data currency values are expressed to one decimal place.

148 billion was held by households, HUF 30 billion by non-financial corporations, and HUF 19.4 billion by credit institutions). Of the deposits held with the central bank at the end of 1969 (HUF 106 billion), approximately HUF 18 billion was held by resident credit institutions, and just under HUF 15 billion by general government. The stock of the MNB's borrowing from the rest of the world increased in parallel with the financing need of the national economy, and amounted to HUF 802 billion (47% of GDP) at the end of 1989 according to financial accounts data. Additionally, in borrowing an increasingly prominent role was taken on by bonds issued abroad, the stock of which rose to HUF 215 billion by the end of 1989. Of the total stock of central bank securities (HUF 226 billion), the remaining part was held by resident sectors, primarily by non-financial corporations.

In the period under consideration, the sector with the largest stock of liabilities was that of non-financial corporations. This is primarily due to the significant stock of non-financial assets, which were predominantly set against equity on the liabilities side of the balance sheet. At the end of 1969, this instrument accounted for 76% of liabilities, declining gradually to 64% by the end of 1989. Simultaneously, the share of loans and debt securities within the balance sheet rose from 10% to 18%, and that trend continued into the period following the regime change. The asset side first saw a major growth in the stock of deposits (from 22% to 31% within financial assets), following which in the second half of the period credit claims and equity investments gained prominence in the context of increasingly extensive intercompany financial relations. Of the HUF 198 billion worth of credit claims held by non-financial corporations at the end of 1989, HUF 144 billion was outstanding vis-à-vis the rest of the world, HUF 20 billion vis-à-vis resident corporations, and HUF 34 billion vis-à-vis households (predominantly in preferential housing loans granted by employers). The HUF 302 billion stock of equity is comprised of shares and other equity amounting to HUF 237 billion in corporations, HUF 60 billion in credit institutions, and HUF 5 billion in the rest of the world. At the end of 1989, the non-consolidated balance sheet of non-financial corporations shows a total of HUF 950 billion in intercompany claims, including debt securities, trade credit and other receivables.

Table 4
Stocks of non-consolidated financial assets and liabilities of non-financial corporations

Claims and liabilities of non-financial corporations	1969		1979		1989	
	HUF bn	GDP%	HUF bn	GDP%	HUF bn	GDP%
Financial assets	212	68	715	105	1 624	94
Currency	1	0	6	1	31	2
Deposits	47	15	217	32	258	15
Debt securities	0	0	0	0	24	1
Loans	7	2	49	7	198	11
Shares and equity	27	9	90	13	302	18
Insurance reserves	0	0	1	0	1	0
Other accounts receivable	129	41	352	52	809	47
Liabilities	972	311	2 533	371	4 762	276
Debt securities	0	0	0	0	76	4
Loans	97	31	361	53	766	44
Shares and equity	736	236	1 773	260	3 053	177
Other accounts payable	138	44	399	58	867	50
Net financial worth	-760	-243	-1 819	-267	-3 138	-182

Accordingly, the consolidated balance sheet shows HUF 950 billion less in assets and liabilities (HUF 674 billion and 3,812 billion, respectively). At the end of 1969, the components of intercompany claims (HUF 135 billion) are HUF 27 billion in equity and HUF 108 billion in other receivables, net of which the consolidated balance sheet is comprised of HUF 77 billion in financial assets and HUF 836 billion in liabilities. The government held 86% of corporate equity at the start of the period under consideration, which dropped to 80% by the end of the period. Households' holdings remained level at around 10% throughout the period, primarily due to equity in cooperatives.

At the end of 1969, equity (corporation investments) accounted for more than half of the HUF 145 billion that households held in financial assets. In 20 years, that ratio dropped to 32% as a result of financial savings and investments in deposits and other financial assets. Within financial assets, the weight of currency rose from 11% to 16%, and that of bank deposits from 24% to 34% in the period under consideration. Due to the increased prominence of both life and non-life insurance, the stock of insurance technical reserves multiplied by nearly thirty times over, exceeding HUF 31 billion at the end of 1989. (Of that amount, life insurance claims accounted for approximately HUF 28 billion.) At the beginning of the period, households' bank deposits were primarily comprised of term deposits (savings deposits), while the value of current accounts (deposit transfer accounts, checking accounts) was a negligible HUF 0.7 billion at the time (rising to HUF 57 billion by the end of 1989). Within the stock of deposits, at the end of 1989 households held an estimated HUF 36 billion in foreign currency deposits, including approximately HUF 11 billion in foreign bank deposits according to estimated financial accounts data. (At the end of 1979, the stock of foreign currency deposits was an estimated HUF 1.6 billion.)

Table 5
Stocks of non-consolidated financial assets and liabilities of households

Financial assets and liabilities of households	1969		1979		1989	
	HUF bn	GDP%	HUF bn	GDP%	HUF bn	GDP%
Financial assets	145	47	426	62	985	57
Currency	17	5	56	8	160	9
Deposits	34	11	132	19	335	19
Debt securities	0	0	0	0	31	2
Loans	4	1	0	0	29	2
Shares and equity	78	25	202	30	312	18
Insurance reserves	1	0	9	1	31	2
Other accounts receivable	11	4	27	4	88	5
Liabilities	25	8	109	16	415	24
Short-term loans	3	1	8	1	15	1
Long-term	19	6	92	13	341	20
Other accounts payable	3	1	9	1	60	3
Net financial worth	120	39	318	47	570	33

Households' credit claims resulted from loans to the government (loans to finance the planned economy) at the start of the period, and loans granted to the businesses they owned at the end of the period. 1988 saw a hike in other household receivables and payables as a result of grossing up wages and the introduction of the personal income tax, since from that year onwards, in addition to net earnings, employee households also claimed the contributions on those earnings from their employers, which they paid into the government budget. Of the HUF 88 billion worth of other accounts receivable at the end of 1989, net wage claims and claims for taxes and social security contributions amounted to HUF 37 billion each. This latter amount was also shown under other payables to the general government. Household liabilities were consistently dominated by credit debt. At the end of 1969, the approximately HUF 22 billion stock of credit included HUF 21.2 billion in bank loans, and HUF 0.4 billion in housing loans granted by employers. Bank loans amounted to HUF 91.5 billion at the end of 1979 and HUF 320 billion at the end of 1989, and loans granted by employers HUF 8.3 billion and HUF 35.2 billion, respectively. Additionally, households increasingly made use of insurers' policy loan service (at the end of 1989, the stock amounted to HUF 0.8 billion). Over this period, long-term loans were comprised of housing loans, and short-term loans were consumer and other loans.

In the financial accounts statistics, the financial assets and liabilities of the general government are also broken down by subsector. While a distinction between central government (central budget and its institutions) and local governments (councils and their institutions) makes sense, the social security funds subsector can only be created artificially, since in the period under consideration social security was recognised as part of the central budget. In this summary, the general government is described as a single sector, and reference to a breakdown by subsector is only made in respect of specific instruments.

Table 6**Stocks of non-consolidated financial assets and liabilities of the general government**

Financial assets and liabilities of government	1969		1979		1989	
	HUF bn	GDP%	HUF bn	GDP%	HUF bn	GDP%
Financial assets	685	219	1 755	257	2 973	173
Currency	0	0	1	0	2	0
Deposits	18	6	57	8	75	4
Debt securities	0	0	0	0	18	1
Loans	19	6	129	19	256	15
Shares and equity	635	203	1 496	219	2 534	147
Other accounts receivable	12	4	71	10	89	5
Liabilities	80	26	513	75	1 347	78
Debt securities	0	0	0	0	54	3
Loans	70	23	489	72	1 241	72
Other accounts payable	10	3	24	3	53	3
Net financial worth	605	194	1 242	182	1 625	94

Up to the early 1990s, the financial assets of the general government exceeded its liabilities by far, as a result of which the sector had a significant positive net financial worth. This was primarily attributable to equity in state-owned enterprises. According to financial accounts data, at the end of 1969 the stock of the central government's equity amounted to HUF 522 billion, and that of local councils to HUF 113 billion. By the end of 1989, the stock of the central government's equity rose to HUF 2,109 billion, and that of councils to HUF 425 billion. At the time, the government had an equity of HUF 82 billion in financial corporations, and HUF 2,027 billion in non-financial corporations. In the 1980s, the value of the general government's equity in corporations could no longer keep up with the development of the economy (the stock of equity holdings declined from 219% to 147% of GDP between 1979 and 1989). This was due partly to increased use of borrowing rather than government transfers, and partly to the book value of real assets, and consequently of equity, increasingly diverging and falling short of fair value. The central government (including the State Development Institute, which was considered a part of the government) also granted loans to finance non-financial corporations. The stock of direct government loans to corporations amounted to HUF 13 billion at the end of 1969, HUF 109 billion at the end of 1979, and HUF 215 billion at the end of 1989. Government institutions first held debt securities in 1989, when the central government held HUF 3 billion worth of securities, the social security fund HUF 13 billion, and local council institutions close to HUF 2 billion.

Throughout the period, the general government's liabilities were dominated by credit debt. The credit debt of HUF 70 billion outstanding at the end of 1969 was equivalent to 23% of GDP. By 1975, the stock of credit debt reached 50% of GDP, fluctuating in the 60% to 72% range from 1979 onwards. At the end of 1989, the stock of the central government's credit debt was HUF 1,227 billion, and that of local councils was HUF 14 billion. From 1982, government debt was also incurred from the issuance of securities. At the end of 1989, the entire stock amounted to HUF 54 billion, including slightly over HUF 1 billion worth of council bonds. In 1989, HUF 16 billion worth of the government securities issued was transferred to government institutions, which is therefore not taken into account within the general government's consolidated claims and liabilities. Apart from that, in the period under consideration items to be consolidated within the general government were outstanding only within other accounts receivable and payable (at the end of 1989, an advance of HUF 1.5 billion granted by social security to council institutions). Consequently, before 1989 the general government's consolidated and non-consolidated data are shown to be identical in the financial accounts.

The consolidated claims and liabilities of the national economy (residents) are comprised of receivables from and payables to the rest of the world, and are equivalent to the liabilities and assets of the rest of the world vis-à-vis the national economy. At the end of 1969, the receivables of non-residents from Hungarian residents

(HUF 80 billion) were essentially comprised of bank deposits, loans granted, and trade credit and advances (HUF 26, 44 and 11 billion, respectively). Equity held by the rest of the world in Hungarian corporations was negligible, and at time Hungarian residents were not yet authorised to issue securities. In terms of original maturity, about one half of the claims of non-residents (i.e. of the liabilities of residents) were long-term loans, and that ratio increased gradually to exceed 75% only in the 1980s. At that time, in addition to taking short-term deposits the central bank increasingly raised funds by issuing long-term securities and taking long-term loans. Even at the end of the period equity played only a minor role in raising foreign capital, with foreign direct investments in resident corporations amounting to a mere HUF 11 billion in 1988 and HUF 23 billion in 1989, while according to financial accounts data the value of corporate shares and other equity held by the rest of the world was an estimated HUF 51 billion (3% of GDP) at the end of 1989.

At the start of the period, the liabilities of non-residents accounted for approximately 60% of their claims. Due to a major increase in claims, that ratio subsequently dropped to around 40%. The vast majority of the liabilities of non-residents was comprised of short-term financial instrument, the share of which within liabilities remained at around 80% throughout the period. This is because the liabilities of non-residents resulted predominantly from the central bank's reserve instruments⁵ and from the trade-related receivables of non-financial corporations, as long-term equity investments in the rest of the world were not widespread. At the end of 1989, non-financial corporations held a mere HUF 5 billion worth of equity in non-residents, and the central bank held equity of a similar amount in international financial institutions. The HUF 108 billion stock of long-term loans to the rest of the world consisted partly in government loans to socialist countries (HUF 40 billion), and partly in corporate and bank loans.

Table 7**Stocks of financial assets and liabilities of non-residents**

Financial assets and liabilities of the RoW	1969		1979		1989	
	HUF bn	GDP%	HUF bn	GDP%	HUF bn	GDP%
Financial assets	80	26	438	64	1 456	85
Deposits	26	8	155	23	227	13
Debt securities	0	0	10	1	215	12
Loans	44	14	239	35	893	52
Shares and equity	0	0	1	0	51	3
Financial derivatives	0	0	0	0	0	0
Other accounts receivable	11	3	34	5	70	4
Liabilities	47	15	178	26	553	32
Monetary gold	4	1	19	3	29	2
Currency	0	0	3	0	32	2
Deposits	18	6	50	7	113	7
Debt securities	0	0	0	0	63	4
Loans	13	4	66	10	217	13
Shares and equity	0	0	3	0	11	1
Insurance reserves	0	0	0	0	1	0
Financial derivatives	0	0	7	1	13	1
Other accounts payable	11	3	32	5	74	4
Net financial worth	34	11	260	38	904	52

⁵ While monetary gold is the central bank's reserve asset, it may only be considered as a liability of the rest of the world if held on a gold account (bank account). The stock of physical gold (gold bullion) is the resident central bank's financial asset, but not a liability of any counterparty. In the back data, no distinction has been made between the two types of gold stocks, and the entire amount has been taken into account as a claim from the rest of the world (i.e. a liability of non-residents). As a result, the financial accounts of the rest of the world are a full match with (the mirror image of) residents' consolidated financial accounts.

1.2 FINANCING AND NET LENDING OF ECONOMIC SECTORS 1970–1989

Both as regards the national economy as a whole and its specific sectors, inferences to the development of net lending may be made from changes in net financial worth. Yet, this could be misleading, because apart from transactions, the changes in financial assets and liabilities occurring in a given period are also influenced by revaluations and other changes in volume, which must be eliminated in an assessment of financing processes. In the period under consideration, revaluations occurred with equity and with instruments denominated in foreign currency. Other changes in volume have only been shown in a few instances, i.e. in 1977 for insurance technical reserves (HUF 1.7 billion), in early 1987 for the loans and deposits of the central bank's spin-off credit institutions (a total of HUF 374 billion), and in 1988–1989 for the shares and other equity of transforming corporations (a total of over HUF 60 billion).

In the period between 1970 and 1989, the net borrowing of the national economy (the net lending of the rest of the world) amounted to a total of HUF 505 billion, while net liabilities increased by HUF 870 billion with a HUF 364 billion contribution from revaluations. In this period, the net borrowing of non-financial corporations amounted to HUF 454 billion, and the revaluations of approximately HUF 1,925 billion also played a part in the HUF 2,379 billion increase in the sector's net liabilities. Revaluations occurred primarily in equity issued by non-financial corporations, where transactions from outside the sector (net equity investments) amounted to a mere HUF 113 billion, set against a HUF 2,106 billion increase in the consolidated stock over 20 years.⁶ (Of external net equity investments, HUF 31 billion were received from the general government, HUF 35 billion from non-residents, and HUF 32 billion from households.)

Table 8

Annual net lending of the national economy and its main sectors 1970–1989

Annual net lending, HUF bn	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Total economy	-9.3	-18.2	4.4	18.8	-16.6	-29.9	-28.6	-35.0	-69.0	-43.0
Non-financial corp.	-12.7	-20.1	-1.7	10.4	-13.3	-21.1	-17.0	-22.1	-41.7	-20.1
Financial corporations	-0.5	-0.3	0.0	-0.1	0.3	0.1	0.2	-1.5	-0.2	-0.1
General government	-2.9	-2.7	0.7	0.9	-10.8	-18.9	-18.6	-23.0	-38.1	-31.5
Households	7.0	4.7	5.1	7.3	6.8	9.5	6.4	11.5	10.9	8.6
Non-profit institutions	-0.1	0.2	0.2	0.3	0.4	0.4	0.4	0.1	0.2	0.0
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Total economy	-24.8	-18.1	-13.4	-6.6	-0.2	-18.8	-60.2	-45.7	-52.2	-40.0
Non-financial corp.	-5.9	-3.6	-8.2	-14.6	-23.1	-20.3	-51.2	-39.1	-75.8	-52.2
Financial corporations	-0.2	1.1	0.3	0.8	0.5	-0.4	-0.4	6.9	8.3	10.0
General government	-27.5	-24.6	-15.5	-4.0	8.4	-11.9	-29.2	-28.1	-1.0	-39.7
Households	8.7	9.1	9.8	10.9	14.3	14.0	21.0	14.7	15.5	40.6
Non-profit institutions	0.1	0.0	0.2	0.3	-0.4	-0.2	-0.4	-0.1	0.8	1.4

The net borrowing of the general government amounted to HUF 318 billion in total, accompanied by a HUF 1,020 billion increase in the sector's net financial worth in the period under consideration. Within that, the subsector of local governments (councils) essentially remained level, accumulating an overall surplus of HUF 15 billion. As councils had limited opportunities to become indebted, neither could they effectively run any deficits. Between 1970 and 1989, the net lending (financial savings) of households amounted to HUF 237 billion in total according to financial accounts data, accompanied by a HUF 1,020 billion increase in the sector's net financial worth. Of the increase in the value of net financial worth, HUF 201 billion was attributable to the equity holdings of households, and the remaining HUF 11 billion to stocks of foreign currency and foreign

⁶ Over the course of 20 years, intercompany net equity investments were made in the amount of HUF 165 billion, accompanied by a HUF 210 billion increase in the stock of intercompany equity. Taking that into account, non-consolidated equity transactions amounted to HUF 278 billion, with a HUF 2,316 billion increase in stock.

currency deposits. Owing to the specific characteristics of financial intermediation, the net financial worth and net lending of financial corporations tends to be around zero. In the period under consideration (and up to early 1997, the time of the debt exchange), the central bank recognised the revaluation difference in its balance sheet as a non-maturing, interest-free claim against the general government. This “zero interest debt” provided for the equilibrium of the central bank’s balance sheet. Its changes are recognised as transactions in financial accounts (amounting to a total of HUF 447 billion up to the end of 1989), which are also shown as equity investments under the central government’s holdings of central bank equity.

Based on a more detailed assessment of the financing processes in the national economy and its specific sectors, the following findings may be made. Between 1970 and 1989, the (non-consolidated) financial assets of the general government increased by HUF 954 billion as a result of transactions. This was attributable to a HUF 57 billion increase in the accumulation of deposits, HUF 236 billion in granting of loans, HUF 566 billion in equity investments, and HUF 76 billion in other receivables. Consequently, the HUF 1,272 billion increase in liabilities resulting from transactions served the satisfaction of the sector’s net borrowing to a lesser extent (HUF 318 billion), with the majority contributing to the accumulation of financial assets (HUF 954 billion). Half of that amount was invested in the central bank predominantly in order to compensate for exchange-rate losses, while most of the other half was added to the funds of non-financial corporations in the form of equity investments, and primarily lending. Net granting of credits to the rest of the world amounted to HUF 34 billion in the 20 years under consideration. In the financial accounts, only dedicated capital injections have been shown as the general government’s corporate equity investments (purchases of shares and other equity). The significant amounts paid out in the form of investment and other grants (reinvested from retained earnings) were added to the value of equity through revaluation rather than transactions.

Non-financial corporations’ cumulative net borrowing of HUF 454 billion is the combined result of HUF 501 billion increase in financial assets and a HUF 955 billion increase in liabilities resulting from transactions according to consolidated financial accounts. (Giving consideration to non-consolidated accounts, intercompany investments were also made in excess of HUF 770 billion over the course of 20 years.) More than a half of net incurrence of external liabilities was therefore accumulated in the form of financial assets linked to other sectors. Of that amount, the stocks of currency and deposits increased by more than HUF 240 billion as a result of transactions, while net granting of credits amounted to HUF 113 billion (including HUF 79 billion to the rest of the world) and net equity investments (primarily in credit institutions) to HUF 37 billion in the period under consideration. Following the introduction of the new economic mechanism, corporations received major funding in multiple stages; additionally, by retaining a part of their earnings, they increased their deposits with the central bank and credit institutions until 1982, which represented the primary form of financial investments in the period. The subsequent period until the launch of the two-tier banking system was characterised by the withdrawal of deposits. In early 1987, HUF 117 billion worth of deposits were transferred from the central bank to the newly established commercial banks. According to the calculations supporting the financial accounts, a HUF 254 billion stock of credit debt was also transferred to the new credit institutions. Over the course of 20 years, non-financial corporations added a total of HUF 628 billion to their credit debt owed to other sectors as a result of transactions. The sector also raised HUF 63 billion worth of external funds by issuing debt securities (bonds and bills). In the period between 1970 and 1989, contributions to the growth in the credit liabilities of non-financial corporations were made by the government (HUF 202 billion), the financial sector (HUF 380 billion), households (HUF 29 billion), and the rest of the world (HUF 18 billion).

Between 1970 and 1989, the financial assets of the households increased by HUF 627 billion as a result of transactions. In the first part of the period, a vast majority of the investments, approximately 85%, were made in currency and bank deposits, dropping to an average 63% in the second half of the period. As regards deposits, households’ preference increasingly shifted towards longer terms, and the end of the period also saw an increase in investments in securities, equity, and insurance technical reserves. In 1989, a quarter of the increasing volume of households’ investments was made in equity (shares and other equity), while the accumulation of currency and deposits amounted to less than a half of all investments. These ratios already reflect the investment structure of the 1990s. Households’ liabilities grew at an increasing rate year on year, primarily due to the take-off of housing loans. Between 1970 and 1989, households took HUF 34 billion worth of housing loans from non-financial corporations, HUF 287 billion from OTP, and HUF 1 billion from councils (net of repayments). There was an additional HUF 12 billion increase in the stock of consumer and other loans. Overall, the period under consideration saw a HUF

390 billion increase in the stock of households' liabilities, which also corresponds to the change resulting from transactions, because at the time the sector's liabilities did not include any foreign currency loans or other liabilities giving rise to revaluations, and no write-offs have been recorded on loans. In 1989, compared to previous levels the stock of liabilities grew at a more moderate rate due to the phase-out of preferential loans.

The development of the net lending of institutional sectors over time, and the patterns of financial investments and financing that characterise the various periods may be examined in terms of indicators derived as a percentage of GDP. Except for some years (1972, 1973 and 1984), the national economy had a constant need for external financing in the period under consideration. The country's net borrowing became significant in the second half of the 1970s, when it exceeded 6% of GDP. Essentially, the financing need was distributed equally between non-financial corporations and the general government. In the first half of the 1980s, successful efforts were made for the deceleration of both corporations' and the government's net borrowing, which also led to a considerable reduction in the need for external financing. However, the second half of the decade saw a re-emergence of major financing needs. In the period under consideration, households' financial savings were typically equivalent to 1-2% of GDP. These amounts were far lower than what would be sufficient to meet the combined financing need of the general government and non-financial corporations, which explains why significant external funds had to be raised in certain periods.

Table 9
Net lending of the national economy and its main sectors as a percentage of GDP (1970–1989)

Annual net lending, gdp%	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Total economy	-2.8	-5.1	1.1	4.4	-3.7	-6.2	-5.4	-6.0	-11.0	-6.3
Non-financial corp.	-3.8	-5.6	-0.4	2.4	-3.0	-4.4	-3.2	-3.8	-6.6	-2.9
Financial corporations	-0.2	-0.1	0.0	0.0	0.1	0.0	0.0	-0.3	0.0	0.0
General government	-0.9	-0.7	0.2	0.2	-2.4	-3.9	-3.5	-4.0	-6.1	-4.6
Households	2.1	1.3	1.3	1.7	1.5	2.0	1.2	2.0	1.7	1.3
Non-profit institutions	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Total economy	-3.4	-2.3	-1.6	-0.7	0.0	-1.8	-5.5	-3.7	-3.6	-2.3
Non-financial corp.	-0.8	-0.5	-1.0	-1.6	-2.4	-2.0	-4.7	-3.2	-5.3	-3.0
Financial corporations	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.6	0.6	0.6
General government	-3.8	-3.2	-1.8	-0.4	0.9	-1.2	-2.7	-2.3	-0.1	-2.3
Households	1.2	1.2	1.2	1.2	1.5	1.4	1.9	1.2	1.1	2.4
Non-profit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1

A breakdown of financial accounts data by counterpart sector provides an insight into the sectors that each sector of the national economy was linked to, the sectors that each was financing, and those that each was receiving funds from to meet its own financing needs.⁷ According to financial accounts data for the period between 1970 and 1989, except for non-profit institutions serving households, non-financial corporations maintained significant financial links both to all resident sectors and the rest of the world. To meet its financing need, the sector made the greatest reliance on the general government, particularly in the first half of the period. The government's primary contribution was to the increase in liabilities. However, between 1982 and 1985 it withdrew funds from the corporate sector. Financial corporations maintained significant links to non-financial corporations in terms of both assets and liabilities. The first half of the period was characterised by a dominance of the accumulation of deposits over borrowing from banks, i.e. on balance financial corporations were financed by non-financial corporations. A reversal of that situation was only seen between 1982 and 1988, when financial corporations took over the government's role in financing non-financial corporations. Households took on

⁷ Indeed, the period under consideration enables a more precise assessment of the phenomenon compared to subsequent periods, given the insignificant role of securities, and the lesser influence of secondary market transactions (resales) on the relations between debtors and creditors.

a considerable role in financing non-financial corporations towards the end of the period, when their share of meeting corporation's net borrowing was equivalent to the general government and the rest of the world.

Table 10**Net lending of non-financial corporations by counterpart sector as a percentage of GDP**

Annual net lending, GDP%	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Total net lending	-3.8	-5.6	-0.4	2.4	-3.0	-4.4	-3.2	-3.8	-6.6	-2.9
to financial corporations	4.6	-1.1	1.2	4.4	-1.3	-0.3	-3.1	3.0	-2.5	1.4
to general government	-9.1	-3.7	-1.1	-2.6	-2.4	-5.4	-1.8	-7.5	-3.7	-4.8
to households	-0.1	-0.1	-0.8	-0.1	-0.1	-0.1	0.1	0.0	0.0	0.0
to the rest of the world	0.8	-0.7	0.3	0.7	0.8	1.4	1.6	0.6	-0.4	0.4
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Total net lending	-0.8	-0.5	-1.0	-1.6	-2.4	-2.0	-4.7	-3.2	-5.3	-3.0
to financial corporations	0.6	-0.8	0.1	-6.7	-5.9	-2.3	-3.2	-2.4	-0.9	2.3
to general government	-1.4	-0.1	0.1	4.0	1.7	0.1	-1.1	-2.0	-1.6	-1.5
to households	-0.2	-0.1	-0.2	-0.2	-0.4	-0.4	-0.6	-0.2	-1.3	-1.9
to the rest of the world	0.1	0.5	-0.9	1.3	2.2	0.7	0.2	1.5	-1.4	-2.0

Non-financial corporations had financing links to non-residents primarily through lending and trade credits, and financed their non-resident counterparties as net lenders for most of the period. The take-off of foreign direct investments in 1988 reversed the direction of net investments and brought lending to the rest of the world to a halt, leading to the dominance of repayments on loans granted previously.

For the greatest part of the period under consideration, the household sector maintained financing links primarily to financial corporations. Households provided the central bank with funds directly through the accumulation of HUF currency holdings, and indirectly through investments in deposits and insurance provisions given that OTP, savings cooperatives and insurance corporations all deposited with the MNB the funds that they collected from households but did not lend. However, households' investments in non-financial corporations emerged in the second half of the period and intensified by the end of the period, accounting for a vast majority of net lending in 1988 and 1989. At the same time, the take-off of net borrowing vis-à-vis the general government indicates the increasing weight of tax liabilities.

Table 11**Net lending of households by counterpart sector as a percentage of GDP**

Annual net lending, GDP%	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Total net lending	2.1	1.3	1.3	1.7	1.5	2.0	1.2	2.0	1.7	1.3
to non-financial corp.	0.1	0.1	0.8	0.1	0.1	0.1	-0.1	0.0	0.0	0.0
to financial corporations	2.1	1.4	0.7	1.8	1.8	1.9	1.3	2.0	1.7	1.3
to general government	-0.2	-0.2	-0.2	-0.2	-0.3	0.0	0.0	0.0	0.0	0.0
to the rest of the world	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Total net lending	1.2	1.2	1.2	1.2	1.5	1.4	1.9	1.2	1.1	2.4
to non-financial corp.	0.2	0.1	0.2	0.2	0.4	0.4	0.6	0.2	1.3	1.9
to financial corporations	1.0	1.0	0.9	1.1	1.1	0.9	1.3	1.1	-0.1	0.6
to general government	0.0	0.0	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	-0.3	-0.6
to the rest of the world	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.5

From the mid 1970s, households gradually increased their foreign investments by means of currency holdings and deposits, and the late 1980s saw a single major accumulation of these instruments. However, the data presented in the financial accounts are only suitable as an indication of magnitudes, since in the absence of any direct observations the smallest amount of information is available on these instruments.

Given the small amounts concerned, the annual net lending of households by counterpart sector is expressed both as a percentage of GDP and in billions of HUF (see Table 12).

Table 12**Annual net lending of households by counterpart sector (billions of HUF)**

Annual net lending, HUF bn	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Total net lending	7.0	4.7	5.1	7.3	6.8	9.5	6.4	11.5	10.9	8.6
to non-financial corp.	0.4	0.3	3.1	0.4	0.2	0.3	-0.7	-0.2	-0.1	-0.3
to financial corporations	7.1	5.0	2.6	7.6	8.1	9.1	7.0	11.5	10.8	8.9
to general government	-0.5	-0.6	-0.6	-0.7	-1.6	0.0	-0.1	0.0	0.0	-0.2
to the rest of the world	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Total net lending	8.7	9.1	9.8	10.9	14.3	14.0	21.0	14.7	15.5	40.6
to non-financial corp.	1.1	1.0	2.1	1.5	4.3	4.4	6.6	2.5	19.2	32.1
to financial corporations	7.4	8.0	7.7	10.2	10.6	9.8	14.2	13.0	-1.4	10.5
to general government	-0.1	-0.3	-0.4	-1.2	-1.1	-0.5	-0.4	-1.5	-4.3	-10.0
to the rest of the world	0.3	0.4	0.4	0.4	0.6	0.4	0.5	0.7	2.0	8.1

In the period between 1970 and 1989, the greatest amount of general government financing was linked to non-financial corporations, primarily through lending and the purchase of shares and other equity. Corporates' net borrowing from the government amounted to approximately 4% of GDP in the 1970s, while in the 1980s resident corporations received only a fragment of that amount. Additionally, the general government also financed households and the rest of the world to a modest but increasing extent. For that purpose and to cover the government deficit, the government raised a significant volume of funds through the financial corporations sector, and in particular through the MNB.

Table 13**Net lending of the general government by counterpart sector as a percentage of GDP**

Annual net lending, GDP%	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Total net lending	-0.9	-0.7	0.2	0.2	-2.4	-3.9	-3.5	-4.0	-6.1	-4.6
to non-financial corp.	9.1	3.7	1.1	2.6	2.4	5.4	1.8	7.5	3.7	4.8
to financial corporations	-10.5	-5.8	-1.7	-1.8	-6.0	-9.8	-5.4	-10.8	-9.2	-8.2
to households	0.2	0.2	0.2	0.2	0.3	0.0	0.0	0.0	0.0	0.0
to the rest of the world	0.4	1.2	0.7	-0.7	0.8	0.5	0.0	-0.6	-0.5	-1.2
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Total net lending	-3.8	-3.2	-1.8	-0.4	0.9	-1.2	-2.7	-2.3	-0.1	-2.3
to non-financial corp.	1.4	0.1	-0.1	-4.0	-1.7	-0.1	1.1	2.0	1.6	1.5
to financial corporations	-5.0	-2.1	-1.7	3.8	2.4	-1.0	-4.9	-5.2	-2.9	-5.2
to households	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.3	0.6
to the rest of the world	-0.2	-1.3	-0.1	-0.4	0.1	0.0	1.0	0.8	0.9	0.9

Over the 20 years under consideration, government deficit (i.e. the general government's net borrowing resulting from current and capital transactions and own investments) is estimated at an average of 2-3% of GDP. This was accompanied by non-financial corporations' similar volume of financing need vis-à-vis the government. As a result, in net terms the general government was required to raise funds from financial corporations corresponding to approximately 5% of GDP in total. This was essentially equivalent to the amount of funds received from the central bank, given that the rest of the financial sector did not play a major role in financing the general government.

2 Detailed figures of the back financial accounts (tables)

- 2.1. Net lending of the national economy (S.1) and specific sectors (S.11–S.15), 1970–1989
- 2.2. Non-consolidated and consolidated stocks of non-financial corporations (S.11), 1969–1989
- 2.3. Non-consolidated and consolidated transactions of non-financial corporations (S.11), 1969–1989
- 2.4. Non-consolidated stocks and transactions of financial corporations (S.12), 1969/1970–1989
- 2.5. Stocks and transactions of the central bank (MNB) (S.121), 1969/1970–1989
- 2.6. Non-consolidated stocks and transactions of credit institutions (S.122), 1969/1970–1989
- 2.7. Non-consolidated stocks and transactions of insurance corporations and other financial corporations (S.123–S.128), 1969/1970–1989
- 2.8. Non-consolidated stocks and transactions of the general government (S.13), 1969/1970–1989
- 2.9. Non-consolidated stocks and transactions of the central government (S.1311), 1969/1970–1989
- 2.10. Non-consolidated stocks and transactions of local governments (S.1313), 1969/1970–1989
- 2.11. Non-consolidated stocks and transactions of households (S.14), 1969/1970–1989
- 2.12. Stocks and transactions of non-profit institutions serving households (S.15), 1969/1970–1989
- 2.13. Stocks and transactions of the rest of the world (non-residents) (S.2), 1969/1970–1989
- 2.14. Quarterly data on stocks of forint currency (AF.21) by holding sector, 1970–1989
- 2.15. Quarterly data on stocks of households' (S.14) bank deposits (AF.22–29) and loans (LF.4), 1965–1989
- 2.16. Quarterly data on stocks of non-financial corporations' (S.11) bank loans (LF.4), 1974–1989

2.1 NET LENDING OF THE NATIONAL ECONOMY AND SPECIFIC SECTORS, 1970-1989, BILLION HUF

Year	Non-financial corporat.	Financial corporat. total	Central bank	Credit institut.	Other financial corporat.	General government total	Central government	Local government	Social security funds	Households	Non-profit institut.	National economy total
	S.11	S.12	S.121	S.122	S.123-128	S.13	S.1311	S.1313	S.1314	S.14	S.15	S.1
1970	-12.7	-0.5	0.0	-0.2	-0.4	-2.9	-5.0	1.9	0.2	7.0	-0.1	-9.3
1971	-20.1	-0.3	0.0	-0.2	-0.2	-2.7	-5.2	2.4	0.1	4.7	0.2	-18.2
1972	-1.7	0.0	0.0	0.0	0.0	0.7	-1.6	2.2	0.2	5.1	0.2	4.4
1973	10.4	-0.1	0.0	0.1	-0.2	0.9	-0.9	1.6	0.3	7.3	0.3	18.8
1974	-13.3	0.3	0.0	0.1	0.2	-10.8	-12.4	1.3	0.2	6.8	0.4	-16.6
1975	-21.1	0.1	0.0	0.2	-0.1	-18.9	-17.6	-1.5	0.2	9.5	0.4	-29.9
1976	-17.0	0.2	0.0	0.5	-0.2	-18.6	-19.7	0.8	0.3	6.4	0.4	-28.6
1977	-22.1	-1.5	0.0	0.7	-2.2	-23.0	-25.8	2.5	0.3	11.5	0.1	-35.0
1978	-41.7	-0.2	0.0	0.0	-0.3	-38.1	-39.7	1.3	0.3	10.9	0.2	-69.0
1979	-20.1	-0.1	0.1	0.1	-0.2	-31.5	-31.8	-0.3	0.6	8.6	0.0	-43.0
1980	-5.9	-0.2	0.0	-0.2	0.0	-27.5	-28.4	0.3	0.6	8.7	0.1	-24.8
1981	-3.6	1.1	0.0	0.8	0.2	-24.6	-26.4	1.1	0.6	9.1	0.0	-18.1
1982	-8.2	0.3	0.0	0.2	0.1	-15.5	-17.5	1.2	0.9	9.8	0.2	-13.4
1983	-14.6	0.8	0.0	0.4	0.4	-4.0	-2.9	-2.9	1.8	10.9	0.3	-6.6
1984	-23.1	0.5	0.0	0.4	0.1	8.4	6.6	-0.3	2.1	14.3	-0.4	-0.2
1985	-20.3	-0.4	0.0	-0.3	0.0	-11.9	-15.8	2.6	1.3	14.0	-0.2	-18.8
1986	-51.2	-0.4	0.0	0.2	-0.6	-29.2	-32.8	2.6	1.0	21.0	-0.4	-60.2
1987	-39.1	7.0	0.0	6.5	0.5	-28.1	-24.9	-5.1	1.9	14.7	-0.1	-45.7
1988	-75.8	8.3	0.0	7.6	0.7	-1.0	-10.8	3.5	6.3	15.5	0.8	-52.2
1989	-52.2	9.9	-0.2	9.1	1.0	-39.7	-62.8	-0.4	23.5	40.6	1.4	-40.0

2.2 ANNUAL FINANCIAL ACCOUNTS OF NON-FINANCIAL CORPORATIONS, STOCKS, BILLION HUF

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated stocks																					
Financial assets	212.2	256.6	298.6	333.0	392.7	445.4	480.0	526.8	597.4	646.5	714.8	781.6	843.2	905.3	908.1	945.6	1 001.3	1 056.0	1 235.9	1 343.9	1 623.6
Currency	1.4	1.9	2.1	2.4	2.9	3.1	3.4	3.7	4.6	5.1	5.9	6.1	6.1	8.0	10.4	12.0	12.8	15.0	17.4	21.9	31.4
Transferable deposits	24.2	28.4	28.4	35.0	37.5	50.7	51.0	51.2	55.4	56.1	63.4	72.6	79.1	92.9	84.0	75.4	102.3	106.7	115.8	96.2	135.9
Other deposits	22.4	38.7	54.1	58.4	77.8	76.2	79.4	92.5	117.1	130.6	153.2	166.4	176.3	165.6	115.0	76.3	48.8	44.6	83.9	82.8	122.4
Short-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	4.0	10.0	12.0
Long-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.6	11.1	11.1	12.6	12.6	12.0
Short-term loans	6.0	8.6	7.7	10.2	14.4	17.8	22.5	30.8	31.4	29.3	31.2	28.6	35.0	43.6	57.3	80.7	85.9	83.8	116.2	115.9	125.7
Long-term loans	1.5	1.9	2.5	3.0	3.5	5.4	8.1	10.4	12.9	15.3	17.6	20.4	22.7	27.3	33.9	39.7	43.9	50.9	56.1	64.6	72.1
Non-listed shares	0.8	0.8	0.8	0.8	0.8	1.5	1.5	1.5	2.1	2.4	2.9	3.0	3.8	4.4	5.5	6.1	7.9	9.7	32.6	54.9	79.0
Other equity	26.5	31.5	40.8	47.5	53.9	59.3	64.3	69.2	73.9	81.3	87.2	94.6	100.3	110.0	116.3	121.0	127.1	134.7	143.4	167.0	222.8
Insurance reserves	0.0	0.1	0.2	0.3	0.4	0.5	0.7	0.8	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.4	1.5	1.4	1.4	1.4	1.4
Trade credits	95.7	106.6	117.9	125.4	135.6	155.3	174.6	196.9	219.1	241.5	261.9	295.7	318.0	339.0	361.4	388.1	419.7	453.7	504.2	554.3	639.3
Other receivables	33.7	38.2	44.3	50.0	65.9	75.4	74.6	69.9	80.1	84.1	90.5	93.2	100.8	113.3	122.9	133.3	140.3	143.4	148.3	162.2	169.6
Liabilities	971.7	1 090.4	1 229.0	1 331.4	1 445.0	1 607.5	1 760.5	1 946.7	2 142.5	2 346.5	2 533.3	2 710.9	2 870.9	3 017.8	3 157.8	3 257.2	3 444.3	3 661.9	4 014.4	4 296.6	4 761.9
Short-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	7.6	21.0	50.2	60.7
Long-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	2.3	4.0	8.8	10.8	12.0	15.5
Short-term loans	47.9	28.0	31.0	35.5	37.3	47.5	40.8	54.7	54.1	66.4	86.0	104.6	119.7	153.6	168.1	191.9	210.6	243.9	246.2	241.1	312.4
Long-term loans	49.3	82.5	103.1	106.7	119.5	136.6	157.3	180.5	217.6	256.8	275.4	277.2	288.8	299.3	315.0	331.1	333.9	329.2	388.9	429.5	453.2
Non-listed shares	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.6	1.6	1.7	2.1	2.1	2.2	5.8	66.4	125.4
Other equity	735.2	825.1	917.7	999.6	1 076.9	1 184.2	1 291.3	1 423.9	1 539.9	1 664.6	1 771.4	1 884.6	1 996.1	2 086.8	2 173.0	2 183.3	2 306.6	2 436.7	2 600.0	2 711.8	2 927.5
Trade credits	95.1	105.9	116.7	126.6	137.9	156.2	175.3	197.1	218.8	241.0	260.7	294.5	317.8	339.0	359.5	386.1	414.3	448.6	501.5	551.4	631.9
Other payables	42.9	47.6	59.2	61.6	72.1	81.7	94.4	89.1	110.8	116.3	138.4	148.6	147.0	137.4	139.7	160.4	171.2	184.8	240.2	234.1	235.2
Net financial worth	-759.5	-833.7	-930.4	-998.4	-1 052.3	-1 162.1	-1 280.4	-1 419.9	-1 545.0	-1 700.0	-1 818.5	-1 929.3	-2 027.7	-2 112.5	-2 249.7	-2 311.6	-2 443.0	-2 605.8	-2 778.5	-2 952.7	-3 138.3

Consolidated stocks	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	76.6	104.3	125.4	139.7	178.1	202.4	210.2	234.0	278.0	295.8	336.4	359.9	385.8	415.7	391.0	388.7	401.0	404.3	513.1	543.0	673.6
Currency	1.4	1.9	2.1	2.4	2.9	3.1	3.4	3.7	4.6	5.1	5.9	6.1	6.1	8.0	10.4	12.0	12.8	15.0	17.4	21.9	31.4
Transferable deposits	24.2	28.4	28.4	35.0	37.5	50.7	51.0	51.2	55.4	56.1	63.4	72.6	79.1	92.9	84.0	75.4	102.3	106.7	115.8	96.2	135.9
Other deposits	22.4	38.7	54.1	58.4	77.8	76.2	79.4	92.5	117.1	130.6	153.2	166.4	176.3	165.6	115.0	76.3	48.8	44.6	83.9	82.8	122.4
Long-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.6	11.1	11.1	11.1	11.1	10.5
Short-term loans	6.0	8.6	7.7	10.2	14.4	17.8	22.5	30.8	31.4	29.3	31.2	28.6	35.0	43.6	57.3	80.7	80.9	75.8	103.2	97.9	105.7
Long-term loans	1.5	1.9	2.5	3.0	3.5	5.4	8.1	10.4	12.9	15.3	17.6	20.4	22.7	27.3	33.9	39.7	43.9	50.9	56.1	64.6	72.1
Non-listed shares	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.6	1.2	1.5	2.0	2.1	2.9	3.5	4.5	4.8	6.6	8.4	29.8	45.9	61.0
Other equity	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.3	0.4	0.5	0.6	0.7	0.9	1.0	1.1	1.3	1.6	2.3	3.0	3.6	4.3
Insurance reserves	0.0	0.1	0.2	0.3	0.4	0.5	0.7	0.8	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.4	1.5	1.4	1.4	1.4	1.4
Trade credits	12.7	14.6	18.9	18.4	21.6	26.3	29.6	28.9	33.1	34.5	37.9	38.7	41.0	43.0	47.4	53.1	61.2	61.7	63.2	73.3	89.4
Other receivables	8.5	10.2	11.7	12.0	19.9	21.4	14.6	14.9	21.1	22.1	23.5	23.2	20.8	29.6	35.9	32.3	30.3	26.4	28.3	44.2	39.6
Liabilities	836.2	938.0	1 055.8	1 138.1	1 230.3	1 364.5	1 490.6	1 653.9	1 823.1	1 995.8	2 154.9	2 289.2	2 413.6	2 528.3	2 640.7	2 700.3	2 843.9	3 010.1	3 291.6	3 495.7	3 811.8
Short-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	6.6	17.0	40.2	48.7
Long-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	2.3	4.0	8.8	9.3	10.5	14.0
Short-term loans	47.9	28.0	31.0	35.5	37.3	47.5	40.8	54.7	54.1	66.4	86.0	104.6	119.7	153.6	168.1	191.9	205.6	235.9	233.2	223.1	292.4
Long-term loans	49.3	82.5	103.1	106.7	119.5	136.6	157.3	180.5	217.6	256.8	275.4	277.2	288.8	299.3	315.0	331.1	333.9	329.2	388.9	429.5	453.2
Non-listed shares	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.7	0.7	0.8	0.8	0.8	0.9	3.0	57.4	107.4
Other equity	708.7	793.5	876.9	952.2	1 023.1	1 125.0	1 227.3	1 355.0	1 466.3	1 583.8	1 684.9	1 790.8	1 896.7	1 977.9	2 057.7	2 063.7	2 181.0	2 304.3	2 459.6	2 548.5	2 708.9
Trade credits	12.1	13.9	17.7	19.6	23.9	27.2	30.3	29.1	32.8	34.0	36.7	37.5	40.8	43.0	45.5	51.1	55.8	56.6	60.5	70.4	82.0
Other payables	17.7	19.6	26.6	23.6	26.1	27.7	34.4	34.1	51.8	54.3	71.4	78.6	67.0	53.7	52.7	59.4	61.2	67.8	120.2	116.1	105.2
Net financial worth	-759.5	-833.7	-930.4	-998.4	-1 052.3	-1 162.1	-1 280.4	-1 419.9	-1 545.0	-1 700.0	-1 818.5	-1 929.3	-2 027.7	-2 112.5	-2 249.7	-2 311.6	-2 443.0	-2 605.8	-2 778.5	-2 952.7	-3 138.3

2.3 ANNUAL FINANCIAL ACCOUNTS OF NON-FINANCIAL CORPORATIONS, TRANSACTIONS, BILLION HUF

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated transactions																				
Financial assets	42.7	40.6	32.8	56.7	50.6	34.2	47.6	72.8	47.4	71.6	69.4	52.8	53.2	-8.2	32.5	50.3	47.1	158.4	87.3	231.9
Currency	0.5	0.2	0.3	0.5	0.3	0.3	0.2	0.8	0.6	0.9	0.3	0.1	1.9	2.4	1.6	0.7	2.1	2.1	4.4	9.2
Transferable deposits	4.2	0.0	6.7	2.5	13.2	0.3	0.2	4.2	0.7	7.3	9.2	6.5	13.8	-8.9	-8.6	26.9	4.3	9.1	-19.6	39.4
Other deposits	16.3	15.4	4.3	19.4	-1.5	3.2	13.1	27.5	14.5	23.4	13.2	5.8	-10.6	-50.6	-36.7	-30.0	-4.2	39.3	-1.1	38.5
Short-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	3.0	6.0	2.0
Long-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.6	-0.6	0.0	1.6	0.0	-0.6
Short-term loans	2.6	-0.8	2.6	3.9	3.5	4.5	8.8	0.4	-3.7	2.8	0.2	5.3	6.5	10.1	20.1	3.8	-7.2	22.3	-4.1	-7.1
Long-term loans	0.4	0.6	0.5	0.5	2.0	2.6	2.5	2.4	2.2	2.7	3.8	1.4	4.2	4.6	5.0	4.4	7.4	3.6	6.2	1.4
Non-listed shares	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.5	0.3	0.5	0.1	0.7	0.4	0.2	1.1	1.6	1.3	16.1	14.5	13.8
Other equity	3.3	7.2	4.3	3.7	3.1	3.2	3.1	2.9	5.3	3.6	3.8	4.0	6.1	4.5	4.1	4.6	4.6	5.7	20.8	51.9
Insurance reserves	0.0	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.0	0.0	0.0
Trade credits	10.9	11.9	8.3	10.2	19.7	20.9	24.4	23.7	23.4	24.0	35.9	21.3	18.5	19.8	23.9	31.8	34.8	50.8	46.2	76.1
Other receivables	4.5	6.1	5.7	15.9	9.6	-0.8	-4.8	10.3	4.0	6.4	2.7	7.6	12.5	9.7	10.3	7.0	3.2	4.9	13.9	7.3
Liabilities	55.5	60.7	34.4	46.3	63.9	55.3	64.6	94.8	89.0	91.7	75.3	56.4	61.4	6.5	55.6	70.6	98.3	197.5	163.1	284.2
Short-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	6.0	13.4	29.2	10.5
Long-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	1.4	1.8	4.8	2.0	1.2	3.5
Short-term loans	-19.9	3.1	4.5	1.7	10.3	-6.8	14.0	-0.6	12.0	19.8	19.2	14.7	31.5	12.7	21.5	17.7	30.6	1.0	-6.7	63.5
Long-term loans	33.1	20.6	3.6	12.8	17.1	20.7	23.2	37.1	39.3	18.5	1.8	11.6	10.6	15.7	16.1	2.8	-4.7	59.7	40.6	23.7
Non-listed shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.5	0.0	0.1	2.9	23.0	26.0
Other equity	26.7	14.0	13.1	10.0	8.7	7.8	8.5	13.5	9.0	7.7	8.0	9.5	10.2	-43.0	-28.5	7.7	12.8	9.9	35.9	84.2
Trade credits	10.8	11.4	10.7	11.3	18.3	20.8	24.2	23.2	23.3	23.4	36.1	22.2	18.6	17.8	23.9	28.2	35.1	53.2	46.1	71.6
Other payables	4.7	11.6	2.4	10.4	9.6	12.7	-5.3	21.6	5.5	22.2	10.2	-1.6	-9.6	2.3	20.7	10.7	13.7	55.4	-6.1	1.1
Net lending	-12.7	-20.1	-1.7	10.4	-13.3	-21.1	-17.0	-22.1	-41.7	-20.1	-5.9	-3.6	-8.2	-14.6	-23.1	-20.3	-51.2	-39.1	-75.8	-52.2

Consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	27.7	21.8	15.1	38.0	24.5	9.1	26.5	48.0	18.1	46.1	29.6	18.8	24.5	-33.9	-6.9	8.4	-1.7	90.1	11.8	86.4
Currency	0.5	0.2	0.3	0.5	0.3	0.3	0.2	0.8	0.6	0.9	0.3	0.1	1.9	2.4	1.6	0.7	2.1	2.1	4.4	9.2
Transferable deposits	4.2	0.0	6.7	2.5	13.2	0.3	0.2	4.2	0.7	7.3	9.2	6.5	13.8	-8.9	-8.6	26.9	4.3	9.1	-19.6	39.4
Other deposits	16.3	15.4	4.3	19.4	-1.5	3.2	13.1	27.5	14.5	23.4	13.2	5.8	-10.6	-50.6	-36.7	-30.0	-4.2	39.3	-1.1	38.5
Long-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.6	-0.6	0.0	0.1	0.0	-0.6
Short-term loans	2.6	-0.8	2.6	3.9	3.5	4.5	8.8	0.4	-3.7	2.8	0.2	5.3	6.5	10.1	20.1	-1.2	-10.2	17.3	-9.1	-9.1
Long-term loans	0.4	0.6	0.5	0.5	2.0	2.6	2.5	2.4	2.2	2.7	3.8	1.4	4.2	4.6	5.0	4.4	7.4	3.6	6.2	1.4
Non-listed shares	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.5	0.3	0.5	0.1	0.7	0.4	0.2	0.7	1.6	1.2	14.7	8.5	4.8
Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.3	0.3
Insurance reserves	0.0	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.0	0.0	0.0
Trade credits	1.9	4.9	0.3	3.2	4.7	4.9	1.4	5.7	2.4	7.0	2.9	1.3	-0.5	1.8	2.9	8.3	1.3	1.8	6.2	7.1
Other receivables	1.7	1.5	0.3	7.9	1.6	-6.8	0.2	6.3	1.0	1.4	-0.3	-2.4	8.8	6.4	-3.7	-2.0	-3.8	1.9	15.9	-4.7
Liabilities	40.4	41.9	16.7	27.6	37.8	30.1	43.5	70.0	59.8	66.2	35.6	22.4	32.7	-19.3	16.2	28.7	49.5	129.2	87.6	138.6
Short-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	5.0	10.4	23.2	8.5
Long-term securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	1.4	1.8	4.8	0.5	1.2	3.5
Short-term loans	-19.9	3.1	4.5	1.7	10.3	-6.8	14.0	-0.6	12.0	19.8	19.2	14.7	31.5	12.7	21.5	12.7	27.6	-4.0	-11.7	61.5
Long-term loans	33.1	20.6	3.6	12.8	17.1	20.7	23.2	37.1	39.3	18.5	1.8	11.6	10.6	15.7	16.1	2.8	-4.7	59.7	40.6	23.7
Non-listed shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.1	1.5	17.0	17.0
Other equity	23.4	6.8	8.9	6.3	5.6	4.6	5.4	10.7	3.7	4.2	4.3	5.5	4.2	-47.4	-32.5	3.3	8.5	4.5	15.4	32.6
Trade credits	1.8	4.4	2.7	4.3	3.3	4.8	1.2	5.2	2.3	6.4	3.1	2.2	-0.4	-0.2	2.9	4.7	1.6	4.2	6.1	2.7
Other payables	1.9	7.0	-3.0	2.4	1.6	6.7	-0.3	17.6	2.5	17.2	7.2	-11.6	-13.3	-1.0	6.7	1.7	6.7	52.4	-4.1	-10.9
Net lending	-12.7	-20.1	-1.7	10.4	-13.3	-21.1	-17.0	-22.1	-41.7	-20.1	-5.9	-3.6	-8.2	-14.6	-23.1	-20.3	-51.2	-39.1	-75.8	-52.2

2.4 ANNUAL FINANCIAL ACCOUNTS OF FINANCIAL CORPORATIONS, STOCKS AND TRANSACTIONS, BILLION HUF

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated stocks																					
Financial assets	199.8	243.6	320.0	356.7	397.7	474.9	549.4	653.3	757.6	901.1	1 002.9	1 064.4	1 093.9	1 167.6	1 237.1	1 340.2	1 459.7	1 687.3	2 263.6	2 368.4	2 911.4
Monetary gold	3.7	2.8	2.5	3.1	3.8	3.4	2.6	3.1	2.9	9.7	18.6	20.7	15.7	7.4	18.1	24.2	33.9	33.9	31.8	33.7	29.1
Currency	0.6	0.7	0.9	1.2	1.5	1.7	1.6	1.4	2.7	3.2	3.5	3.4	4.2	4.1	4.2	5.1	8.5	8.8	22.2	24.6	38.0
Transferable deposits	12.8	5.2	6.5	9.7	9.7	11.4	15.0	13.9	15.4	24.6	18.7	22.1	33.4	37.0	57.3	51.2	61.2	75.6	81.9	83.2	112.9
Other deposits	27.2	35.7	50.4	55.2	60.4	80.8	92.6	115.8	123.5	138.5	153.7	160.9	135.0	131.6	142.3	175.6	206.6	197.3	284.8	221.8	256.4
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0	17.3	19.9	32.2	55.2	82.1	121.7	160.4
Short-term loans	50.8	31.2	34.7	37.6	40.0	49.2	42.5	55.3	56.4	68.6	87.2	105.3	119.4	131.8	141.2	161.2	179.4	214.1	211.3	195.5	257.1
Long-term loans	103.4	165.7	221.1	244.4	276.2	323.2	388.7	459.8	552.8	646.9	711.5	747.9	774.7	833.9	847.2	884.4	925.7	1 089.1	1 488.4	1 630.8	1 964.9
Shares and other equity	0.2	0.2	1.3	2.2	2.1	2.2	2.2	2.0	1.9	1.7	2.0	2.0	2.3	3.1	3.4	4.1	4.6	5.5	11.2	25.6	37.7
Insurance reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Financial derivatives	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	5.9	6.6	2.2	2.8	0.0	0.0	0.0	0.5	0.0	0.0	0.0	13.1
Other receivables	1.2	2.1	2.5	3.3	3.8	3.0	4.4	2.0	2.0	2.0	1.2	0.0	6.5	7.8	6.0	14.5	6.1	7.8	50.0	31.5	41.2
Liabilities	200.4	245.1	321.1	357.3	398.2	477.1	552.4	657.0	760.3	907.1	1 006.9	1 068.4	1 100.2	1 173.4	1 242.5	1 345.8	1 464.3	1 693.2	2 277.3	2 382.0	2 876.5
Currency	18.4	22.3	25.2	26.2	31.3	34.6	41.3	45.1	50.7	57.2	63.5	72.8	81.3	87.3	97.9	108.8	122.4	135.4	171.1	182.5	199.9
Transferable deposits	48.6	46.3	48.0	65.4	79.4	94.6	94.9	117.9	119.8	140.4	140.2	161.5	169.1	198.1	194.8	186.7	228.0	276.5	298.9	268.5	326.1
Other deposits	98.8	131.2	177.0	191.5	204.6	241.6	293.5	361.7	414.2	503.9	547.1	573.2	569.1	566.9	577.1	546.4	524.2	563.8	718.1	713.6	828.4
Debt securities	0.0	0.0	1.5	2.2	1.7	2.5	3.9	10.0	12.6	11.4	9.9	9.4	7.1	7.0	6.9	23.0	44.7	64.1	115.4	169.4	254.9
Loans	26.4	33.4	44.8	49.0	54.2	68.5	81.4	87.7	115.0	152.6	199.7	204.4	225.0	254.7	294.8	396.6	470.0	566.1	842.0	883.7	1 018.1
Shares and other equity	4.2	4.5	8.8	9.3	10.7	11.2	11.1	11.8	13.4	13.8	16.2	17.8	20.4	22.9	26.2	34.2	42.0	53.5	100.3	133.2	172.6
Insurance reserves	1.3	1.7	2.3	3.0	3.8	4.8	5.9	7.1	7.1	8.4	9.8	11.3	12.7	14.2	16.5	18.5	20.5	22.7	26.4	28.2	32.5
Financial derivatives	0.0	0.1	0.0	0.0	0.0	2.1	2.7	0.8	0.4	0.0	0.0	0.0	0.0	0.6	0.8	2.8	0.0	1.0	3.1	0.2	0.0
Other payables	2.7	5.7	13.6	10.7	12.6	17.2	17.8	15.0	27.0	19.5	20.5	18.0	15.6	21.7	27.7	28.8	12.5	10.1	2.1	2.7	44.0
Net financial worth	-0.6	-1.5	-1.2	-0.6	-0.6	-2.3	-3.0	-3.7	-2.8	-6.0	-4.0	-4.0	-6.4	-5.9	-5.4	-5.7	-5.6	-5.9	-13.7	-13.6	34.9

Non-consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	43.8	77.4	38.5	39.1	77.5	75.6	111.4	108.0	135.2	94.7	74.2	24.0	75.8	62.6	98.1	94.2	207.6	272.0	76.9	474.0
Monetary gold	-0.9	-0.1	0.8	0.8	-0.5	-0.8	0.9	-0.1	0.2	0.5	3.8	-3.9	-7.8	8.9	4.5	8.2	1.0	-3.6	-2.1	-9.1
Currency	0.1	0.1	0.4	0.3	0.3	-0.2	-0.1	1.3	0.7	0.3	0.2	0.8	-0.1	0.1	0.8	3.3	0.2	13.3	2.1	11.9
Transferable deposits	-7.5	1.5	3.4	0.0	1.6	3.6	0.2	1.5	9.3	-5.0	4.8	9.9	4.7	18.5	-7.5	6.8	10.8	-21.1	-0.5	24.5
Other deposits	8.5	15.3	5.9	5.3	20.5	11.9	28.4	11.4	19.3	16.1	11.8	-30.4	-5.9	8.4	32.6	14.2	-23.9	-16.2	-77.3	7.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0	6.1	2.3	10.9	21.3	23.2	36.6	31.7
Short-term loans	-19.6	3.5	2.9	2.3	9.3	-6.8	12.9	1.1	12.2	18.6	18.1	14.0	12.4	9.3	19.9	18.0	34.5	-3.0	-16.6	59.7
Long-term loans	62.3	55.4	23.3	29.9	47.1	66.5	71.5	92.9	93.4	64.7	36.7	26.6	59.5	12.8	36.9	40.8	161.3	232.6	140.5	329.7
Shares and other equity	0.0	1.2	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.4	0.7	0.2	0.0	0.4	0.7	4.7	12.6	8.4
Insurance reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other receivables	0.9	0.4	0.8	0.5	-0.8	1.4	-2.4	0.0	0.0	-0.8	-1.2	6.5	1.3	-1.8	8.5	-8.4	1.7	42.2	-18.5	9.7
Liabilities	44.3	77.8	38.5	39.2	77.1	75.4	111.2	109.5	135.4	94.7	74.3	22.9	75.5	61.8	97.6	94.5	208.0	265.0	68.6	464.1
Currency	3.9	2.9	1.1	5.0	3.3	6.7	3.8	5.6	6.5	6.4	9.2	8.6	6.0	10.6	10.9	13.6	13.0	35.7	11.4	17.4
Transferable deposits	-2.4	1.7	17.4	14.0	15.2	0.2	23.6	1.9	21.1	0.2	22.7	7.1	29.0	-4.2	-9.1	40.2	47.2	0.6	-31.6	53.1
Other deposits	32.4	46.9	15.9	13.3	37.8	51.9	70.3	58.5	88.8	44.2	39.8	-13.0	-12.0	-2.0	-34.9	-42.0	17.6	37.5	-27.7	59.3
Debt securities	0.0	1.6	0.9	-0.6	0.9	1.4	6.5	2.5	-1.7	-1.2	0.1	-1.3	-0.6	0.0	16.2	19.3	12.5	38.9	47.5	61.7
Loans	7.0	11.7	5.3	4.7	15.4	11.5	7.4	27.2	26.9	41.2	22.2	19.1	11.6	18.1	82.6	60.5	51.8	29.7	-5.4	12.8
Shares and other equity	0.0	4.4	0.1	0.1	-1.1	2.1	1.1	0.1	0.1	1.5	-18.7	3.4	33.9	31.1	28.8	17.1	66.2	127.0	71.8	214.1
Insurance reserves	0.4	0.6	0.7	0.8	1.0	1.1	1.2	1.7	1.3	1.4	1.5	1.4	1.5	2.3	2.0	2.0	2.2	3.7	1.8	4.3
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other payables	3.0	7.9	-2.9	1.9	4.6	0.6	-2.8	12.0	-7.5	1.0	-2.5	-2.4	6.1	6.0	1.1	-16.3	-2.4	-8.0	0.7	41.3
Net lending	-0.5	-0.3	0.0	-0.1	0.3	0.1	0.2	-1.5	-0.2	-0.1	-0.2	1.1	0.3	0.8	0.5	-0.4	-0.4	7.0	8.3	9.9

2.5 ANNUAL FINANCIAL ACCOUNTS OF THE CENTRAL BANK (MNB), STOCKS AND TRANSACTIONS, BILLION HUF

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated stocks																					
Financial assets	154.6	191.3	254.2	284.8	314.5	374.3	431.7	512.7	592.3	702.7	777.2	819.5	825.0	878.1	917.7	980.2	1 058.6	1 217.4	1 260.0	1 332.0	1 656.7
Monetary gold	3.7	2.8	2.5	3.1	3.8	3.4	2.6	3.1	2.9	9.7	18.6	20.7	15.7	7.4	18.1	24.2	33.9	33.9	31.8	33.7	29.1
Currency	0.4	0.4	0.4	0.4	0.5	0.7	0.7	0.6	1.2	1.6	1.8	1.9	2.2	1.3	0.8	1.2	2.2	3.5	3.6	3.2	11.4
Transferable deposits	7.6	3.1	4.6	7.2	6.8	6.2	12.2	8.7	11.0	19.2	11.6	14.3	27.1	26.3	50.3	45.5	41.1	44.1	31.9	37.7	29.0
Other deposits	10.9	13.9	21.7	27.4	27.9	39.3	40.7	49.4	43.3	36.8	37.5	38.5	7.9	6.3	6.6	33.7	70.7	45.8	121.8	70.0	76.2
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2	13.0	14.8	25.0	41.8	47.2	81.3	106.0
Short-term loans	47.2	27.0	29.8	32.4	34.4	43.1	36.1	48.0	48.2	59.9	77.1	93.6	105.7	117.3	125.0	142.7	159.4	191.5	1.0	6.0	3.2
Long-term loans	84.7	143.8	193.8	212.1	238.8	279.5	337.3	401.0	483.7	567.9	622.0	646.3	661.8	707.1	701.5	714.9	722.3	846.3	1 007.0	1 093.7	1 380.9
Shares and other equity	0.2	0.2	1.3	2.2	2.1	2.2	2.2	2.0	1.9	1.7	2.0	2.0	1.9	2.3	2.5	3.2	3.6	3.9	5.4	6.2	7.5
Financial derivatives	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	5.9	6.6	2.2	2.8	0.0	0.0	0.0	0.5	0.0	0.0	0.0	13.1
Other receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.6	10.2	0.1	0.3
Liabilities	154.4	191.3	253.0	282.5	311.5	373.1	431.3	512.3	590.9	702.5	777.0	819.2	825.2	877.9	917.7	980.1	1 058.5	1 217.2	1 264.9	1 337.0	1 614.4
Currency	18.4	22.3	25.2	26.2	31.3	34.6	41.3	45.1	50.7	57.2	63.5	72.8	81.3	87.3	97.9	108.8	122.4	135.4	171.1	182.5	199.9
Transferable deposits	46.8	44.4	42.3	58.2	70.1	83.0	83.4	105.6	104.1	113.1	115.8	133.1	133.6	157.3	158.3	144.4	169.7	204.6	115.8	98.3	101.6
Other deposits	59.4	84.5	123.1	130.7	135.0	161.6	196.1	244.5	278.2	349.2	375.0	388.6	366.8	346.7	330.7	276.9	246.2	255.0	213.4	207.5	223.8
Debt securities	0.0	0.0	1.5	2.2	1.7	2.5	3.9	10.0	12.6	11.4	9.9	9.4	7.1	7.0	6.9	20.9	41.6	59.8	96.9	147.9	225.7
Loans	26.4	33.4	44.8	49.0	54.2	68.5	81.4	86.2	113.4	145.6	187.1	191.4	211.0	246.6	283.8	380.2	450.4	542.0	645.5	683.2	802.3
Shares and other equity	0.8	0.9	5.1	5.4	6.7	6.6	6.2	6.7	8.0	8.1	8.7	9.8	10.3	10.8	11.8	17.4	19.0	19.5	19.0	17.2	25.2
Financial derivatives	0.0	0.1	0.0	0.0	0.0	2.1	2.7	0.8	0.4	0.0	0.0	0.0	0.0	0.6	0.8	2.8	0.0	1.0	3.1	0.2	0.0
Other payables	2.7	5.7	11.0	10.7	12.6	14.2	16.3	13.5	23.5	18.0	17.0	14.0	15.1	21.5	27.5	28.6	9.2	0.1	0.0	0.1	35.9
Net financial worth	0.2	0.0	1.1	2.3	3.0	1.1	0.4	0.4	1.4	0.1	0.2	0.3	-0.2	0.2	0.0	0.1	0.1	0.2	-4.9	-5.0	42.3
Foreign claims	22.7	20.4	30.5	41.9	49.6	62.5	62.9	67.7	65.7	81.3	82.4	83.3	62.1	52.1	89.6	121.7	177.3	165.1	138.8	145.4	170.5
Foreign liabilities	52.2	63.5	93.1	102.7	90.1	127.4	168.9	208.4	242.2	309.6	342.8	344.6	329.0	359.4	439.3	511.4	596.9	727.6	844.8	947.5	1 133.5

Non-consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	36.7	63.6	31.9	27.3	60.0	58.5	87.4	80.4	100.2	68.7	53.8	2.4	57.7	35.0	57.1	65.2	149.7	125.1	60.5	291.3
Monetary gold	-0.9	-0.1	0.8	0.8	-0.5	-0.8	0.9	-0.1	0.2	0.5	3.8	-3.9	-7.8	8.9	4.5	8.2	1.0	-3.6	-2.1	-9.1
Currency	0.1	-0.1	0.0	0.1	0.2	0.0	-0.1	0.6	0.4	0.3	0.3	0.3	-0.9	-0.5	0.4	0.9	1.2	0.0	-0.5	7.5
Transferable deposits	-4.5	1.7	2.9	-0.4	-0.6	6.0	-2.3	2.3	8.3	-6.8	4.1	11.5	0.3	22.2	-6.1	-7.5	-0.7	-18.1	4.3	-12.3
Other deposits	3.0	8.0	6.4	0.1	11.6	1.4	12.8	-5.4	-3.9	2.8	4.4	-32.8	-1.6	0.1	26.0	30.6	-29.3	-19.6	-53.8	4.2
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2	2.6	1.5	8.8	15.1	1.7	31.2	17.7
Short-term loans	-20.1	2.8	2.6	1.9	8.7	-7.0	11.9	0.3	11.6	17.3	16.5	12.1	11.6	7.7	17.7	16.7	32.1	-0.5	5.1	-2.8
Long-term loans	59.1	50.0	18.3	24.8	40.7	58.8	64.1	82.7	83.5	54.2	24.7	15.2	45.6	-6.0	13.1	7.1	123.6	160.1	86.2	285.7
Shares and other equity	0.0	1.2	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.3	0.0	0.0	0.3	0.3	1.5	0.2	0.3
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.6	3.6	-10.1	0.2
Liabilities	36.6	63.6	31.9	27.3	60.0	58.5	87.4	80.4	100.2	68.6	53.8	2.4	57.7	35.0	57.1	65.2	149.7	125.1	60.4	291.4
Currency	3.9	2.9	1.1	5.0	3.3	6.7	3.8	5.6	6.5	6.4	9.2	8.6	6.0	10.6	10.9	13.6	13.0	35.7	11.4	17.4
Transferable deposits	-2.4	-2.1	15.9	11.8	12.9	0.4	22.8	-1.5	9.4	2.7	18.0	0.4	23.7	0.2	-14.8	24.5	33.7	-16.0	-18.1	0.6
Other deposits	25.1	39.8	9.0	4.5	27.4	34.5	50.3	36.7	69.7	26.1	26.7	-26.5	-28.7	-27.2	-59.9	-43.2	-7.8	-37.2	-23.0	-20.8
Debt securities	0.0	1.6	0.9	-0.6	0.9	1.4	6.5	2.5	-1.7	-1.2	0.1	-1.3	-0.6	0.0	14.1	18.3	11.3	24.7	44.5	54.0
Loans	7.0	11.7	5.3	4.7	15.4	11.5	5.8	27.0	21.9	35.6	21.5	18.2	17.9	15.6	78.3	58.3	50.7	23.8	-7.4	3.3
Shares and other equity	0.0	4.4	0.0	0.0	-1.5	2.0	1.0	0.0	0.0	0.0	-18.8	2.0	33.0	29.8	27.5	13.0	57.9	94.2	53.0	201.1
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other payables	3.0	5.3	-0.3	1.9	1.6	2.1	-2.8	10.0	-5.5	-1.0	-3.0	1.1	6.4	6.0	1.0	-19.4	-9.1	-0.1	0.1	35.8
Net lending	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2

Regarding the central bank, consolidated and non-consolidated accounts are the same.

2.6 ANNUAL FINANCIAL ACCOUNTS OF CREDIT INSTITUTIONS, STOCKS AND TRANSACTIONS, BILLION HUF

Non-consolidated stocks	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	43.0	50.1	63.1	68.5	79.1	95.4	111.5	133.4	158.6	190.8	216.9	234.6	257.0	276.0	303.1	341.6	379.8	444.9	974.4	1 002.5	1 213.4
Currency	0.2	0.3	0.5	0.9	1.0	1.1	0.8	0.8	1.5	1.7	1.6	1.5	2.0	2.8	3.5	3.9	6.3	5.3	18.5	21.3	25.8
Transferable deposits	4.7	2.0	1.7	1.9	1.5	4.1	2.0	4.5	3.7	4.6	5.6	5.8	4.2	8.7	4.7	4.6	19.2	27.2	47.2	43.1	80.5
Other deposits	14.5	19.8	26.8	25.9	31.1	37.3	47.8	61.9	76.2	96.8	110.1	114.1	118.2	116.3	125.5	132.3	122.3	136.8	148.5	139.7	168.9
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	1.0	3.1	9.3	26.6	27.1	41.8
Short-term loans	3.7	4.2	4.9	5.2	5.6	6.2	6.4	7.4	8.2	8.7	10.0	11.7	13.6	14.5	16.2	18.5	20.0	22.6	210.3	189.5	253.9
o/w: to households	3.0	3.3	3.7	3.9	4.3	4.8	4.9	5.7	6.3	6.7	7.7	9.1	9.8	9.6	9.7	10.0	10.7	11.6	13.1	14.3	14.6
Long-term loans	18.7	21.9	27.3	32.3	37.4	43.7	51.4	58.9	69.1	79.0	89.6	101.5	112.9	126.9	145.7	168.9	202.7	241.8	480.2	535.5	582.0
o/w: to households	18.2	21.4	25.1	29.1	33.7	39.1	46.3	54.7	64.0	73.6	83.8	96.5	108.2	121.3	140.6	164.4	189.5	218.0	252.4	281.8	305.2
Shares and other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.8	0.9	1.0	1.0	1.6	5.3	16.7	25.4
Other receivables	1.2	2.0	2.0	2.4	2.7	3.0	3.0	0.0	0.0	0.0	0.0	0.0	5.6	6.0	6.0	11.5	5.1	0.2	37.8	29.4	35.1
Liabilities	43.2	50.5	64.2	70.1	81.2	97.4	113.4	135.7	160.4	194.3	218.1	235.9	260.2	279.0	305.9	344.7	382.3	447.2	979.6	1 007.6	1 218.7
Transferable deposits	1.8	1.8	5.7	7.1	9.3	11.6	11.5	12.3	15.7	27.3	24.4	28.4	35.5	40.7	36.4	42.2	58.3	72.0	183.1	170.2	224.5
o/w: from households	0.7	0.8	1.0	1.1	1.5	2.2	2.8	3.6	4.8	6.1	7.8	9.3	11.7	15.4	19.8	25.4	31.9	39.2	44.3	50.2	56.9
Short-term deposits	26.1	30.7	35.4	40.0	46.1	53.1	66.5	80.8	94.0	106.1	118.1	125.3	135.7	147.0	162.8	176.4	172.0	189.6	345.6	330.5	412.8
o/w: from households	20.3	24.3	28.0	31.5	35.7	40.3	45.9	52.1	58.8	67.2	72.0	75.8	82.0	88.5	97.7	105.4	114.3	126.2	128.1	133.9	140.7
Long-term deposits	13.4	16.1	18.5	20.8	23.6	26.9	30.9	36.4	42.0	48.6	54.0	59.3	66.6	73.2	83.5	93.1	106.0	119.2	159.1	175.6	191.9
o/w: from households	13.4	16.1	18.5	20.8	23.6	26.9	30.9	35.3	40.9	47.1	51.9	56.8	61.6	67.2	74.0	82.6	90.0	99.2	106.4	115.6	126.5
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	3.1	4.3	18.5	21.5	29.2
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.6	7.0	12.6	13.0	14.0	8.1	11.0	16.4	19.6	24.1	196.5	200.5	214.8
Shares and other equity	1.9	2.0	2.1	2.2	2.3	2.8	3.0	3.2	3.5	3.8	5.5	5.9	7.8	9.8	12.0	14.3	20.1	28.1	74.9	106.7	137.6
Other payables	0.0	0.0	2.6	0.0	0.0	3.0	1.5	1.5	3.5	1.5	3.5	4.0	0.5	0.2	0.2	0.3	3.3	9.9	2.0	2.5	7.9
Net financial worth	-0.2	-0.4	-1.1	-1.6	-2.1	-2.0	-1.9	-2.2	-1.8	-3.4	-1.2	-1.2	-3.2	-3.1	-2.8	-3.1	-2.6	-2.3	-5.2	-5.1	-5.3

Non-consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	7.1	13.4	5.9	11.1	16.3	16.1	23.1	28.2	33.9	24.8	18.9	19.9	16.5	24.9	38.9	27.0	53.2	142.7	11.7	176.2
Currency	0.1	0.2	0.4	0.1	0.1	-0.2	0.0	0.6	0.2	-0.1	-0.1	0.5	0.8	0.7	0.4	2.4	-1.0	13.2	2.7	3.8
Transferable deposits	-2.7	-0.3	0.2	-0.4	2.7	-2.1	2.5	-0.8	0.9	0.9	0.2	-1.5	4.5	-4.0	-0.2	14.6	8.0	-1.4	-4.6	35.8
Other deposits	5.3	7.4	-0.4	5.7	6.2	10.5	15.2	17.3	22.3	12.1	5.2	1.7	-4.3	6.9	7.4	-20.5	4.5	3.6	-21.0	3.5
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.3	2.1	6.2	17.2	0.6	14.7
Short-term loans	0.5	0.7	0.3	0.4	0.6	0.2	1.0	0.8	0.5	1.3	1.6	1.9	0.9	1.6	2.2	1.3	2.4	-2.5	-21.7	62.5
o/w: to households	0.3	0.4	0.2	0.4	0.5	0.1	0.8	0.6	0.4	1.0	1.4	0.7	-0.2	0.2	0.2	0.8	0.9	1.5	1.2	0.3
Long-term loans	3.2	5.4	5.0	5.1	6.4	7.7	7.4	10.2	9.9	10.6	12.0	11.4	13.9	18.8	23.2	33.5	37.5	72.3	54.0	43.6
o/w: to households	3.2	3.7	4.1	4.5	5.5	7.2	8.4	9.2	9.6	10.2	12.7	11.7	13.0	19.4	23.8	25.1	28.6	34.4	29.4	23.4
Shares and other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.2	0.0	0.1	0.5	2.7	10.2	6.6
Other receivables	0.8	0.0	0.4	0.3	0.3	0.0	-3.0	0.0	0.0	0.0	0.0	5.6	0.4	0.0	5.5	-6.4	-4.9	37.6	-8.4	5.7
Liabilities	7.3	13.6	5.9	11.0	16.2	15.8	22.6	27.4	33.9	24.7	19.1	19.1	16.3	24.5	38.5	27.3	53.0	136.2	4.1	167.1
Transferable deposits	0.0	3.8	1.5	2.2	2.4	-0.2	0.8	3.4	11.6	-2.6	4.7	6.7	5.3	-4.4	5.6	15.8	13.5	16.6	-13.4	52.5
o/w: from households	0.1	0.1	0.1	0.4	0.7	0.6	0.8	1.2	1.3	1.6	1.5	2.4	3.7	4.4	5.6	6.5	7.3	5.1	5.8	6.5
Short-term deposits	4.6	4.7	4.6	6.1	7.1	13.4	14.4	16.3	12.7	12.8	7.6	6.2	10.6	15.1	15.5	-10.1	14.3	36.8	-19.2	69.1
o/w: from households	4.1	3.7	3.5	4.2	4.6	5.6	6.2	6.7	8.5	4.7	3.9	6.1	6.4	8.8	7.8	8.5	11.9	1.5	4.3	4.0
Long-term deposits	2.7	2.4	2.3	2.7	3.3	4.0	5.6	5.5	6.4	5.3	5.5	7.3	6.2	10.1	9.5	11.3	11.0	37.9	14.5	11.0
o/w: from households	2.7	2.4	2.3	2.7	3.3	4.0	4.4	5.6	6.2	4.7	4.9	4.8	5.6	6.8	8.6	7.4	9.2	7.3	9.2	10.9
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	1.0	1.2	14.2	3.0	7.7
Loans	0.0	0.0	0.0	0.0	0.0	0.0	1.6	0.1	5.1	5.6	0.7	0.9	-6.3	2.5	4.4	2.2	1.1	5.9	2.0	8.6
Shares and other equity	0.0	0.0	0.1	0.1	0.4	0.1	0.1	0.1	0.1	1.5	0.1	1.4	0.9	1.3	1.4	4.1	5.3	32.8	16.6	12.8
Other payables	0.0	2.6	-2.6	0.0	3.0	-1.5	0.0	2.0	-2.0	2.0	0.5	-3.5	-0.3	0.0	0.1	3.1	6.6	-8.0	0.6	5.4
Net lending	-0.2	-0.2	0.0	0.1	0.1	0.2	0.5	0.7	0.0	0.1	-0.2	0.8	0.2	0.4	0.4	-0.3	0.2	6.5	7.6	9.1

2.7 ANNUAL FINANCIAL ACCOUNTS OF INSURANCE COMPANIES AND OTHER FINANCIAL CORPORATIONS, STOCKS AND TRANSACTIONS, BILLION HUF

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated stocks																					
Financial assets	2.3	2.3	2.7	3.4	4.0	5.2	6.2	7.2	6.6	7.6	8.8	10.3	11.9	13.5	16.2	18.4	20.3	25.1	29.2	33.9	41.2
Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.8
Transferable deposits	0.5	0.2	0.3	0.6	1.5	1.1	0.7	0.6	0.6	0.7	1.5	2.0	2.0	2.0	2.3	1.1	0.8	4.3	2.7	2.5	3.5
Other deposits	1.8	2.0	1.9	1.9	1.5	4.1	4.1	4.5	4.0	4.9	6.1	8.3	9.0	8.9	10.3	9.6	13.6	14.6	14.4	12.0	11.3
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	3.6	4.1	4.1	4.1	8.4	13.3	12.5
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.8	1.0	1.2	1.5	2.0
o/w: to households	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	0.5	0.6	0.7	0.8
Shares and other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	2.7	4.8
Insurance reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Other receivables	0.0	0.1	0.5	0.9	1.1	0.0	1.4	2.0	2.0	2.0	1.2	0.0	0.9	1.8	0.0	3.0	1.0	1.0	2.0	2.0	5.9
Liabilities	2.9	3.3	4.0	4.7	5.6	6.6	7.8	9.0	9.0	10.4	11.8	13.4	14.9	16.5	18.9	21.0	23.5	28.8	32.9	37.5	43.4
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Shares and other equity	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.1	2.2	2.3	2.4	2.5	3.0	6.0	6.4	9.3	9.8
Life insurance reserves	1.2	1.5	1.8	2.1	2.5	3.1	3.7	4.6	4.3	5.3	6.4	7.6	8.7	9.9	11.9	13.7	15.5	18.0	21.8	23.6	27.9
Non-life insurance reserves	0.1	0.2	0.5	0.9	1.3	1.7	2.2	2.5	2.8	3.1	3.4	3.7	4.0	4.3	4.6	4.8	5.0	4.7	4.6	4.6	4.6
o/w: from households	0.1	0.1	0.4	0.6	0.9	1.2	1.5	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.4	3.5	3.3	3.2	3.2	3.2
Other payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2
Net financial worth	-0.6	-1.0	-1.3	-1.3	-1.5	-1.4	-1.6	-1.9	-2.4	-2.7	-3.0	-3.1	-3.0	-3.0	-2.7	-2.6	-3.2	-3.7	-3.6	-3.6	-2.2

Non-consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	0.0	0.4	0.7	0.6	1.2	1.0	1.0	-0.5	1.0	1.2	1.5	1.6	1.6	2.7	2.1	2.0	4.7	4.2	4.7	6.6
Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
Transferable deposits	-0.3	0.1	0.3	0.8	-0.4	-0.4	-0.1	0.0	0.1	0.8	0.5	0.0	0.0	0.3	-1.2	-0.3	3.5	-1.6	-0.2	1.0
Other deposits	0.2	-0.1	0.0	-0.4	2.7	0.0	0.4	-0.5	0.9	1.2	2.2	0.7	-0.1	1.4	-0.7	4.1	1.0	-0.2	-2.5	-0.7
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	2.8	0.5	0.0	0.0	4.3	4.9	-0.8
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.2	0.2	0.2	0.3	0.5
o/w: to households	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	0.5	0.6	0.7	0.8
Shares and other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	2.2	1.5
Insurance reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Other receivables	0.1	0.4	0.4	0.2	-1.1	1.4	0.6	0.0	0.0	-0.8	-1.2	0.9	0.9	-1.8	3.0	-2.0	0.0	1.0	0.0	3.9
Liabilities	0.4	0.6	0.7	0.8	1.0	1.1	1.2	1.7	1.3	1.4	1.5	1.4	1.5	2.3	2.0	2.0	5.3	3.7	4.0	5.5
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Shares and other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0	2.3	0.2
Life insurance reserves	0.3	0.3	0.3	0.4	0.6	0.6	0.9	1.4	1.0	1.1	1.2	1.1	1.2	2.0	1.8	1.8	2.5	3.8	1.8	4.3
Non-life insurance reserves	0.1	0.3	0.4	0.4	0.4	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	-0.3	-0.1	0.0	0.0
o/w: from households	0.1	0.2	0.3	0.3	0.3	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	-0.2	-0.1	0.0	0.0
Other payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Net lending	-0.4	-0.2	0.0	-0.2	0.2	-0.1	-0.2	-2.2	-0.3	-0.2	0.0	0.2	0.1	0.4	0.1	0.0	-0.6	0.5	0.7	1.0

Regarding the insurance companies and other financial corporations, consolidated and non-consolidated accounts are the same.

2.8 ANNUAL FINANCIAL ACCOUNTS OF THE GENERAL GOVERNMENT, STOCKS AND TRANSACTIONS, BILLION HUF

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated stocks																					
Financial assets	685.1	767.6	853.8	921.7	1 002.0	1 106.3	1 221.2	1 369.6	1 511.4	1 646.1	1 754.7	1 857.1	1 945.2	2 018.9	2 108.5	2 145.3	2 233.7	2 382.3	2 581.6	2 747.0	2 972.5
Currency	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.5	0.6	0.7	0.8	0.8	0.9	1.0	1.1	1.3	1.4	1.5	1.6	1.7	1.8
Transferable deposits	14.6	10.8	12.6	23.0	31.8	30.9	31.1	48.6	44.6	55.2	50.3	57.0	52.8	61.6	55.0	58.0	52.5	69.8	61.6	57.2	50.6
Other deposits	3.4	3.4	3.7	4.0	4.9	6.1	8.2	7.3	6.3	6.4	7.1	7.2	7.1	7.0	10.9	16.1	6.3	9.5	19.5	25.9	24.2
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.8
Loans	19.3	27.3	29.9	33.4	41.9	49.3	63.5	75.3	98.1	120.3	129.4	128.8	140.3	155.8	171.0	188.4	183.1	184.2	206.7	239.1	255.5
Shares and other equity	635.3	710.6	781.3	839.0	898.3	990.2	1 080.7	1 200.7	1 302.8	1 408.6	1 496.5	1 587.1	1 681.8	1 746.6	1 822.1	1 830.7	1 947.3	2 068.8	2 237.9	2 351.2	2 534.0
o/w: central bank	0.8	0.9	5.1	5.4	6.7	6.6	6.2	6.7	8.0	8.1	8.7	9.8	10.3	10.8	11.8	17.4	19.0	19.5	19.0	17.2	25.2
o/w: credit institutions	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.8	2.0	2.0	2.6	2.8	3.8	4.4	6.9	11.4	30.9	41.6	50.0
o/w: insurance companies	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.1	2.2	2.3	2.4	2.5	3.0	6.0	6.4	7.0	7.0
o/w: non-fin corporations	631.4	706.5	772.9	830.3	888.3	980.3	1 071.0	1 190.5	1 291.2	1 396.8	1 483.8	1 573.2	1 666.8	1 730.6	1 804.1	1 806.4	1 918.4	2 031.9	2 181.5	2 285.4	2 451.8
Other receivables	12.3	15.2	26.0	22.0	24.8	29.4	37.2	37.2	59.0	55.0	70.7	76.2	62.3	46.9	48.3	50.8	43.1	48.5	54.4	71.9	88.7
Liabilities	80.4	113.7	143.5	159.1	185.5	212.6	262.6	313.0	386.3	456.9	513.0	535.9	562.9	625.9	626.7	642.3	644.4	773.5	942.1	1 057.4	1 347.4
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	54.2
o/w: central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.9
o/w: credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.1	15.7
o/w: insurance companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	3.6	3.6	3.6	3.6	7.4	12.3	8.4
Loans	70.4	102.6	131.5	146.1	164.9	189.0	244.4	293.4	365.1	434.4	489.2	510.5	535.6	588.1	584.3	596.7	597.3	721.5	876.6	963.3	1 240.7
o/w: central bank	48.6	81.3	111.8	127.9	146.0	173.2	227.5	275.8	337.7	400.7	451.1	474.7	488.5	535.1	528.4	540.2	540.4	674.3	834.5	927.6	1 208.3
o/w: credit institutions	0.5	0.5	2.2	3.1	3.7	4.6	5.1	4.1	5.1	5.4	5.7	5.0	4.7	5.6	5.1	4.5	4.9	5.1	8.3	12.7	16.2
o/w: rest of the world	17.4	17.4	14.7	12.9	13.6	11.2	11.9	13.5	22.3	28.2	32.3	30.8	42.5	47.4	50.9	52.0	52.0	42.1	33.8	23.0	16.3
Other payables	9.9	11.2	12.0	13.0	20.6	23.6	18.1	19.6	21.2	22.5	23.8	25.4	27.3	29.8	31.6	33.2	34.8	35.6	38.1	57.0	52.5
Net financial worth	604.7	653.8	710.3	762.6	816.5	893.7	958.7	1 056.6	1 125.1	1 189.2	1 241.8	1 321.2	1 382.3	1 393.0	1 481.8	1 503.0	1 589.2	1 608.9	1 639.5	1 689.6	1 625.1

Non-consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	30.5	27.1	16.4	27.3	16.3	31.1	36.3	50.5	34.5	25.5	-0.2	0.3	45.8	-4.4	22.0	-10.7	100.1	141.9	115.5	248.2
Currency	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Transferable deposits	-3.8	1.8	10.4	8.9	-0.9	0.2	17.5	-4.0	10.5	-4.9	6.8	-4.2	8.8	-6.5	3.0	-5.5	17.3	-8.2	-4.4	-6.6
Other deposits	-0.1	0.4	0.3	0.9	1.2	2.1	-0.9	-1.0	0.1	0.7	0.1	-0.1	0.0	3.9	5.2	-9.8	3.2	10.0	6.4	-1.7
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.8
Loans	8.0	2.9	3.8	8.5	7.4	14.2	13.3	22.9	24.1	9.5	2.1	10.6	15.3	13.7	15.9	-5.3	1.4	22.9	31.6	13.6
Shares and other equity	23.4	11.2	5.9	6.3	3.9	6.6	6.4	10.7	3.7	4.4	-14.7	7.8	37.1	-17.0	-4.7	17.4	72.6	111.3	64.3	208.2
o/w: central bank	0.0	4.4	0.0	0.0	-1.5	2.0	1.0	0.0	0.0	0.0	-18.8	2.0	33.0	29.8	27.5	13.0	57.9	94.2	53.0	201.1
o/w: credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.5	0.1	0.9	0.6	2.0	3.6	14.2	5.6	4.6
o/w: insurance companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w: non-fin corporations	23.4	6.8	5.9	6.3	5.5	4.6	5.4	10.7	3.7	4.2	4.1	5.3	4.0	-47.7	-32.7	2.4	8.1	2.9	5.7	2.5
Other receivables	2.9	10.8	-4.0	2.7	4.6	7.9	-0.1	21.8	-4.0	15.7	5.5	-13.9	-15.4	1.4	2.5	-7.7	5.5	5.9	17.5	16.8
Liabilities	33.4	29.7	15.7	26.3	27.1	50.0	54.9	73.5	72.6	57.0	27.2	24.9	61.3	-0.4	13.6	1.2	129.3	170.0	116.5	287.9
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	2.8	1.5	0.0	4.0	11.1	9.6	17.1
o/w: central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.2	0.0	1.5	0.0	4.0	-0.8	0.0	0.0
o/w: credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.1	0.0	7.6
o/w: insurance companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	2.8	0.0	0.0	0.0	3.8	4.9	-3.9
Loans	32.1	28.9	14.6	18.8	24.1	55.5	53.5	71.9	71.3	55.7	25.7	23.1	50.8	-4.9	10.5	-0.4	124.5	156.4	87.9	275.4
o/w: central bank	32.7	30.5	16.1	18.1	27.2	54.3	48.3	61.9	63.1	50.3	23.6	13.8	46.6	-6.7	11.9	0.2	133.9	160.2	93.0	280.7
o/w: credit institutions	0.0	1.7	1.0	0.5	0.9	0.5	-0.9	1.0	0.3	0.3	-0.7	-0.3	0.9	-0.5	-0.6	0.4	0.2	3.2	4.4	3.5
o/w: rest of the world	0.0	-2.7	-1.8	0.8	-2.5	0.7	6.1	9.0	7.9	5.0	2.8	9.6	3.2	2.3	-0.8	-0.9	-9.6	-7.0	-9.6	-8.8
Other payables	1.2	0.8	1.0	7.6	3.0	-5.5	1.5	1.6	1.3	1.3	1.6	1.9	2.5	1.8	1.6	1.6	0.8	2.5	19.0	-4.5
Net lending	-2.9	-2.7	0.7	0.9	-10.8	-18.9	-18.6	-23.0	-38.1	-31.5	-27.5	-24.6	-15.5	-4.0	8.4	-11.9	-29.2	-28.1	-1.0	-39.7

2.9 ANNUAL FINANCIAL ACCOUNTS OF THE CENTRAL GOVERNMENT, STOCKS AND TRANSACTIONS, BILLION HUF

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated stocks																					
Financial assets	563.8	632.6	707.6	763.0	830.8	915.4	1 015.2	1 142.4	1 264.2	1 378.9	1 471.8	1 556.9	1 627.4	1 686.0	1 763.2	1 797.5	1 861.6	1 986.9	2 159.4	2 301.4	2 472.8
Currency	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.4	1.5
Transferable deposits	10.7	7.4	9.3	18.6	26.1	24.2	25.9	43.9	38.0	46.9	42.3	49.6	44.0	50.5	46.2	49.4	42.5	60.4	55.5	47.0	33.9
Other deposits	1.1	1.1	1.2	1.2	1.2	1.1	2.9	1.7	2.0	2.1	2.5	2.3	2.8	2.8	8.1	13.7	2.5	2.9	11.9	13.7	14.8
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
Loans	19.3	27.3	29.9	33.4	41.9	49.2	63.4	75.1	98.0	120.1	129.2	128.5	140.0	155.5	170.6	187.9	182.5	183.5	205.9	238.3	254.5
Shares and other equity	522.3	583.6	643.3	690.0	739.3	814.2	888.7	987.7	1 070.8	1 158.6	1 231.5	1 305.1	1 383.8	1 436.6	1 498.1	1 505.7	1 602.3	1 703.8	1 845.9	1 951.2	2 109.0
o/w: central bank	0.8	0.9	5.1	5.4	6.7	6.6	6.2	6.7	8.0	8.1	8.7	9.8	10.3	10.8	11.8	17.4	19.0	19.5	19.0	17.2	25.2
o/w: credit institutions	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.8	2.0	2.0	2.6	2.8	3.8	4.4	6.9	11.4	30.9	41.6	50.0
o/w: insurance companies	1.6	1.6	1.7	1.7	1.8	1.8	1.9	1.9	1.9	2.0	2.0	2.1	2.2	2.3	2.4	2.5	3.0	6.0	6.4	7.0	7.0
o/w: non-fin corporations	518.4	579.5	634.9	681.3	729.3	804.3	879.0	977.5	1 059.2	1 146.8	1 218.8	1 291.2	1 368.8	1 420.6	1 480.1	1 481.4	1 573.4	1 666.9	1 789.5	1 885.4	2 026.8
Other receivables	10.3	13.0	23.7	19.5	22.0	26.3	33.9	33.5	55.0	50.6	65.8	70.6	56.1	39.8	39.3	39.7	30.6	35.0	38.9	49.8	56.1
Liabilities	78.6	111.9	139.9	154.5	180.2	206.2	255.6	306.9	379.0	449.2	504.7	528.2	555.3	617.1	618.2	633.9	635.2	763.9	928.2	1 037.4	1 321.4
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	10.8	12.3	12.3	16.3	26.4	36.0	53.0
o/w: central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.2	7.2	8.7	8.7	12.7	11.9	11.9	11.9
o/w: credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.1	7.1	14.7
o/w: insurance companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	3.6	3.6	3.6	3.6	7.4	12.3	8.4
Loans	70.1	102.3	129.5	143.2	161.5	184.7	239.8	289.7	360.4	429.4	483.9	506.1	531.6	583.2	580.0	593.2	593.6	717.9	870.0	952.5	1 227.1
o/w: central bank	48.6	81.3	111.8	127.9	146.0	173.2	227.5	275.8	337.7	400.7	451.1	474.7	488.5	535.1	528.4	540.2	540.4	674.3	834.5	927.6	1 208.3
o/w: credit institutions	0.1	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.6	0.7	0.7	0.8	1.0	1.2	1.4	1.7	1.9	2.5
o/w: rest of the world	17.4	17.4	14.7	12.9	13.6	11.2	11.9	13.5	22.3	28.2	32.3	30.8	42.5	47.4	50.9	52.0	52.0	42.1	33.8	23.0	16.3
Other payables	8.5	9.6	10.3	11.2	18.7	21.5	15.9	17.2	18.6	19.8	20.8	22.1	23.7	25.9	27.3	28.4	29.4	29.7	31.8	48.9	41.2
Net financial worth	485.3	520.7	567.7	608.5	650.6	709.2	759.6	835.5	885.2	929.8	967.1	1 028.7	1 072.1	1 068.9	1 145.1	1 163.6	1 226.4	1 223.0	1 231.2	1 264.0	1 151.5

Non-consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	28.3	22.7	13.0	24.8	13.7	31.8	36.0	46.5	32.4	24.7	-0.6	-1.3	42.6	-3.0	20.4	-15.4	96.1	140.7	99.6	219.1
Currency	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Transferable deposits	-3.3	2.0	9.3	7.6	-2.0	1.8	18.0	-5.9	8.9	-4.6	7.4	-5.7	6.6	-4.3	3.2	-6.9	17.9	-4.9	-8.5	-13.1
Other deposits	0.0	0.0	0.1	0.0	0.0	1.8	-1.2	0.3	0.1	0.4	-0.2	0.5	-0.1	5.3	5.6	-11.2	0.4	9.0	1.8	1.1
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
Loans	8.0	2.9	3.8	8.5	7.4	14.1	13.3	22.9	24.0	9.4	2.1	10.6	15.2	13.7	15.9	-5.4	1.3	22.8	31.5	13.5
Shares and other equity	20.9	7.2	4.0	6.3	3.9	6.4	6.3	7.7	3.6	4.4	-14.8	7.7	37.1	-17.3	4.8	17.0	71.9	109.9	63.8	208.2
o/w: central bank	0.0	4.4	0.0	0.0	-1.5	2.0	1.0	0.0	0.0	0.0	-18.8	2.0	33.0	29.8	27.5	13.0	57.9	94.2	53.0	201.1
o/w: credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.5	0.1	0.9	0.6	2.0	3.6	14.2	5.6	4.6
o/w: insurance companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w: non-fin corporations	20.9	2.8	4.0	6.3	5.5	4.4	5.3	7.7	3.6	4.2	4.0	5.2	4.0	-48.0	-32.9	2.0	7.5	1.6	5.2	2.5
Other receivables	2.7	10.6	-4.2	2.5	4.3	7.6	-0.4	21.5	-4.4	15.2	4.9	-14.5	-16.3	-0.5	0.4	-9.1	4.4	3.9	11.0	6.3
Liabilities	33.3	28.0	14.6	25.7	26.1	49.4	55.8	72.4	72.1	56.5	27.7	25.0	60.2	-0.1	13.8	0.4	128.9	165.6	110.4	281.9
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	2.8	1.5	0.0	4.0	10.1	9.6	17.0
o/w: central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.2	0.0	1.5	0.0	4.0	-0.8	0.0	0.0
o/w: credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.1	0.0	7.6
o/w: insurance companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	2.8	0.0	0.0	0.0	3.8	4.9	-3.9
Loans	32.2	27.2	13.7	18.3	23.2	55.0	54.4	70.9	71.0	55.4	26.5	23.4	49.9	-4.3	11.2	-0.6	124.6	153.4	83.7	272.5
o/w: central bank	32.7	30.5	16.1	18.1	27.2	54.3	48.3	61.9	63.1	50.3	23.6	13.8	46.6	-6.7	11.9	0.2	133.9	160.2	93.0	280.7
o/w: credit institutions	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.2	0.2	0.3	0.2	0.2	0.6
o/w: rest of the world	0.0	-2.7	-1.8	0.8	-2.5	0.7	6.1	9.0	7.9	5.0	2.8	9.6	3.2	2.3	-0.8	-0.9	-9.6	-7.0	-9.6	-8.8
Other payables	1.1	0.7	0.9	7.4	2.8	-5.6	1.3	1.4	1.1	1.1	1.3	1.6	2.3	1.4	1.1	1.0	0.3	2.1	17.1	-7.7
Net lending	-5.0	-5.2	-1.6	-0.9	-12.4	-17.6	-19.7	-25.8	-39.7	-31.8	-28.4	-26.4	-17.5	-2.9	6.6	-15.8	-32.8	-24.9	-10.8	-62.8

2.10 ANNUAL FINANCIAL ACCOUNTS OF LOCAL GOVERNMENTS (COUNCILS), STOCKS AND TRANSACTIONS, BILLION HUF

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated stocks																					
Financial assets	119.5	132.9	144.1	156.5	168.7	188.1	203.0	223.8	243.5	263.2	278.4	295.1	312.0	326.3	336.9	337.3	360.3	382.6	407.6	424.6	455.3
Currency	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Transferable deposits	3.9	3.4	3.3	4.4	5.7	6.7	5.2	4.7	6.6	8.3	8.0	7.4	8.8	11.0	8.8	8.5	10.0	9.3	6.1	10.2	16.7
Other deposits	2.3	2.3	2.6	2.8	3.7	4.9	5.3	5.6	4.3	4.3	4.6	4.8	4.2	4.3	2.9	2.4	3.8	6.6	7.6	12.2	9.4
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7
Loans	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.6	0.7	0.8	0.9	1.0
Shares and other equity	113.0	127.0	138.0	149.0	159.0	176.0	192.0	213.0	232.0	250.0	265.0	282.0	298.0	310.0	324.0	325.0	345.0	365.0	392.0	400.0	425.0
Other receivables	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.8	0.9	1.1	1.2
Liabilities	1.8	1.8	3.6	4.7	5.3	6.3	6.9	6.1	7.3	7.7	8.2	7.7	7.6	8.8	8.5	8.4	9.2	9.6	14.0	20.0	26.1
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	1.1	1.1	1.1
Loans	0.3	0.3	2.0	2.9	3.4	4.3	4.7	3.7	4.7	5.0	5.2	4.4	4.0	4.9	4.3	3.5	3.7	3.6	6.6	10.8	13.7
Other payables	1.5	1.6	1.7	1.8	1.9	2.1	2.2	2.4	2.6	2.8	3.0	3.3	3.6	3.9	4.2	4.8	5.4	5.9	6.3	8.1	11.3
Net financial worth	117.7	131.1	140.5	151.8	163.4	181.7	196.0	217.7	236.2	255.4	270.1	287.4	304.4	317.5	328.4	328.9	351.1	373.1	393.6	404.6	429.2

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated transactions																				
Financial assets	2.0	4.2	3.2	2.2	2.4	-0.9	0.0	3.7	1.8	0.2	-0.2	1.0	2.3	-3.1	-0.5	3.4	3.0	-0.7	9.5	5.6
Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transferable deposits	-0.5	-0.1	1.1	1.3	1.1	-1.5	-0.5	1.9	1.6	-0.2	-0.6	1.4	2.2	-2.2	-0.3	1.4	-0.6	-3.2	4.1	6.5
Other deposits	-0.1	0.3	0.2	0.9	1.2	0.3	0.3	-1.3	0.0	0.4	0.2	-0.6	0.0	-1.4	-0.5	1.4	2.8	1.0	4.6	-2.8
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Shares and other equity	2.5	4.0	1.9	0.0	0.0	0.2	0.1	3.0	0.1	0.0	0.1	0.1	0.0	0.3	0.2	0.4	0.6	1.3	0.5	0.0
Other receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.2	0.1
Liabilities	0.1	1.8	1.1	0.6	1.0	0.6	-0.8	1.2	0.5	0.5	-0.5	-0.1	1.1	-0.2	-0.2	0.8	0.4	4.4	6.0	6.1
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0
Loans	-0.1	1.7	0.9	0.5	0.9	0.4	-1.0	1.0	0.3	0.3	-0.8	-0.4	0.9	-0.6	-0.7	0.2	-0.1	3.0	4.2	2.9
Other payables	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.6	0.6	0.4	0.4	1.8	3.2
Net lending	1.9	2.4	2.2	1.6	1.3	-1.5	0.8	2.5	1.3	-0.3	0.3	1.1	1.2	-2.9	-0.3	2.6	2.6	-5.1	3.5	-0.4

Regarding local governments (councils), consolidated and non-consolidated accounts are the same.

2.11 ANNUAL FINANCIAL ACCOUNTS OF HOUSEHOLDS, STOCKS AND TRANSACTIONS, BILLION HUF

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Non-consolidated stocks																					
Financial assets	145.5	166.2	192.5	217.7	243.6	267.5	297.0	322.8	355.1	390.1	426.4	468.5	505.0	547.9	590.4	638.5	689.5	755.2	819.4	900.9	985.1
Currency	16.6	19.9	22.3	22.7	27.1	30.1	36.8	40.5	44.8	50.5	56.2	65.4	73.8	77.3	84.9	94.0	104.8	117.2	138.6	146.7	160.0
o/w: foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.4	0.5	0.6	0.9	1.1	1.3	1.7	2.2	3.0	5.0	12.4
Transferable deposits	0.7	0.8	1.0	1.1	1.5	2.2	2.8	3.6	4.8	6.1	7.8	9.3	11.7	15.4	19.8	25.4	31.9	39.2	44.3	50.2	56.9
Other deposits	33.7	40.4	46.5	52.3	59.3	67.3	77.1	87.8	100.2	115.1	124.7	133.6	144.7	157.1	173.3	190.1	206.9	228.5	238.7	255.9	277.9
o/w: foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.4	0.5	0.7	0.9	1.4	2.0	3.1	4.4	5.6	6.9	10.6	15.9	25.2
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	2.9	5.1	10.1	20.9	28.8	30.6
Loans	4.0	3.4	2.8	2.2	1.6	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0	4.0	6.0	9.0	12.5	16.0	20.0	24.0	28.6
Shares and other equity	78.1	87.9	104.9	122.9	135.8	145.8	157.4	165.8	176.5	188.3	202.5	218.9	231.2	248.4	254.7	258.2	262.8	272.3	277.9	298.1	311.8
Life insurance reserves	1.2	1.5	1.8	2.1	2.5	3.1	3.7	4.6	4.3	5.3	6.4	7.6	8.7	9.9	11.9	13.7	15.5	18.0	21.8	23.6	27.9
Non-life insurance reserves	0.1	0.1	0.4	0.6	0.9	1.2	1.5	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.4	3.5	3.3	3.2	3.2	3.2
Other receivables	11.1	12.1	12.9	13.7	14.9	17.7	17.7	18.8	22.5	22.5	26.5	30.1	30.1	32.8	36.5	41.8	46.5	50.6	54.0	70.4	88.2
Liabilities	25.0	29.0	33.6	38.7	44.4	51.5	59.9	71.0	82.8	95.0	108.7	125.9	141.0	156.8	181.9	212.1	243.8	278.5	322.0	372.1	415.3
Short-term loans	3.0	3.3	3.7	3.9	4.3	4.8	4.9	5.7	6.3	6.7	7.7	9.1	9.8	9.6	9.7	10.0	10.7	11.6	13.1	14.3	14.6
Long-term loans	18.6	22.0	25.9	30.4	35.4	41.5	49.3	59.0	69.6	80.5	92.1	106.1	119.2	133.3	155.5	182.1	210.0	241.9	279.7	312.6	341.2
Other payables	3.4	3.7	4.0	4.3	4.7	5.2	5.7	6.3	7.0	7.8	8.9	10.7	12.0	13.9	16.6	19.9	23.0	25.0	29.2	45.2	59.5
o/w: to households	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.3	1.6	1.8	2.2	2.6	2.9	3.3	4.0	5.3	7.0
Net financial worth	120.5	137.2	158.9	179.0	199.3	216.0	237.1	251.8	272.3	295.0	317.7	342.6	364.0	391.1	408.5	426.4	445.7	476.7	497.4	528.8	569.8

Non-consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	11.0	9.3	10.2	13.0	13.9	17.9	17.5	23.3	23.1	22.3	25.9	24.3	25.5	36.1	44.5	45.7	55.7	58.1	65.6	83.8
Currency	3.3	2.4	0.3	4.5	3.0	6.6	3.7	4.3	5.6	5.7	9.3	8.4	3.4	7.6	9.1	10.6	12.1	21.0	7.1	11.4
o/w: foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.4	1.0	5.5
Transferable deposits	0.1	0.1	0.1	0.4	0.7	0.6	0.8	1.2	1.3	1.6	1.5	2.4	3.7	4.4	5.6	6.5	7.3	5.1	5.8	6.5
Other deposits	6.7	6.1	5.9	7.0	8.0	9.8	10.7	12.4	14.9	9.6	9.0	11.1	12.2	15.8	16.7	16.1	21.3	9.0	14.5	17.4
o/w: foreign currency	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.2	0.2	0.2	0.3	0.4	0.7	0.7	1.3	0.7	1.4	3.3	3.8	6.2
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	2.7	2.3	5.0	10.8	7.9	1.8
Loans	-0.6	-0.6	-0.6	-0.6	-1.6	0.0	0.0	0.0	0.0	0.0	1.0	1.0	2.0	2.0	3.0	3.5	3.5	4.0	4.0	4.6
Shares and other equity	0.0	0.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	1.0	8.0	20.0
Life insurance reserves	0.3	0.3	0.3	0.4	0.6	0.6	0.9	1.4	1.0	1.1	1.2	1.1	1.2	2.0	1.8	1.8	2.5	3.8	1.8	4.3
Non-life insurance reserves	0.1	0.2	0.3	0.3	0.3	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	-0.2	-0.1	0.0	0.0
Other receivables	1.0	0.8	0.9	1.1	2.9	-0.1	1.1	3.7	0.0	4.0	3.6	-0.1	2.8	3.7	5.4	4.7	4.1	3.4	16.4	17.8
Liabilities	4.0	4.6	5.1	5.7	7.1	8.5	11.1	11.8	12.2	13.6	17.2	15.2	15.7	25.1	30.2	31.7	34.7	43.4	50.2	43.2
Short-term loans	0.3	0.4	0.2	0.4	0.5	0.1	0.8	0.6	0.4	1.0	1.4	0.7	-0.2	0.2	0.2	0.8	0.9	1.5	1.2	0.3
Long-term loans	3.4	3.9	4.5	5.0	6.1	7.8	9.7	10.6	11.0	11.6	14.0	13.1	14.1	22.2	26.6	27.9	31.8	37.8	32.9	28.6
Other payables	0.3	0.2	0.3	0.4	0.5	0.6	0.6	0.6	0.8	1.1	1.8	1.4	1.8	2.8	3.3	3.0	2.1	4.1	16.0	14.3
o/w: to households	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.4	0.4	0.3	0.4	0.6	1.3	1.7
Net lending	7.0	4.7	5.1	7.3	6.8	9.5	6.4	11.5	10.9	8.6	8.7	9.1	9.8	10.9	14.3	14.0	21.0	14.7	15.5	40.6

2.12 ANNUAL FINANCIAL ACCOUNTS OF NON-PROFIT INSTITUTIONS SERVING HOUSEHOLDS, STOCKS AND TRANSACTIONS, BILLION HUF

Non-consolidated stocks	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	1.1	1.0	1.2	1.3	1.6	2.0	2.4	2.8	2.9	3.1	3.1	3.2	3.1	3.3	3.6	3.3	3.0	2.7	2.5	3.3	4.7
Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.3	1.1
Transferable deposits	1.1	1.0	1.2	1.3	1.6	2.0	2.4	2.8	2.9	3.0	3.0	3.1	3.0	3.2	3.5	3.2	2.9	2.5	2.3	2.0	1.4
Other deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.1
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net financial worth	1.1	1.0	1.2	1.3	1.6	2.0	2.4	2.8	2.9	3.1	3.1	3.2	3.1	3.3	3.6	3.3	3.0	2.7	2.5	3.3	4.7

Non-consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	-0.1	0.2	0.2	0.3	0.4	0.4	0.4	0.1	0.2	0.0	0.1	0.0	0.2	0.3	-0.4	-0.2	-0.4	-0.1	0.8	1.4
Currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.8
Transferable deposits	-0.1	0.2	0.2	0.3	0.4	0.4	0.4	0.1	0.1	0.0	0.1	0.0	0.2	0.3	-0.4	-0.3	-0.4	-0.2	-0.3	-0.6
Other deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.1
Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net lending	-0.1	0.2	0.2	0.3	0.4	0.4	0.4	0.1	0.2	0.0	0.1	0.0	0.2	0.3	-0.4	-0.2	-0.4	-0.1	0.8	1.4

Regarding non-profit institutions serving households, consolidated and non-consolidated accounts are the same.

2.13 ANNUAL FINANCIAL ACCOUNTS OF THE REST OF THE WORLD (NON-RESIDENTS), STOCKS AND TRANSACTIONS, BILLION HUF

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Consolidated stocks																					
Financial assets	80.3	93.3	123.8	135.2	127.3	166.7	212.9	258.3	303.5	393.4	438.3	445.0	455.6	510.4	603.6	695.6	800.7	931.6	1 071.3	1 199.2	1 456.4
Transferable deposits	2.9	3.1	3.0	2.4	4.0	3.6	4.8	6.6	7.8	14.7	8.6	11.7	16.2	14.4	25.3	19.0	18.3	33.4	30.5	27.0	22.7
Other deposits	23.0	26.9	43.9	49.0	30.3	50.7	77.2	108.2	111.3	150.9	146.8	146.1	117.0	116.2	148.1	130.6	144.6	159.8	153.7	184.2	204.3
Debt securities	0.0	0.0	1.5	2.2	1.7	2.5	3.9	10.0	12.6	11.4	9.9	9.4	7.1	7.0	6.9	9.3	30.6	48.6	85.8	136.4	215.3
Short-term loans	0.0	0.0	0.0	1.8	1.6	3.1	3.2	5.0	4.0	4.5	6.6	7.4	9.1	28.6	32.6	35.6	29.9	24.4	24.0	28.9	36.1
Long-term loans	43.8	50.7	59.5	61.9	67.8	79.7	93.3	101.3	137.4	180.8	232.0	235.2	267.4	302.1	345.7	448.3	521.2	607.5	710.8	738.6	857.4
Shares and other equity	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.9	1.2	1.7	2.5	3.2	4.0	6.1	7.1	10.6	22.9	50.6
Financial derivatives	0.0	0.1	0.0	0.0	0.0	2.1	2.7	0.8	0.4	0.0	0.0	0.0	0.0	0.6	0.8	2.8	0.0	1.0	3.1	0.2	0.0
Other receivables	10.7	12.4	16.0	17.8	22.0	25.0	27.8	26.5	30.0	31.0	33.5	34.0	37.0	39.0	41.0	46.0	50.0	50.0	53.0	61.0	70.0
Liabilities	46.5	50.1	62.7	79.1	91.9	114.1	127.6	145.9	156.0	174.6	178.4	178.7	170.9	179.5	242.5	311.0	390.1	408.1	418.6	454.5	552.6
Monetary gold	3.7	2.8	2.5	3.1	3.8	3.4	2.6	3.1	2.9	9.7	18.6	20.7	15.7	7.4	18.1	24.2	33.9	33.9	31.8	33.7	29.1
Currency	0.4	0.4	0.4	0.4	0.6	0.8	1.0	1.0	1.9	2.4	2.8	3.0	3.7	3.1	2.8	3.6	5.2	7.3	8.9	12.6	32.3
Transferable deposits	7.6	3.1	4.6	7.2	6.8	6.2	12.2	8.7	11.0	19.2	11.6	14.3	27.1	26.3	50.3	45.5	41.1	50.5	37.4	47.3	54.3
Other deposits	10.9	13.9	21.7	27.4	28.0	39.5	41.0	50.0	44.2	37.5	38.4	41.0	11.0	10.7	12.7	42.3	89.0	76.0	62.5	57.9	58.9
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	5.8	6.1	16.3	29.1	30.7	40.8	62.8
Short-term loans	6.0	8.6	7.7	10.2	14.4	17.8	22.5	30.8	31.4	29.3	31.2	28.6	36.0	44.8	59.3	83.6	83.9	78.8	106.2	100.9	109.3
Long-term loans	7.1	8.7	10.5	12.6	17.0	22.1	21.1	26.2	34.0	39.0	34.3	34.0	36.5	43.7	48.1	55.3	65.1	76.9	80.7	92.1	107.9
Shares and other equity	0.2	0.2	1.3	2.2	2.1	2.4	2.3	2.1	2.6	2.7	2.9	2.9	3.1	3.5	4.4	4.5	5.0	5.6	7.5	8.3	10.5
Insurance reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Financial derivatives	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	6.6	2.2	2.8	0.0	0.0	0.0	0.5	0.0	0.0	0.0	13.1
Other payables	10.7	12.4	14.0	16.0	19.0	22.0	25.0	24.0	28.0	29.0	32.0	32.0	35.0	37.0	41.0	46.0	50.0	50.0	53.0	61.0	73.9
Net financial worth	33.8	43.2	61.1	56.1	35.5	52.6	85.3	112.4	147.6	218.7	259.9	266.3	284.7	331.0	361.1	384.6	410.6	523.5	652.7	744.7	903.8

Consolidated transactions	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Financial assets	12.8	32.5	14.3	-8.7	39.2	45.8	57.6	47.0	78.8	46.1	45.8	3.2	21.1	54.6	55.1	81.5	61.1	22.6	58.7	54.9
Transferable deposits	0.2	-0.1	-0.5	1.6	-0.4	1.2	2.3	1.2	7.4	-5.6	4.4	4.0	-1.8	10.1	-7.4	-1.8	13.7	-4.7	-4.6	-8.3
Other deposits	3.9	17.7	6.0	-19.2	21.3	26.5	32.2	3.1	35.9	-2.6	11.8	-31.6	-8.0	22.3	-24.7	6.7	1.2	-24.3	18.7	-10.8
Debt securities	0.0	1.6	0.9	-0.6	0.9	1.4	6.5	2.5	-1.7	-1.2	0.1	-1.3	-0.6	0.0	2.5	18.9	11.1	24.8	44.2	55.1
Short-term loans	0.0	0.0	1.8	-0.2	1.5	0.1	1.9	-1.0	0.3	2.2	1.4	1.3	17.1	2.2	0.7	-6.7	-8.2	-1.7	3.8	1.0
Long-term loans	7.0	9.0	3.5	5.5	13.0	12.2	13.6	36.2	34.8	46.2	24.9	28.7	14.8	20.4	81.5	59.0	42.2	22.4	-18.0	-4.9
Shares and other equity	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.8	0.2	0.2	0.2	0.2	0.2	1.2	0.4	2.8	10.5	22.7
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other receivables	1.7	4.3	2.6	4.2	3.0	4.6	1.1	5.0	2.1	6.2	2.8	1.9	-0.7	-0.6	2.3	4.1	0.8	3.3	4.1	0.1
Liabilities	3.6	14.3	18.7	10.1	22.6	15.9	29.1	12.0	9.9	3.1	21.0	-14.9	7.6	48.1	54.9	62.7	0.9	-23.1	6.5	14.9
Monetary gold	-0.9	-0.1	0.8	0.8	-0.5	-0.8	0.9	-0.1	0.2	0.5	3.8	-3.9	-7.8	8.9	4.5	8.2	1.0	-3.6	-2.1	-9.1
Currency	0.1	-0.1	0.0	0.2	0.3	0.1	0.1	0.8	0.6	0.5	0.6	0.9	-0.7	-0.3	0.7	1.2	1.5	0.8	2.3	16.1
Transferable deposits	-4.5	1.7	2.9	-0.4	-0.6	6.0	-2.3	2.3	8.3	-6.8	4.1	11.5	0.3	22.2	-6.1	-7.5	5.7	-20.5	7.9	1.8
Other deposits	3.0	8.0	6.4	0.1	11.7	1.5	13.2	-5.2	-4.1	3.0	6.1	-32.2	-0.4	1.8	28.0	39.2	-19.9	-19.8	-10.0	-7.7
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	2.6	0.0	8.8	11.1	-2.1	7.2	15.0
Short-term loans	2.6	-0.8	2.6	3.9	3.5	4.5	8.8	0.4	-3.7	2.8	0.2	6.2	6.7	10.9	20.8	-1.3	-10.3	17.0	-9.3	-8.9
Long-term loans	1.6	2.1	2.4	2.5	5.1	0.0	7.1	7.8	6.1	-3.8	3.9	0.5	6.7	0.5	4.6	9.6	10.4	-0.1	6.4	2.6
Shares and other equity	0.0	1.2	1.0	0.0	0.2	0.0	0.0	0.5	0.3	0.4	0.1	0.3	0.3	0.0	0.0	0.5	0.6	1.8	0.0	0.6
Insurance reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other payables	1.7	2.2	2.7	3.0	3.0	4.6	1.1	5.4	2.0	6.5	2.2	1.9	-0.6	1.4	2.3	4.1	0.8	3.3	4.1	4.0
Net lending	9.3	18.2	-4.4	-18.8	16.6	29.9	28.6	35.0	69.0	43.0	24.8	18.1	13.4	6.6	0.2	18.8	60.2	45.7	52.2	40.0

Regarding the rest of the world, consolidated and non-consolidated accounts are the same. Claims / liabilities / of the RoW are the same as the consolidated liabilities / claims / of the residents.

2.14 QUARTERLY STOCKS OF FORINT CURRENCY (LIABILITY OF THE CENTRAL BANK, MNB) BROKEN DOWN BY HOLDER SECTORS, BILLION HUF

Year, quarter	Forint currency total	Owned by non-fina corporat.	Owned by credit institut.	Owned by house-holds	Other owner sectors	Year, quarter	Forint currency total	Owned by non-fina corporat.	Owned by credit institut.	Owned by house-holds	Other owner sectors
1969Q4	18.4	1.4	0.2	16.6	0.2	1979Q4	63.5	5.3	1.6	55.8	0.8
1970Q1	19.6	1.6	0.2	17.6	0.2	1980Q1	68.4	4.6	1.8	61.2	0.9
1970Q2	20.5	1.5	0.2	18.6	0.2	1980Q2	67.9	4.6	1.5	60.9	0.9
1970Q3	21.0	1.6	0.3	19.0	0.2	1980Q3	68.0	4.5	1.5	61.2	0.9
1970Q4	22.3	1.9	0.3	19.9	0.2	1980Q4	72.8	5.5	1.4	64.9	0.9
1971Q1	22.8	1.7	0.3	20.5	0.2	1981Q1	74.9	4.7	2.0	67.2	1.0
1971Q2	23.3	1.8	0.4	20.9	0.3	1981Q2	74.3	4.9	1.6	66.8	0.9
1971Q3	24.0	1.9	0.7	21.2	0.3	1981Q3	73.7	4.8	1.9	66.0	0.9
1971Q4	25.2	2.1	0.5	22.3	0.3	1981Q4	81.3	5.5	1.6	73.2	1.0
1972Q1	26.3	2.3	0.5	23.2	0.3	1982Q1	80.0	4.8	2.1	72.1	1.0
1972Q2	27.3	2.1	0.7	24.1	0.3	1982Q2	82.8	5.4	2.1	74.3	1.1
1972Q3	26.0	2.5	0.8	22.5	0.3	1982Q3	85.4	5.9	1.9	76.5	1.1
1972Q4	26.2	2.4	0.9	22.7	0.3	1982Q4	87.3	7.4	2.4	76.4	1.1
1973Q1	28.0	2.4	0.8	24.5	0.3	1983Q1	87.6	7.1	2.1	77.2	1.1
1973Q2	30.2	2.6	0.8	26.5	0.3	1983Q2	95.6	7.1	2.4	84.8	1.2
1973Q3	30.2	2.8	0.7	26.3	0.3	1983Q3	94.2	7.5	2.3	83.1	1.3
1973Q4	31.3	2.8	1.0	27.1	0.4	1983Q4	97.9	9.8	3.1	83.8	1.2
1974Q1	33.0	2.9	0.9	28.8	0.4	1984Q1	101.5	8.6	2.8	88.8	1.4
1974Q2	33.9	3.0	0.8	29.7	0.4	1984Q2	104.2	9.2	2.6	91.0	1.3
1974Q3	33.9	2.8	0.9	29.8	0.4	1984Q3	105.0	9.7	2.7	91.3	1.3
1974Q4	34.6	3.0	1.1	30.1	0.4	1984Q4	108.8	11.4	3.4	92.7	1.4
1975Q1	38.0	3.1	1.1	33.4	0.4	1985Q1	113.4	10.7	2.9	98.3	1.5
1975Q2	39.0	3.1	0.9	34.5	0.5	1985Q2	118.1	11.3	2.8	102.5	1.6
1975Q3	39.0	2.9	1.0	34.7	0.5	1985Q3	116.0	11.4	3.4	99.8	1.5
1975Q4	41.3	3.2	0.8	36.8	0.5	1985Q4	122.4	12.1	5.7	103.1	1.5
1976Q1	42.0	2.9	1.2	37.4	0.5	1986Q1	125.9	13.1	3.7	107.6	1.6
1976Q2	42.0	3.3	1.1	37.1	0.5	1986Q2	129.1	12.3	3.6	111.5	1.7
1976Q3	43.0	3.4	1.1	38.0	0.5	1986Q3	128.0	12.3	4.2	109.9	1.7
1976Q4	45.1	3.3	0.8	40.4	0.5	1986Q4	135.4	14.2	4.6	115.0	1.7
1977Q1	48.0	3.0	1.2	43.3	0.6	1987Q1	146.9	12.6	15.1	117.5	1.7
1977Q2	49.1	3.4	1.1	44.0	0.6	1987Q2	154.5	13.8	16.1	122.9	1.7
1977Q3	49.0	3.4	1.2	43.9	0.6	1987Q3	161.6	14.6	16.9	128.3	1.8
1977Q4	50.7	4.0	1.5	44.6	0.6	1987Q4	171.1	16.3	17.3	135.6	1.9
1978Q1	54.0	3.3	1.3	48.7	0.7	1988Q1	175.9	15.9	14.1	143.9	2.0
1978Q2	56.6	3.6	1.2	51.1	0.7	1988Q2	176.3	17.3	14.5	142.5	2.0
1978Q3	56.0	4.0	1.4	49.9	0.7	1988Q3	176.7	18.2	14.5	141.9	2.0
1978Q4	57.2	4.6	1.7	50.2	0.7	1988Q4	182.5	20.7	18.1	141.7	2.0
1979Q1	59.0	4.0	1.6	52.7	0.7	1989Q1	187.6	21.0	17.0	147.5	2.1
1979Q2	61.3	4.6	1.4	54.5	0.8	1989Q2	188.9	23.0	16.5	147.3	2.1
1979Q3	61.0	4.3	1.4	54.5	0.8	1989Q3	188.1	23.0	17.1	145.9	2.1
1979Q4	63.5	5.3	1.6	55.8	0.8	1989Q4	199.9	29.9	19.4	147.6	3.0

2.15 QUARTERLY STOCKS OF HOUSEHOLDS BANK DEPOSITS AND BANK LOANS (LIABILITY), BILLION HUF

Year, quarter	Bank deposits total	Bank loans total	Loans, other sectors	Year, quarter	Bank deposits total	Bank loans total	Loans, other sectors	Year, quarter	Bank deposits total	Bank loans total	Loans, other sectors
1959Q4	3.9	2.9		1969Q4	34.4	21.2	0.4	1979Q4	132.5	91.5	8.3
				1970Q1	38.6	21.3		1980Q1	137.9	94.2	
				1970Q2	40.1	22.3		1980Q2	139.6	97.7	
				1970Q3	40.9	23.3		1980Q3	140.7	101.8	
1960Q4	5.5	4.4		1970Q4	41.2	24.7	0.6	1980Q4	142.9	105.6	9.6
				1971Q1	44.8	25.0		1981Q1	149.2	106.7	
				1971Q2	45.9	26.3		1981Q2	151.4	110.4	
				1971Q3	46.8	27.6		1981Q3	153.9	115.0	
1961Q4	6.7	5.9		1971Q4	47.5	28.8	0.8	1981Q4	156.5	118.0	11.0
				1972Q1	51.2	29.4		1982Q1	164.0	120.0	
				1972Q2	52.6	30.7		1982Q2	167.1	123.7	
				1972Q3	53.3	32.0		1982Q3	170.0	127.8	
1962Q4	8.8	7.8		1972Q4	53.4	33.1	1.3	1982Q4	172.5	130.8	12.1
				1973Q1	57.3	33.5		1983Q1	181.1	133.9	
				1973Q2	58.8	35.0		1983Q2	185.7	139.7	
				1973Q3	59.7	36.8		1983Q3	189.7	145.7	
1963Q4	12.3	9.8		1973Q4	60.8	38.0	1.7	1983Q4	193.1	150.3	14.9
				1974Q1	65.4	38.7		1984Q1	201.3	156.3	
				1974Q2	67.6	40.2		1984Q2	205.3	163.7	
				1974Q3	68.6	42.0		1984Q3	209.9	170.8	
1964Q4	16.8	11.7		1974Q4	69.5	44.0	2.4	1984Q4	215.5	174.4	17.8
1965Q1	19.2	11.9		1975Q1	75.1	44.6		1985Q1	223.5	180.5	
1965Q2	20.1	12.4		1975Q2	77.8	46.6		1985Q2	228.2	188.2	
1965Q3	20.2	12.9		1975Q3	79.0	49.0		1985Q3	232.1	195.6	
1965Q4	20.4	13.3		1975Q4	79.9	51.3	3.0	1985Q4	238.7	200.2	20.6
1966Q1	22.3	13.5		1976Q1	85.4	52.4		1986Q1	248.6	206.5	
1966Q2	23.4	14.3		1976Q2	87.7	54.7		1986Q2	254.8	215.3	
1966Q3	23.7	15.0		1976Q3	89.3	57.7		1986Q3	260.6	224.6	
1966Q4	23.0	15.7		1976Q4	91.5	60.4	4.3	1986Q4	267.7	229.6	23.8
1967Q1	24.9	16.1		1977Q1	96.6	61.8		1987Q1	278.4	236.2	
1967Q2	25.5	16.8		1977Q2	99.3	64.7		1987Q2	283.7	246.6	
1967Q3	25.5	17.6		1977Q3	101.6	67.9		1987Q3	283.7	257.0	
1967Q4	24.8	17.9	0.2	1977Q4	105.0	70.3	5.6	1987Q4	283.0	265.5	27.3
1968Q1	27.3	17.9		1978Q1	111.8	71.0		1988Q1	282.6	272.6	
1968Q2	28.6	18.2		1978Q2	115.8	73.9		1988Q2	289.7	281.6	
1968Q3	28.9	18.8		1978Q3	118.6	77.3		1988Q3	292.5	290.9	
1968Q4	29.2	19.5	0.3	1978Q4	121.3	80.3	6.9	1988Q4	306.0	296.1	30.8
1969Q1	32.6	19.7		1979Q1	127.7	81.9		1989Q1	318.5	303.6	
1969Q2	33.6	20.2		1979Q2	129.9	85.4		1989Q2	321.5	316.2	
1969Q3	33.9	20.8		1979Q3	131.2	88.4		1989Q3	326.1	329.1	
1969Q4	34.4	21.2	0.4	1979Q4	132.5	91.5	8.3	1989Q4	334.8	319.8	36.0

2.16 QUARTERLY STOCKS OF LOANS TO NON-FINANCIAL CORPORATIONS GRANTED BY RESIDENT BANKS, BILLION HUF

Year, quarter	Short-term loans from MNB	Long-term loans from MNB	Short-term loans banks	Long-term loans banks	Bank loans total	Year, quarter	Short-term loans from MNB	Long-term loans from MNB	Short-term loans banks	Long-term loans banks	Bank loans total
1969Q4	47.2	36.1	0.7	0.0	83.9	1979Q4	77.1	166.4	2.3	0.0	245.8
1970Q1						1980Q1	107.1	158.6	2.6	0.0	268.3
1970Q2						1980Q2	114.1	156.7	2.6	0.0	273.4
1970Q3						1980Q3	114.2	158.2	2.6	0.0	275.1
1970Q4	27.0	62.5	1.0	0.0	90.4	1980Q4	93.6	167.6	2.6	0.0	263.7
1971Q1						1981Q1	119.3	154.9	2.8	0.0	277.0
1971Q2						1981Q2	123.3	153.4	2.8	0.0	279.5
1971Q3						1981Q3	121.4	154.9	2.8	0.0	279.0
1971Q4	29.8	82.0	1.2	0.0	113.0	1981Q4	105.7	168.4	2.8	0.0	276.9
1972Q1						1982Q1	130.6	155.8	3.7	0.0	290.1
1972Q2						1982Q2	133.4	154.2	3.7	0.0	291.3
1972Q3						1982Q3	131.1	153.0	3.7	0.0	287.7
1972Q4	32.4	82.6	1.2	0.0	116.3	1982Q4	117.3	165.9	3.7	0.0	286.9
1973Q1						1983Q1	144.3	155.0	4.4	0.0	303.8
1973Q2						1983Q2	141.7	154.8	4.4	0.0	300.9
1973Q3						1983Q3	140.7	154.7	4.4	0.0	299.8
1973Q4	34.4	84.5	1.3	0.0	120.1	1983Q4	125.0	167.0	4.4	0.0	296.5
1974Q1	40.3	80.8	1.4	0.0	122.5	1984Q1	151.0	157.2	5.6	0.0	313.8
1974Q2	42.2	84.3	1.4	0.0	127.9	1984Q2	152.9	156.1	5.6	0.0	314.5
1974Q3	44.9	86.9	1.4	0.0	133.1	1984Q3	153.1	157.3	5.6	0.0	316.0
1974Q4	43.1	95.5	1.4	0.0	139.9	1984Q4	142.7	165.8	5.6	0.0	314.1
1975Q1	46.2	92.0	1.5	0.0	139.7	1985Q1	165.7	153.9	6.3	0.0	325.9
1975Q2	46.2	94.0	1.5	0.0	141.7	1985Q2	178.4	153.6	6.3	0.0	338.3
1975Q3	45.4	97.0	1.5	0.0	143.9	1985Q3	176.9	156.5	6.3	0.0	339.7
1975Q4	36.1	105.2	1.5	0.0	142.7	1985Q4	159.4	171.0	6.3	0.0	336.7
1976Q1	42.9	107.0	1.7	0.0	151.6	1986Q1	180.3	160.6	7.5	0.0	348.4
1976Q2	45.6	115.8	1.7	0.0	163.1	1986Q2	190.4	159.1	8.0	0.0	357.5
1976Q3	49.0	117.0	1.7	0.0	167.7	1986Q3	190.9	162.7	8.0	0.0	361.6
1976Q4	48.0	121.3	1.7	0.0	170.9	1986Q4	191.5	164.7	8.0	0.0	364.2
1977Q1	51.3	123.8	1.9	0.0	177.0	1987Q1	1.0	0.3	208.2	165.0	374.5
1977Q2	52.5	128.2	1.9	0.0	182.5	1987Q2	1.0	0.2	203.4	175.0	379.7
1977Q3	53.1	132.5	1.9	0.0	187.5	1987Q3	1.0	0.3	204.8	180.0	386.1
1977Q4	48.2	140.7	1.9	0.0	190.8	1987Q4	1.0	0.4	194.2	201.9	397.5
1978Q1	63.9	139.4	2.0	0.0	205.3	1988Q1	2.0	0.4	194.7	190.0	387.1
1978Q2	72.2	139.6	2.0	0.0	213.7	1988Q2	4.5	0.6	189.4	190.0	384.5
1978Q3	73.5	143.4	2.0	0.0	218.9	1988Q3	5.0	0.8	191.5	190.0	387.3
1978Q4	59.9	160.7	2.0	0.0	222.5	1988Q4	6.0	0.7	172.2	211.8	390.7
1979Q1	79.9	156.5	2.3	0.0	238.7	1989Q1	4.0	0.5	219.5	210.0	434.0
1979Q2	87.6	157.6	2.3	0.0	247.5	1989Q2	3.0	0.7	236.1	215.0	454.8
1979Q3	92.2	160.4	2.3	0.0	254.8	1989Q3	3.0	1.0	267.3	230.0	501.3
1979Q4	77.1	166.4	2.3	0.0	245.8	1989Q4	3.2	0.8	234.5	226.2	464.7

3 Inventory for the compilation of back financial accounts data

In Hungary, the regular quarterly dissemination of financial accounts statistics started in 2003, with time series published from 1997 onwards. Previously no regular statistics were produced in Hungary about the stocks of the entire national economy's financial assets and liabilities (financial worth), and the components of changes in worth.⁸ In 2005, the time series of financial accounts were back-cast to the end of 1989 by retaining the quarterly periodicity, although at that time some of the data sources were only available in an annual breakdown. Comprehensive data revisions were carried out more times subsequently, as part of which the more accurate retroactive estimates were produced of households' foreign deposits and equity, and on non-financial corporations' trade credit and advances. The reason for the data of financial accounts statistics starting at the end of 1989 is that undistorted monetary and financial data on the Hungarian economy first appeared at the turn of 1989–1990, which was the time when a number of data sources were made available for the public and internal users, and also when the institutional system was established that could already be a clear match with the later categories of national accounts. Back-casting data to the end of 1989 required precedent knowledge; consequently, the data sources available were also used to retrieve the back data needed for financial accounts. As a result, in 2005 preparations effectively started for further back-casting the time series of the financial accounts to the period preceding 1990. In the light of the data sources available, it emerged subsequently that full pre-1990 data of the financial accounts could currently be compiled only in an annual breakdown and from late 1969 at the earliest. Nevertheless, some items allow quarterly time series and pre-1969 data to be presented, primarily concerning bank loans and deposits.

It is generally true that financial accounts are compiled from data that are not collected specifically for the purposes of financial accounts. That statement is particularly valid for data concerning the 1990s or earlier periods, given that the need for the regular compilation of complete financial accounts only emerged in the late 1990s.⁹ The first central bank data collection exercises that already incorporated the aspects and data requirements of financial accounts, started from late 1997.¹⁰ Back-casting means that by reference to the data of a period that is already provides a match with the financial accounts, financial accounts data are retrospectively generated for earlier periods by detailing, supplementing and adjusting the data available, taking into account the specificities of the period concerned. Apparently, progressing backwards in time, significant estimation efforts were required even for the 1990s to generate unbroken data series that would fit into the system of financial accounts, which is increasingly challenging in periods preceding the regime change.¹¹ This is counterbalanced by increasingly simpler institutional systems and financial arrangements, which enable statistics of acceptable granularity and quality to be compiled from the simpler data set that is available.¹²

First, an overview is appropriate of the institutional or instrumental specificities that emerged in the 1990s in parallel with the development of the market economy and of the financial intermediary system, which will eliminate the need to estimate their data for earlier periods (as they were not included in the financial accounts even at the end of 1989). A summary is likewise appropriate of the specific arrangements that required special statistical treatment in the 1990s but originate in earlier periods, and their consistent treatment therefore

⁸ Between 1969 and 1974, the Hungarian Central Statistical Office compiled a simplified full balance sheet of the national economy, which will be discussed later in more detail. The MNB has been reporting data on the financial worth and financing of specific sectors since the early 1990s.

⁹ The first commitment of the MNB to compile financial accounts as part of national accounts was included in the 1998 government programme that specified preparation tasks for Hungary's EU accession.

¹⁰ Credit institutions' balance sheet, insurers' balance sheet, investment funds' balance sheet, data collection on securities in custody, etc.

¹¹ A summary of the estimations applied in the 1990s is provided in the methodological publication *Financial Accounts of Hungary 2005*.

¹² Statistics are compiled with an accuracy of billions of forints.

also requires attention in the course of back-casting. Since the Budapest Stock Exchange opened in 1990s, no consideration needs to be given to resident listed shares (AF.511) in previous periods. Similarly, at the turn of 1989–1990 there were no investment funds (and consequently no investment fund shares), and no pension funds (and consequently no pension funds reserves).¹³ Non-profit institutions (S.15), other financial intermediaries (S.125), and financial auxiliaries (S.126) have only their funds on record at the end of 1989, with the rest of the assets and liabilities reduced to zero in the financial accounts due to the negligible amounts. Apart from credit institutions and insurance companies, financial intermediation was not yet widespread (the treatment of borderline cases is discussed later).¹⁴ Financial derivatives are only recorded between the central bank (S.121) and the rest of the world (S.2) in this initial period. While forwards may also have been traded by other institutions, we have no means to quantify these.

An important issue that also has a retroactive effect is the content of specific sectors, and the designation of sectoral limits within financial accounts. For back-casting purposes, the arrangements established after 1989 are also applicable to the statistical treatment of the Lakásalap [Housing Fund] created in 1989 with the transfer of preferential loans from OTP; Közép-Európai Nemzetközi Bank [Central European International Bank, CIB], founded in 1979 and operating off-shore until early 1997; the State Development Institute (ÁFI), which was previously treated as a special financial institution and financed government investments; and Központi Váltó és Hitelbank (KVH) Rt., which managed corporate reserve funds and was merged into the MNB in 1992. Care must also be taken in delimiting specific financial instruments. The distinction between securities, (AF.3), loans (AF.4) and deposits (AF.2) is not always clear, and consideration must also be given here to the position of bills and savings/deposit certificates that were more popular at the start of the period. Corporate transformations raise the issue of the distinction between shares (AF.512) and other equity (AF.519). Regarding the content of both institutional sectors and specific instruments, consideration is required between data stability and strict adherence to methodological standards. From the late 1970s, a number of special financial institutions operated in Hungary which were transformed into banks (credit institutions) and limited companies (from their previous legal forms as subsidiaries, partnerships or funds) in the second half of the 1980s. Nevertheless, for the purposes of back-casting data, it is appropriate that such entities should be treated as credit institutions and limited companies throughout the period. In the period under consideration, the following institutions are recorded within the credit institutions sector:

Agrobank (Agrit Bt.)	Kereskedelmi és Hitelbank
Általános Vállalkozási Bank	Kisvállalkozási Bank (OTP subsidiary)
Általános Értékforgalmi Bank	Konzumbank
Budapest Bank (Budapest Hitel Bank)	Közép-Európai Hitelbank (CIB subsidiary)
Közép-Európai Nemzetközi Bank (CIB)	Magyar Hitelbank
Citibank	Magyar Külkereskedelmi Bank
Dunabank	Merkantil Bank (KHB subsidiary)
Építőipari Innovációs Bank (Ybl Bank)	Mezőbank
Innofinance	Postabank
Interinvest (Interbank, Inter-Európa Bank)	Takarékbank
Investbank	Unicbank
Iparbank	Országos Takarékpénztár (OTP)
Ipari Fejlesztési Bank (Technova)	Savings cooperatives

Pénzüntézet Központ (Financial Institutions Centre, PK), Állami Fejlesztési Bank (State Development Bank, ÁFB) and its successor from 1987, the State Development Institute (ÁFI) are treated as part of the general government throughout the period. Központi Váltó- és Hitelbank Rt. is treated as part of the MNB. Given that

¹³ There had previously been initiatives for the distribution of securities in the organised secondary market, and for the establishment of fund-type institutions. Due to asset volumes that were either negligible or could not be identified separately, no distinction was yet made between these institutional forms at the end of 1989.

¹⁴ Other financial intermediaries included e.g. Novotrade Befektetési Rt. from 1983, Hermes Rt. from 1988, or CAIB Értékpapír Rt. from 1989. Auxiliary financial activities were provided by GIRO settlement Rt. from 1988.

a complete set of statements or accounts (balance sheets) was generally not available on these entities as institutions, and that their special activities do not qualify as proper financial intermediation, they are shown in the statistics as part of the MNB or under the central government. Running these operations through the credit institutions sector and their presentation under credit institutions would unreasonably cumulate the data.

Before the regime change, no clear borderlines can be drawn between the sectors of the general government (S.13), non-financial corporations (S.11) and non-profit organisations (S.15). Market conditions were established progressively, and institutional autonomy increased accordingly. The start of the new economic mechanism (from 1968), the establishment of self-governing corporations (from the late 1970s), the adoption of legislative acts to lay the foundations of the market economy (from 1988), and organisational transformations (from the mid-1980s) represented a gradual development in the segregation of government and corporate management. That said, it would be difficult to identify a single date or event that could be decisive for the sectoral reclassification of an organisation. Moreover, for the availability of data sources and the stability of time series, it is also required that sectoral classification should primarily be determined by organisations' legal form (budgetary unit, corporation, partnership, cooperative, society, foundation, etc.) and the nature of their operations, and that the level of shareholder control and institutional autonomy should only be a decisive factor in exceptional cases (see above). Accordingly, entities acting in a corporate legal form are treated as corporations (S.11), while non-profit organisations and civil society organisations are generally treated as non-profit institutions serving households (S.15). Of conventional non-profit institutions, prior to 1989 foundations were not authorised, while the operations of societies, churches and church organisations were restricted. In this period, the data of non-profit organisations were dominated by the financial data of trade unions. Collectively, for these institutions only the stocks of their deposits and loans are available from the reports of OTP (and other credit institutions from 1989), the data of which, together with estimated currency holdings, are shown in the sector of non-profit institutions serving households (S.15).

A general problem in the compilation of back data is that before the end of 1989, only the balance sheets of financial institutions are known, whereas the balance sheets of non-financial corporations, non-profit institutions and government units are not available in any form (either individually or in the aggregate).¹⁵ The annual balance sheet data of entities managed in corporate or budgetary forms were collected and processed throughout the period (Ministry of Finance, Tax Authority, Hungarian Central Statistical Office), and were used to produce a number of analyses; however, we have no information as to where these are currently found. Otherwise the contents of institutional accounts underwent a series of changes in the period under consideration, including major shifts in the role and significance of the balance sheet itself. The launch of the new economic mechanism in 1968 involved changes concerning the structure of the balance sheet and the measurement of instruments. Subsequently, upon their transformation into limited companies, corporations were allowed to revalue their assets, which also resulted in adjustments to the value of their own funds. It was at this time that the equity categories of share capital and own funds gained significance. Adopted in 1992, the Act on Accounting provided for additional changes in the balance sheet structure, and in the content and value of specific balance sheet entries. For instance, these changes included the introduction of non-produced non-financial assets (natural resources) into the accounting balance sheet. Consequently, where back-cast balance sheet data are available, they can only be used for statistical purposes following adjustments that vary in type according to the period concerned, but are by all means significant.

Hungarian financial accounts statistics are compiled from a number of data sources based on a set hierarchy of those data sources.¹⁶ The highest ranks are occupied by the most comprehensive and best quality data sources. Lower-ranking data sources are only used for the retrieval of data which cannot be obtained from higher-ranking data sources.¹⁷ A hierarchy of data sources has also been established for pre-1990 data by taking into account the data sources available. Along that hierarchy, an overview is first provided of the sections

¹⁵ The data available are later described by sector.

¹⁶ Statistics are therefore compiled by instrument and counterpart sector rather than sector, eliminating the need for any balancing processes between the data of individual sectors. The case at hand involved minor ad-hoc adjustments, which will be reiterated later on.

¹⁷ At the same time all data sources used are adjusted and completed in advance with valuable information available from other data sources.

related to the rest of the world based on data concerning the balance of payments and foreign currency positions, then of items related to the MNB based on the MNB's general ledger and accounts. Next, stock is taken of credit institutions' instruments based on bank balance sheets and accounts, as well as on the statistics produced for the IMF. Simultaneous treatment is given to issuer and holder information available on debt securities, and to insurers' balance sheet data. The aim is to ensure that in respect of all data sets listed in the foregoing, data are available in a breakdown by counterpart sector and instrument that also yield appropriate data for the remaining sectors that are not covered by direct data sources.¹⁸ Each sector and instrument is treated by reference to the stock data shown in the quarterly financial accounts at the end of 1989, to which the appropriate back data are aligned. As regards the general government, guidance for the establishment of specific claims and liabilities was provided by the flow data included in the IMF Government Finance Statistics (GFS) Yearbook, and by fiscal (budgetary) accounts. In the case of non-financial corporations, assistance for the compilation of the balance sheet was obtained from the HCSO's statistics on fixed assets and inventories, and from national accounts data on investment, production and use of income. Additionally, useful points of reference were provided by the HCSO's statements on national wealth, the full sets of which are available for the period between 1969 and 1974. As regards non-financial corporations, the greatest challenge is presented by back-cast estimations of intercompany financial links, and by the construction of stock and transaction data on equity between corporations and holding sectors (households and predominantly the general government). Up to the late 1980s, in most cases the concept of effective ownership does not apply, since in general the distinction is not clear between equity investments and various subsidies, withdrawals of equity and other withdrawals, or property income. Nevertheless, as a combined result of these, the corporate net worth (own funds) was produced to represent the equity and financial assets of the owner corporations, households, and government agencies. Consequently, statistics should also provide information of how such items have been generated.

Hungarian financial accounts are stock based statistics, i.e. first the stocks of the financial assets and liabilities (balance sheets) are established for the end of the period, and flow accounts are derived by breaking down variations in stocks into their components (transactions, revaluations and other changes in volume). This balance sheet based approach is fundamentally different from the flow (transaction) based approach of national accounts, and is due to the fact that effective observations of financial instruments can generally be made at the level of stocks based on balance sheets.¹⁹ Consequently, also in the compilation of back data, time series of stocks were produced first, followed by the establishment of revaluations and any other changes in volume over the period, and the transactions over the period, which describe the financing, were derived on a residual basis. However, flow data often have repercussions on stock data. Certain stock data are cumulated from flows or are derived from flow data (e.g. by time adjustment), while stock data may also be supplemented or adjusted on the basis of the expected values of sectoral net worth and net lending.²⁰

3.1 ESTABLISHMENT OF THE RECEIVABLES AND PAYABLES OF RESIDENT SECTORS VIS-À-VIS THE REST OF THE WORLD

In the period under consideration, the most complete data are available on the financial transactions, financial assets and liabilities relating to the rest of the world, from the international financial statements drawn up by the MNB for internal use. Currently, such data are available in an annual breakdown between 1970 and 1980, and on a quarterly basis from 1981 onwards, and comprise undistorted data (as opposed to the public data released before 1990). These internal publications present current account balances and foreign currency positions compiled according to the methodological rules applicable at the time, and as such constitute statistics compiled through the aggregation of the foreign currency flows carried out and the positions held via the banking settlement system. Accordingly, they do not include (up to 1995) the direct payments made by corporations and households

¹⁸ Taking into account the links between financial accounts, i.e. that the financial assets of each participant are also the liabilities of others.

¹⁹ In accounting statements, the income statement carrying flow data (revenues, expenditures and expenses) does not include financing flows (e.g. depositing, borrowing, purchases of securities), which can only be estimated from changes in balance sheet stocks.

²⁰ Net worth is supposed to be around zero in corporate sectors (S.11, S.12); additionally, in the financial corporations sector (S.12) net lending is also expected at approximately zero. Expected values will be discussed later on separately for each sector.

outside of the banking system, and accrual adjustments (for goods, services and incomes), which are prerequisites of today's balance of payments statistics and national accounts. These adjustments and supplementations have been made in the financial accounts for the 1990s, and were also required in respect of earlier periods for the purposes of this data compilation. The supplementations include the incorporation of trade credit, the addition of accrued interest to loans and deposits, the supplementation of equity (shares and other equity), and the incorporation of households' holdings of foreign currency and foreign deposits.²¹

The data of trade credits estimated subsequently for non-financial corporations are presented as separate instruments in the financial accounts (AF.81 trade credit and advances), and are therefore not shown here separately. From 1989 (up to 2008, when direct data collection from corporations started), non-financial corporations' trade credits vis-à-vis the rest of the world were derived by allocating the totals in the corporate accounting balance sheets in proportion with sales. As no corporate balance sheets are available for the pre-1989 period, the stock of non-resident trade credit has been back-cast strictly in accordance with the developments of export revenues and import expenditures. This was based on the assumption that throughout the period, payments followed physical deliveries by just over one month on average, i.e. Hungarian corporations' receivables and payables vis-à-vis their non-resident counterparties became outstanding just over one month following the corresponding exports or imports. Advances were partially treated in the payments statistics, and did not require the introduction of specific adjustments. Advances on imports and exports are included under loans. Taking into account the foreign currency breakdown of export and import payments, revaluation due to exchange rate movements has been calculated for the estimated stock of trade credit, while annual transactions have been obtained on a residual basis by deducting the revaluation from the variation in stocks. The trade receivables and payables of financial corporations and other resident sectors vis-à-vis the rest of the world were considered negligible. The establishment of data on trade credit stocks and transactions required that the incorporation of these instruments should not result in major changes to the net worth and net lending of the national economy.

Due to the accrual recording of interest income (given interest that is due to be received or paid but has not been settled), claims or liabilities are accumulated between the interest-bearing financial instrument's issuer (debtor) and holder (creditor) (accrued interest), which needs to be added to the value of the underlying instrument. In 1989 and the preceding period, a vast majority of non-resident (interest-bearing) receivables and payables belonged to the central bank, and accordingly, accrued interest was added subsequently only to such items. Treating the total of all prepayments and accrued income, and of all accruals and deferred income recorded in the MNB's balance sheet as accrued interest, the year-end amounts were allocated to resident and non-resident instruments in proportion with stocks. Stocks of accrued interest allocated and added to the MNB's receivables and payables vis-à-vis the rest of the world are shown in the table below, highlighted within total stocks.

MNB Interest, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Interest claim	1.8	2.2	3.2	3.8	4.2	5.0	5.3	6.3	7.0	8.0	9.3
o/w: rest of the world	0.2	0.2	0.3	0.4	0.4	0.5	0.5	0.6	0.7	0.8	0.9
Interest liability	0.8	1.2	1.7	2.0	2.3	2.1	2.2	4.2	5.5	6.7	11.3
o/w: rest of the world	0.4	0.5	0.7	0.9	1.0	0.9	1.0	1.8	2.4	2.9	4.9
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Interest claim	10.1	11.0	16.6	18.4	18.9	18.1	12.5	18.3	28.4	23.1	
o/w: rest of the world	1.0	1.0	1.5	2.0	2.5	3.0	2.0	2.5	3.5	3.5	
Interest liability	13.9	15.2	12.4	13.2	11.9	14.3	15.3	15.4	19.7	19.6	
o/w: rest of the world	6.0	6.4	6.9	8.0	8.0	10.0	11.0	13.0	17.1	17.5	

²¹ For example, there are reports of transactions involving the transfer of machinery and production equipment from non-residents without any foreign direct investment or payments, under commitments to provide consideration at a later date. These transactions, which qualify as financial leases or borrowing from the rest of the world, were obviously not covered by payments statistics, and in the absence of amount information, they cannot subsequently be incorporated into our statistics either.

For accrued interest added to non-resident instruments (deposits and loans), revaluation has been calculated in proportion with that of the underlying instrument (corresponding to the foreign currency composition of the underlying instrument), with the residual part of the changes in stocks treated as transactions.

The information available on residents' foreign capital investments and foreign corporate equity is limited to what is presented in the balance of payments statistics, as a result of which the same data are shown in the financial accounts.²² The investments of resident individuals in foreign companies and real estate were considered negligible until the early 1990s. However, additional information is available on non-resident equity holdings in resident corporations, which has been incorporated into back-cast financial accounts. Contemporary foreign currency statistics were only capable of capturing foreign direct investments carried out via the banking system in (foreign) currency, as a result of which the full amount of non-resident equity holdings in resident corporations was not necessarily shown in liabilities to the rest of the world. (An investment could also be made through the transfer of other assets, or alternatively, the equity investment could be revaluated by subsequent profits, both of which were beyond the reach of payments statistics.) The table below shows the stock of foreign direct investments recognised in the foreign currency statements (financial balance sheet), and the stocks supplemented for the purpose of financial accounts.

Foreign capital, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Claims, fin statement	0.2	0.2	1.3	2.2	2.1	2.4	2.3	2.1	2.6	2.7	3.1
Claims, fin accounts	0.2	0.2	1.3	2.2	2.1	2.4	2.3	2.1	2.6	2.7	2.9
Liability, fin statement	-	-	-	-	-	-	-	-	-	-	-
Liability, fin accounts	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.9
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Claims, fin statement	2.9	3.3	3.8	4.7	4.8	5.3	5.9	7.8	8.7	11.2	
Claims, fin accounts	2.9	3.1	3.5	4.4	4.5	5.0	5.6	7.5	8.3	10.5	
Liability, fin statement	-	-	-	-	0.1	0.2	0.3	0.4	1.2	13.5	
Liability, fin accounts	1.2	1.7	2.5	3.2	4.0	6.1	7.1	10.6	22.9	50.6	

In contemporary foreign currency statements, foreign direct investments in resident undertakings can be identified from 1984 onwards. While foreign capital could effectively be invested to establish joint ventures in Hungary from the early 1970s,²³ until 1988 it was not possible for non-residents to hold all or a majority of the shares in resident corporations. Corporations operating with non-resident participation were genuine companies (limited companies and limited liability companies). In the sources available, references vary slightly as regards the number of corporations and equity values. The first foreign direct investments may have been made around 1973 or 1974, and until late 1987 more than 140 joint ventures were established in Hungary. From 1988, there was a perceivable increase in the number and value of foreign direct investments due to government incentives (Companies Act, state-owned enterprises offered for investment). Based on the statistical register and business registers, the first foreign equity investments in resident limited liability companies were identified to have taken place in 1974, and the first foreign investment in the shares of a non-financial joint venture in 1983. In 1979, CIB International Bank was the first credit institution established as a joint venture, with the MNB's 34% participation (see later for more details).

Balance of payments statistics introduced the recording of reinvested earnings on foreign direct investments (equity investments) in 2004, back-cast to 1995. In the financial accounts, estimates for reinvested earnings on foreign direct investments (exceeding 10%) were back-cast to 1990. The point in showing reinvested earnings is that the direct investor (the holder of shares or other equity) earns property income (a share of the corporation's operating profit or loss) even if that income is not withdrawn as dividends, the difference being that in financial accounts such income is reinvested into the value of the shares or other equity. In the

²² From 1979, claims are shown with a lower amount compared to that in the financial balance sheet due to the reclassification of CIB Bank as a resident credit institution.

²³ Soviet-Hungarian joint ventures were in operation prior to that.

early 1990s, corporate profits dropped and a number of corporations made losses, as a result of which the overall effect of the subsequent recognition of reinvested earnings on balance indicators was not significant. Foreign direct investment in Hungary took off in the late 1980s (stocks are estimated at HUF 23 billion at the end of 1988 and HUF 50 billion at the end of 1989), but was not linked to any significant property income at the time (dividends were distributed in the amount of approximately HUF 2 billion). For that reason, reinvested earnings have not been estimated for the pre-1990 period.²⁴

Only indirect information is available on resident households' foreign holdings of (foreign) currency and bank deposits. Resulting from foreign currency transactions that generally took place outside of the Hungarian banking system, these instruments were not included in the balance of payments statistics. The stocks estimated in the financial accounts from 1990s have been back-cast to earlier periods based on foreign currency flow data and on developments in the stocks of foreign currency deposits held in Hungary. Since the financial accounts allow for a distinction between the data of households' foreign currency and foreign bank deposits, the amounts obtained through subsequent estimation can be identified and do not need to be shown here.

In addition to the supplementations discussed in the foregoing, there is one further adjustment that affects the financial links of residents to non-residents in the period under consideration, namely the reclassification of the Central European International Bank as a resident credit institution. Between 1979 and 1997, CIB Bank operated as an off-shore credit institution, i.e. it was generally not part of the Hungarian banking system, and was treated as a non-resident institution for statistical purposes.²⁵ To avoid a break in the series and to ensure compliance with methodological principles, in the financial accounts the bank is shown as a resident credit institution also in back-cast data before 1997. For that purpose, the claims and liabilities of resident counterparties vis-à-vis CIB had to be reclassified from claims and liabilities vis-à-vis the rest of the world to claims and liabilities vis-à-vis resident credit institutions (before 1990, this primarily concerned deposits with the MNB and the equity holdings of the MNB), and the claims and liabilities of CIB vis-à-vis non-residents had to be added to the claims and liabilities of resident credit institutions vis-à-vis the rest of the world. Retrieved from annual accounts and converted into forints, the key balance sheet data of CIB International Bank are shown in the table below.

CIB balance sh, HUF bn	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Balance sheet total	0.9	5.3	7.6	9.2	11.7	16.5	18.2	20.2	25.1	31.4	37.8
Own capital	0.7	0.7	0.8	1.1	1.4	1.8	1.8	1.9	2.0	2.5	3.1
Debt liabilities	0.2	4.4	6.5	7.6	9.6	12.5	16.2	18.0	22.6	28.1	33.6
Claims	0.8	5.1	7.4	9.0	11.0	15.0	17.9	19.7	23.2	30.5	36.3

In making use of the stock data carried in international financial balance sheets, an additional task was presented by the need to obtain the breakdowns by sector and instrument to match those of the financial accounts, and to derive transaction data. Financial balance sheets have been processed from the end of 1989 backwards so that by reference to the more detailed categories obtained and matched to the financial accounts in the 1990s, the financial balance sheets that are progressively simpler going backwards could also be matched to the categories of the financial accounts. In financial balance sheets, a distinction between the sectors of financial and non-financial corporations is made from the end of 1989, and within the sector of financial corporations, the transactions of the central bank are only given a distinct nomination from those of credit institutions from 1992. Prior to that, claims and liabilities linked to specific sectors were identified and distinguished on the basis of the type and name of the instruments (e.g. financial, financing or trade items, bank loans, company loans, government loans). To distinguish the central bank's claims and liabilities vis-à-vis the rest of the world, reliance was also made on general ledger entries, which were also helpful in obtaining

²⁴ The recognition of reinvested earnings would somewhat erode the current account balance and the country's net lending, because the earnings on payables (non-residents' equity investments) were slightly higher than those on receivables (residents' foreign equity investments).

²⁵ The treatment of CIB was not consistent: the bank was shown as a resident institution in certain HCSO statistics, and as non-resident in the MNB's statements.

a more detailed breakdown by instrument. Guidance was also provided by the bank statistics produced for the IMF (International Financial Statistics), in which an indication is given of the assets and liabilities of both the central bank and the credit institutions sector vis-à-vis the rest of the world. Although the MNB issued bonds to non-residents as early as in 1971, and also certainly held foreign securities from the early 1980s, in international financial balance sheets the data of these instruments cannot be distinguished from loan and deposit type assets and liabilities until the mid-1990s.²⁶

Of the asset types used in the financial accounts, monetary gold (AF.11), currency (AF.21), transferable deposits (AF.22) and other deposits (AF.29), short and long-term securities (AF.31 and AF.32), short and long-term loans (AF.41 and AF.42), equity investments in the form of unlisted shares (AF.512) and other equity (AF.519), and financial derivatives (AF.71) could be identified from international financial balance sheets as discussed above. In line with the methods of accounting followed in the 1990s, gold is only shown under central bank receivables, while payables on gold in the financial balance sheet have been netted against receivables. As monetary gold, the entries shown under the “gold” currency have been taken into account. Monetary gold was valued at USD 275 / oz until 1985 and at USD 320 / oz afterwards (this indicates a major increase in stock value in 1985). No SDR instrument (AF.12) is shown in the financial accounts for this period, because Hungary had not yet received any SDR allocations at the time. Following Hungary’s IMF accession, the financial balance sheet included a small amount in free SDR claims from the second half of 1982, which is shown under deposits. According to the methodology currently applicable to the balance of payments and to the national accounts, the IMF quota and its HUF coverage shown in the financial balance sheet under foreign direct investments in gross terms (as an SDR receivable and a USD payable) is not taken into account either as an asset or as a liability.²⁷ The table below shows the year-end stocks that were included in the financial balance sheet before the end of 1989, but not in the financial accounts.

IMF Quota, HUF	1982	1983	1984	1985	1986	1987	1988	1989
Claims, HUF bn	15.5	22.1	25.5	26.9	27.9	32.8	37.3	41.5
Liabilities, HUF bn	15.5	22.1	25.5	26.9	27.9	32.8	37.3	41.5

In the international financial balance sheet, recording was made of financial derivatives (swap transactions) as separate instruments, shown in stocks in gross terms until 1989 with a distinction between the asset and liability legs. In line with the process applied from the end of 1989, in the financial accounts these derivative positions are also back-cast in net terms, i.e. only the HUF balance (difference) of aggregated receivables and payables is included under assets (if receivables are higher) or liabilities (if payables are higher). In that period, all financial derivatives are considered as the MNB’s instruments vis-à-vis the rest of the world. From the end of 1989, the effect of financial derivatives on stocks is also recorded in net terms (or ignored) in international financial balance sheets, while in earlier periods the stocks of receivables and payables are higher compared to those shown in the financial accounts.²⁸ The differences are illustrated by the table below.

Swaps, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Claims, fin statement	4.4	22.6	3.3	2.8	7.4	3.6	7.9	12.0	20.0	90.3	55.7
Liability, fin statement	4.4	22.8	3.2	2.7	7.3	5.7	10.6	12.7	20.4	84.4	49.2
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988		1989
Claims, fin statement	45.7	70.9	16.1	43.6	100.4	81.4	103.7	81.6	133.4		139.1
Liability, fin statement	43.5	68.1	16.7	44.3	103.2	80.9	104.7	84.6	133.6		126.0

²⁶ The main instrument categories of balance of payments statistics known today (foreign direct investments, portfolio investments, other investments, international reserves) were previously not used in Hungary at all. The MNB issued USD 25 million worth of bonds in 1971, and USD 50 million in 1972. The first DEM bond issue was in 1975.

²⁷ Made available to the IMF but held with the central bank, these amounts are shown in gross terms in both the MNB’s accounting balance sheet and its statistical balance sheet; as a result, the assets and liabilities vis-à-vis the rest of the world are shown in higher amounts compared to those in the balance of payments statistics and the financial accounts.

²⁸ It is likely that in the MNB’s accounting balance sheet derivatives were consistently recognised in net terms.

Special attention is required in the case of the assets and liabilities of the general government (central government, S.1311) vis-à-vis the rest of the world, which can only be distinguished from other instruments based on their names (government loans, loans granted as part of economic cooperation). The loans taken and re-lent for international investments (Jamburg, Orenburg, State Development Institute loans) are also classified under the claims and liabilities of the central government. It is in 1971 that noteworthy equity investments in non-residents first appear in the financial balance sheet (with an increase of HUF 1.2 billion), shown under the MNB's assets. In that year, the government transferred its equity holdings in international institutions (NBB, Comecon Bank, BIS) to the MNB to back a central bank capital increase; however, those holdings had not been shown previously in the financial balance sheet. Equity in non-resident institutions is first shown under government assets in 1991, when the central bank transferred (returned) the equity holdings concerned.

In the foreign currency statements, the data were consistently expressed in forints, designating official forints up to 1975 and trade forints from 1976. As a result, pre-1976 data had to be converted into trade forints, which has been done for all years (1969–1975) by consistently applying a factor of 5.1 to the USD denominated balance sheet, and 3.1 to the RUB denominated balance sheet. Calculations based on the exchange rates published by the MNB yield a slightly different multiplier for each year and currency; however, the simplification applied for this investigation does not lead to any major distortions in the data.²⁹

The total assets and liabilities, and the current account balance in the international financial statements, exchanged into trade forints in 1969–1975 and netted against derivatives and the HUF part of the IMF quota before the end of 1989, are shown in the table below. These are data before adjustments and supplementations.

External data, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Claims	34.6	36.4	48.1	62.6	71.7	90.3	102.8	120.6	126.0	137.6	137.2
Liabilities	68.3	79.3	107.2	116.6	104.6	138.9	181.5	229.4	271.0	360.3	400.9
Current balance	6.7	-9.4	-16.0	5.1	21.3	-17.9	-29.9	-28.2	-35.8	-71.4	-40.3
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Claims	139.9	127.0	135.1	190.3	250.4	323.0	339.9	343.7	358.4	433.7	
Liabilities	403.3	408.5	457.6	545.5	627.0	726.2	853.1	975.2	1083.8	1315.5	
Current balance	-23.1	-17.5	-14.1	-8.0	3.9	-17.7	-59.9	-43.9	-32.5	-32.0	

In order that revaluations and transactions may be calculated for specific years by using stock data and breaking down changes in stocks into components, stock data were retrieved from financial balance sheets in a breakdown by major currencies. The data available were annual (year-end) stock data between 1970 and 1980, and quarterly (end-of-quarter) stock data between 1981 and 1989; accordingly, variations in stocks were broken down using annual data for 1970–1980, and quarterly data for 1981–1989.³⁰ Eliminating the effect of exchange rate variations, transactions have been obtained for individual instruments, then aggregated to produce balances calculated from the financing side, which in turn have been approximated to current account balances through minor adjustments of revaluations. In the financial balance sheets and respectively in the balance of payments statistics prior to 1997, no other change in volume was shown, and any effect that it may have had was reflected in revaluations. There were no data revisions either; the effects of occurrences emerging after the year concerned were recognised in the balance sheet for the following year (missing stocks were presented through revaluation).³¹

The breakdown, adjustment and supplementation of stock data according to the instruments and sectors detailed above was then carried for revaluations and transactions as well. This resulted in the complete data

²⁹ In many cases, there were also fundamental differences in the exchange rates applied in conversions of currency obtained from non-residents.

³⁰ Quarterly stocks and exchange rates have allowed more accurate estimates to be made for the effects of revaluations and transactions, which have then been aggregated at the annual level. Between 1970 and 1980, official foreign currency revaluations were less frequent and were consequently easier to be taken into account for the calculation of annual revaluations.

³¹ For example, in 1988 an entry was added to the balance sheet for the HUF 5 billion borrowed in 1987 by Citibank and ÁÉB, and in 1989 for the HUF 1.7 billion borrowed in 1988 by Unicbank.

set of resident institutional sectors' claims and liabilities vis-à-vis non-residents, which would be included in the financial accounts.

3.2 COMPILATION OF THE MNB'S CLAIMS AND LIABILITIES VIS-À-VIS OTHER RESIDENT PARTICIPANTS

Released in English, the MNB's annual report and semi-annual economic summary (Economic Bulletin of the National Bank of Hungary) included the central bank's simple annual accounting balance sheet and income statement from 1974. From 1983, this was replaced by the Quarterly Review, which also featured the central bank's quarterly balance sheet and income statement along with other quarterly data series. The first central bank balance sheet to include undistorted data was released in the Annual Report for 1989. At that point, with retroactive effect to 1982, the MNB also revised the annual statistical time series submitted to the IMF. These statements provided the basis for the compilation of the financial accounts in respect of the central bank. Reliance was also made on the MNB's semi-annual general ledgers, from which, with a certain degree of experience, both distorted and undistorted balance sheet data could be retrieved. Starting from the balance sheet for the end of 1989, which had been accepted as correct, and progressing backwards year by year, balance sheet entries were matched with one another and the value of the instruments required for the financial accounts was established. The balance sheet totals presented in the MNB's contemporary annual reports and accounts, and those released in 1990 in the central bank's back-cast balance sheet are shown in the table below.

MNB balance sh total	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Published, HUF bn	546.5	581.6	599.7	647.6	707.9	789.3	895.3	1074.5	1167.4	1225.2	1744.0
Internal, HUF bn	785.7	832.1	840.8	911.9	961.0	1034.9	1122.1	1296.3	1341.0	1424.8	1744.0
Difference	239.2	250.5	241.1	264.3	253.1	245.7	226.8	221.8	173.6	199.6	0.0

Data distortions primarily concerned assets and liabilities vis-à-vis the rest of the world and the general government. In the 1970s, accumulated assets from the general government and accumulated liabilities to the rest of the world were presented at lower levels than their actual values; additionally, the counterparty classification of specific items was also not appropriate, which further reduced the general government's liabilities. The MNB held foreign currency debt to the rest of the world, but granted forint loans to residents. In the 1980s, the depreciation of the forint created an exchange rate difference in the central bank's balance sheet, which progressively rose to HUF 460.7 billion by the end of 1989. This non-maturing, zero-interest debt was publicly recognised by the government as a liability at the end of 1989, which was subsequently added to government debt (up to the debt exchange in early 1997, and also with retroactive effect). In compiling the financial accounts, this item was also back-cast as a HUF credit debt of the central government to the central bank.³² Until 1989, ÁFI (and its predecessor ÁFB, and its predecessor MBB) was presented as a credit institution in central bank statements. The organisation was reclassified under general government with retroactive effect in 1990. As it was treated as part of the central government throughout the period in the financial accounts, the loans granted to it by the central bank were added to the central bank's loans to the government, and its deposits held with the central bank were added to those of the central government. Corporate loans granted by the ÁFI (ÁFB, MBB) were accounted for as loans granted by the government.

Up to the introduction of the two-tier banking system in early 1987, the MNB granted direct loans to non-financial corporations, and serviced their accounts. Upon the closure of the Hungarian Investment Bank (MBB) in 1971, the portfolio of investment and working capital lending and account for businesses was transferred to the MNB. Its successor, the State Development Bank (ÁFB), and from 1987 the ÁFI kept their own records of investment loans to corporations, and MKB, followed by other credit institutions, also became involved in corporate financing. For these reasons, there is uncertainty concerning the size of non-financial corporations' credit debt in the period under consideration, and the part that had been granted by the MNB either directly or

³² Given its treatment as a forint loan, its increment is a transaction, which in the financial accounts is counterbalanced by the government's capital increases in the central bank (as between 1990 and 1996).

indirectly. From 1974 onwards, the MNB published its balance sheet and in that context the stock of its credit claims on corporations, both in a breakdown by type (investment and working capital loans) and by maturity (long and short-term), as shown in the table below.

MNB loans, HUF bn	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Working capital loans	115.1	111.2	128.1	127.1	143.3	148.7	161.7	170.6	179.4	188.7	205.0	232.0
Investment loans	44.6	51.3	64.3	82.2	97.3	112.5	119.0	122.7	120.6	118.3	118.2	118.0
Long-term loans	94.6	105.6	125.5	146.1	165.8	185.8	188.7	189.5	185.7	186.6	185.4	190.8
Short-term loans	65.2	57.0	66.9	63.3	74.8	75.4	92.1	103.9	114.3	120.4	137.8	154.7
Loans granted total	159.7	162.5	192.4	209.4	240.6	261.2	280.7	293.3	300.0	307.0	323.2	345.5

The amount of the central bank's direct lending to corporations was actually lower, with additional credit from the central bank channeled to the sector through the ÁFB (ÁFI) and the government.³³ From 1985, the involvement of commercial banks in lending to the corporate sector became perceptible, and from 1987 they entirely took on the central bank's role in that regard. The central bank assisted the process through refinancing loans. In 1971, the MNB (and the Hungarian Investment Bank [MBB] wound up in that year) transferred to the OTP the duties of lending to councils and their institutions, and servicing their accounts. In terms of amounts, this primarily concerned the deposits side (HUF 5 billion), set against a stock of credit estimated at HUF 0.3 billion. Following the rearrangements discussed above, in the 1970s the loans granted by the MNB to resident participants were recognised in the financial accounts at the following nominal values:³⁴

MNB loans (new), HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Budget financing loan	15.7	18.7	48.3	56.2	66.8	91.2	134.7	166.7	209.5	250.2	282.8
Corporate reserve fund loan	0.0	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8
ÁFB/ÁFI refinancing loan	19.1	24.7	24.0	32.3	39.8	45.5	54.0	71.1	89.7	111.2	128.7
Other loans to government	0.0	0.0	1.0	0.7	0.4	0.0	1.9	0.5	0.4	0.7	0.5
Claims from revaluation	13.3	13.3	13.3	13.3	13.3	10.3	10.3	10.3	10.3	10.3	10.3
Total loans to government	48.1	80.4	110.4	126.3	144.1	170.8	224.7	272.4	333.7	396.2	446.1
Loans to Hungarian Post	0.0	0.1	0.1	0.1	0.2	0.3	0.4	0.5	0.6	0.5	1.2
Long-term loans to corp.	35.3	61.5	80.6	81.0	82.8	93.7	103.4	119.3	138.7	158.3	163.4
Short-term loans to corp.	46.9	26.8	29.6	32.1	33.9	42.4	35.4	47.2	47.3	59.0	75.5
Total loans to corporations	82.1	88.4	110.3	113.2	117.0	136.5	139.3	166.9	186.6	217.9	240.1

In the 1970s, the MNB did not lend to resident credit institutions and other financial corporations, and according to the statistical classification its counterparties were the central government (including the AFB) and non-financial corporations (including the Hungarian Post). In the 1980s funds were lent to a wider group of debtors, and a major rearrangement took place in corporate lending with the establishment of the two-tier banking system in 1987.

³³ From 1970, the MNB also granted a HUF 23.8 billion loan to corporations for the settlement of the reserve fund, which was shown in the public balance sheet as a loan granted to corporations rather than to the government. The loan granted by the ÁFB (ÁFI) was shown under loans granted to banks. In compliance with the accounting rules applicable from 1989, for the purposes of the financial accounts these items are treated as funds borrowed by the government and re-lent to corporations (and respectively, the reserve fund as a capital injection).

³⁴ At this point, the concepts of impairment and provisions were not used in Hungarian accounting, and assets were carried at cost. The allocation of provisions was effectively introduced in 1992, and the recognition of impairments (netting provisions against receivables) in 1992.

MNB loans (new), HUF bn	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Budget financing loan	282.8	316.9	316.9	314.8	313.6	306.9	305.3	371.2	412.6	416.9	455.1
Corporate reserve fund loan	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8
ÁFB/ÁFI refinancing loan	128.7	126.6	133.8	148.1	148.3	158.0	155.7	158.6	185.3	212.5	243.2
Other loans to government	0.5	0.6	0.3	1.0	1.0	0.8	3.7	5.5	6.8	9.0	12.7
Claims from revaluation	10.3	1.3	7.6	37.8	31.4	40.9	43.2	106.2	196.3	249.5	460.7
Total loans to government	446.1	469.2	482.5	525.5	518.2	530.3	531.6	665.3	824.7	911.7	1195.6
Loans to Hungarian Post	1.2	0.9	0.8	1.5	2.6	2.6	2.4	2.4	0.8	5.5	2.7
Long-term loans to corp.	163.4	164.6	165.4	161.9	162.8	161.6	167.0	164.7	0.4	0.7	0.8
Short-term loans to corp.	75.5	92.1	103.9	114.3	120.4	137.8	154.7	187.6	0.2	0.5	0.5
Total loans to corporations	240.1	257.6	270.1	277.7	285.8	302.0	324.1	354.8	1.4	6.7	4.0
Long-term loans to banks	0.0	0.0	0.0	0.0	0.0	0.3	0.8	0.8	161.1	152.1	158.1
Short-term loans to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.7	90.2	48.7	63.1
Total loans to credit instit.	0.0	0.0	0.0	0.0	0.0	0.3	0.9	1.5	251.2	200.9	221.2

In early 1987, in the financial accounts the loans granted to corporations were transferred from the MNB to the new credit institutions through other changes in volume (given the reclassification of outstanding loans). Apparently, new commercial banks applied for a much smaller volume of short-term central bank loans compared to the volume previously lent by the MNB to corporations, which is explained by the availability of transferred deposits in addition to own funds. The latter were also transferred from the central bank to credit institutions through other changes in volume. All of the central bank's claims from residents were outstanding in HUF, and even at the end of 1989, a mere HUF 0.3 billion worth of foreign currency loans to credit institutions were shown in the financial accounts. The table below provides a summary of the other changes in volume recognised in early 1987 as a result of central bank assets and liabilities transferred to the commercial banks.

MNB-Banks OCV, HUF bn	MNB	Credit institutions
Current account, banks		+20
Short-term dep., banks	+93	
Short-term loan, corp.	-190	+190
Long-term loan, banks	+164	
Long-term loan, corp.	-164	+164
Current account, banks	+20	
Current account, corp.	-94	+94
Short-term dep., banks		+93
Short-term dep., corp.	-23	+23
Long-term loan, banks		+164

From 1987 onwards, the MNB's accounting balance sheet carried higher amounts for the stocks of lending to commercial banks, which also included the value of own and corporate bills of exchange discounted with the central bank. However, these are shown in the financial accounts under securities (against credit institutions and directly with non-financial corporations). From 1986, due to holdings of government bonds, the central bank's claims from the central government are also higher than the credit amounts shown here. Due to the consolidation of Központi Váltó- és Hitelbank (KVH Rt.) with the central bank in the financial accounts, its stock of government securities is also added to the central bank's own volume of government bonds.³⁵

³⁵ Operating as a branch until 1986, KVH Rt. was separated by the central bank from the Austrian CW Bank in 1987, but remained a dependent institution until its liquidation proceedings were initiated in 1992. From 1982, its main responsibility taken over from the central bank was to manage the deposits of corporate reserve fund, a part of which it invested in government bonds, converting the remaining volume into bonds in 1984. For these entries, estimates in the financial accounts were made on the basis of the scarce and at times unclear information available about the bank. The reserve fund withdrawn from the the government was transferred to the State Intervention Fund in 1984.

The stock of accrued interest must be added to the nominal value obtained from the accounting balance sheet for the loans granted by the central bank and the deposits held with the central bank. Accompanying the estimation of accrued interest vis-à-vis the rest of the world, accrued interest on loans and deposits with resident counterparties was obtained through the allocation of accrued income receivable and of accrued income payable to individual instruments in proportion with stocks. For this period, due to their small amounts no accrued interest has been allocated to the resident debt securities held or issued by the MNB. The stocks of accrued income receivable, and of accrued income payable attributable to accrued interest as taken from the central bank balance sheet are shown by counterpart sector and instrument in the two tables below.

MNB Interest, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Interest claims	1.8	2.2	3.2	3.8	4.2	5.0	5.3	6.3	7.0	8.0	9.3
o/w: government	0.5	0.9	1.4	1.6	1.9	2.4	2.8	3.4	4.0	4.5	5.0
o/w: corporations	1.1	1.1	1.5	1.8	1.9	2.1	2.0	2.3	2.3	2.7	3.4
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Interest claims	10.1	11.0	16.6	18.4	18.9	18.1	12.5	18.3	28.4	23.1	
o/w: government	5.5	6.0	9.6	10.2	9.9	8.8	9.0	9.8	15.9	12.6	
o/w: credit institut.							0.0	6.0	9.0	7.0	
o/w: corporations	3.6	4.0	5.5	6.2	6.5	6.3	1.5	0.0	0.0	0.0	

MNB Interest, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Interest liabilities	0.8	1.2	1.7	2.0	2.3	2.1	2.2	4.2	5.5	6.7	11.3
o/w: credit institut.	0.2	0.3	0.3	0.4	0.5	0.5	0.5	0.9	1.3	1.8	2.4
o/w: corporations	0.2	0.4	0.6	0.7	0.8	0.7	0.7	1.5	1.8	2.0	4.0
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Interest liabilities	13.9	15.2	12.4	13.2	11.9	14.3	15.3	15.4	19.7	19.6	
o/w: credit institut.	2.9	2.8	2.2	2.2	2.0	2.2	2.2	2.4	2.6	2.1	
o/w: corporations	5.0	6.0	3.3	3.0	1.9	2.1	2.1	0.0	0.0	0.0	

To establish the stocks of the deposits held by resident sectors with the central bank, the stocks of the term deposits and sight deposits (current accounts) presented in the accounting balance sheet had to be allocated between several sectors, for which the information available was more limited compared to loans. Additionally, there is also a greater sum of unclassified (unallocated) items on the liabilities side of the balance sheet, which also had to be placed within the counterparties and instruments concerned. Other than credit institutions, non-financial corporations and the central government, insurance companies and, up to 1971, local councils and their institutions were also permitted to hold accounts and deposits with the central bank. Magyar Külkereskedelmi Bank (MKB) continuously held foreign currency deposits with the MNB, and from 1979 foreign currency funds were also provided to the central bank by CIB Bank, which in the statistics has been reclassified as a resident credit institution, with its deposits added to those of resident credit institutions. Apart from these, in the first half of the period account only had to taken of the deposits of OTP and ÁFB (ÁFI), with the latter reclassified under government, while the rest of the credit institutions operating at the time (ÁÉB, PK) held negligible stocks of deposits with the central bank. In the 1980s, new credit institutions were established, and from 1985 the MNB took over from the OTP the savings cooperatives' accounts, which led to an increase in the stock of deposits held with the central bank.³⁶ The allocation of accounts and deposits held with the central bank was supported by general ledger entries, but estimates were also required. The greatest uncertainty was involved in the estimation of the deposits of non-financial corporations, because the various special-purpose deposits and funds, and the amounts managed through ÁFB and KVH comprised an

³⁶ Lending by savings cooperatives was limited; their surplus funds may have previously been used or lent by the OTP.

impenetrable system described by data varying by data source. From the contemporary public balance sheet of the MNB, the following year-end stocks of corporate deposits are obtained:

MNB deposits, HUF bn	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Current accounts	49.1	49.0	51.1	54.2	54.6	60.5	67.4	70.0	76.6	70.3	65.4	79.9
Time deposits	50.7	63.3	68.4	69.6	72.5	80.3	88.5	90.9	45.2	39.2	36.3	27.4
Corporate depos. total	99.9	112.3	119.5	123.8	127.1	140.8	155.8	161.0	121.8	109.5	101.7	107.3

The stocks of non-financial corporations' deposits with the central bank were actually higher with regard to the total amount of deposits in the reserve fund.³⁷ For the same period, partially estimated stocks of corporate deposits as used for the financial accounts are shown in nominal value in the table below.

MNB deposits, HUF bn	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Current accounts	50.0	50.0	50.0	54.0	54.6	61.8	71.0	77.4	91.2	81.9	73.3	92.3
Time deposits	74.2	72.2	79.2	97.2	109.2	125.0	137.0	145.6	52.0	45.0	45.8	28.1
Corporate depos. total	124.2	122.1	129.2	151.2	163.8	186.8	208.0	223.0	143.2	126.9	119.1	120.4

The stocks of credit institutions' deposits with the central bank as used for the financial accounts are shown in nominal value in the table below, among term deposits highlighting MKB's foreign currency deposits and KVH Rt.'s reserve fund deposit to be consolidated (and increasing the stock of corporate deposits), and the CIB foreign currency deposit to be added.

MNB deposits, HUF bn	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Current accounts, banks	4.1	2.0	4.5	3.7	4.6	5.6	5.8	4.2	8.7	4.7	4.6	19.2
Time deposits, banks	31.4	40.6	52.7	64.8	83.8	93.8	94.0	95.3	176.8	136.8	99.9	95.1
o/w: MKB fx.	5.8	10.6	14.9	18.5	30.3	40.6	42.2	42.8	43.6	48.0	50.3	45.3
o/w: KVH Rt.								0.0	85.6	40.0	0.0	0.0
+ CIB fx. deposits					0.0	1.0	1.0	1.3	1.5	1.8	2.0	2.5

In the period under consideration, the claims and liabilities of the MNB vis-à-vis resident participants were outstanding in forints except for the foreign currency deposits of MKB and CIB; accordingly, apart from the reclassification in 1987, their entire annual change has been treated as a transaction, and revaluation resulting from exchange rate variations have only been calculated for such foreign currency deposits. Additionally, a revaluation has also been shown for the MNB shares held by the government, warranted by the earnings that had not been withdrawn by the government, and the revaluation difference resulting from the differences in the currency composition of assets and liabilities. Additional transactions included the government's capital increases in the central bank (in 1971, 1974 and 1984), and changes in the claims from the government (zero-interest government debt) as a result of the foreign currency revaluation.³⁸

The liabilities of the MNB's balance sheet also include currency (banknotes and coins in circulation). In the allocation of the central bank's liabilities on currency between holding sectors, reliance has been made on stocks as at the end of 1989, as well as on data available on the currency holdings of credit institutions and corporations for the preceding period. From the end of 1989, estimates were also made in the financial accounts for the currency holdings of insurance companies (S.128), the central government (S.1311), local

³⁷ From 1968, corporate earnings were only withdrawn by the government in part, with the residual amount deposited, which was, initially, also supplemented by the government. The volume of deposits accumulated until 1982 in the corporate reserve fund is estimated to have exceeded HUF 85 billion, a part of which was withdrawn by the government (to be transferred to the State Intervention Fund established in 1984), while the rest was managed by KVH Rt. in deposits and securities. KVH Rt. was registered by the MNB as a financial institution; for the purposes of the financial accounts, the two institutions have been consolidated.

³⁸ The content of accounting equity and earnings will be discussed later in more detail in the sections on processing corporate balance sheets.

governments (\$1313) and non-profit institutions serving households (\$15). For non-financial corporations, the stocks included in financial accounts statistics are higher than previously, as a result of which the stock of forint currency holdings of households, calculated on a residual basis, is significantly lower compared to what was disclosed in earlier reporting. The higher cash holdings of non-financial corporations is explained by the fact that the stock held by small enterprises has also been taken into account, for which a back-cast estimate has been made in light of their deposits. Old and new information is compared in the figure below.

MNB currency, HUF bn	1982o	1983o	1984o	1985o	1986o	1987o	1988o	1989o	1989n	1990n
Total stock of currency	87.3	97.9	108.8	122.4	135.4	171.1	182.5	199.9	199.9	230.5
At non-financial corp.	4.9	6.6	7.1	6.7	8.1	9.4	12.1	19.5	29.9	41.7
At credit institutions	2.4	3.1	3.4	5.7	4.6	17.3	18.1	19.4	19.4	21.0
At insurance companies									0.1	0.1
At central government									1.5	2.0
At local government									0.3	0.4
At households (residual)	80.0	88.2	98.3	110.1	122.8	144.3	152.3	161.0	147.6	163.1
At non-profit institutions									1.1	2.1

The back currency data obtained from the new estimates can be identified in the time series of the financial accounts, and are therefore not shown here separately.

3.3 COMPILATION OF CREDIT INSTITUTIONS' CLAIMS AND LIABILITIES VIS-À-VIS RESIDENT PARTICIPANTS

The complete balance sheet of the credit institutions sector (resident banks, specialised credit institutions, cooperative credit institutions) is only available from the end of 1989; prior to that, the balance sheet of the sector had to be compiled from partial information.³⁹ The most comprehensive information was included in the banking statistics prepared for the IMF, from which undistorted data on credit institutions can be obtained going back to 1982.⁴⁰ However, such reporting did not include the entire gross balance sheet for the sector, but was focused on the main aggregates of lending and measures of money. For the years 1987–1989, reliance has been made on the aggregate bank balance sheets published in the HCSO Statistical Yearbooks, which, however, did not include data on OTP and savings cooperatives for the pre-1989 period. To supplement the data, additional use has been made of the annual reports of specific credit institutions, internal OTP bulletins on loans and deposits, the first volume of the Hungarian Financial and Stock Exchange Almanac, and the publication “Changes in Our Banking System – The Emergence of the Two-Tier Banking System”. The MNB has detailed data collection on credit institutions from late 1989 onwards, which were used as sources of the corresponding data in quarterly financial accounts, and now have served as starting point in the compilation of back data.

In the 1970s, the following entities were included in the HCSO register as “financial institutions”:⁴¹

- Állami Fejlesztési Bank (State Development Bank, classified under central government),
- Magyar Külkereskedelmi Bank (Hungarian Foreign Trade Bank, engaged in foreign currency transactions),
- Országos Takarékpénztár (National Savings Bank, OTP),
- Banking Centre (negligible assets),
- Local savings institutions (savings cooperatives and mutual savings cooperatives).

³⁹ A complete balance sheet needs to be compiled in order to verify the match between assets and liabilities. For financial intermediaries, both net worth and net lending are expected to be around zero. Failing that is an indication of incomplete data.

⁴⁰ Previously, data are provided going back to 1978, and respectively to 1975, in the IMF's contemporary International Financial Statistics (IFS), but caution is warranted when using such data.

⁴¹ In some sources, the single insurer Állami Biztosító (State Insurance Company) was also included as a financial institution. CIB was added to the list from 1979. Operating under the supervision of the Banking Centre, at that time Általános Értékforgalmi Bank (General Banking and Trust) was not presented as a separate institution due to the insignificant volume of its assets.

OTP and cooperative credit institutions were primarily responsible for deposit taking and lending activities for households and small enterprises. Additionally, OTP also provided banking services to “public entities”, i.e. non-profit and government (council) institutions. In 1971, the MNB (and in part the MBB) transferred to the OTP the duties of lending to councils and their institutions, and taking their deposits. Additional “public entities” included trade unions, sporting associations and other civil society organisations on the deposit side, and public utility associations on the lending side. Communal deposits also included the deposits of corporate housing funds, which have been treated as deposits held by non-financial corporations. OTP also intermediated housing loans granted by employers, concerning the (off-balance sheet) stock of which memorandum items are available.⁴² From 1977, the bank issued savings certificates as a form of savings deposits, which were reported as securities in some statistics. In the financial accounts, savings certificates and deposit certificates are shown under term deposits. In 1985, OTP transferred to the MNB the accounts of cooperative credit institutions; prior to that date, the data reported by the OTP also included cooperative credit institutions’ data. Notwithstanding that transfer, the information reported by the OTP provided essentially full coverage in the retail, small enterprise and public business lines.⁴³

OTP’s complete balance sheet is not available for the pre-1989 period; however, the information reported by the bank on loans and deposits has enabled a good approximation for the reconstruction of its balance sheet, consolidated with cooperative credit institutions, in respect of the start of the period (see the next table). The compilation of a complete back-cast accounting balance sheet for subsequent years has been discouraged by the presence other liabilities and, in particular, of other assets, of unknown content and increasing weight.

OTP balance sheet, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1978	1980
Loans to households	21.7	25.3	29.6	34.0	38.8	44.7	52.1	61.4	81.6	107.2
Loans to public units	0.7	0.8	2.5	3.5	4.2	5.2	5.7	4.8	6.1	6.0
Deposits with MNB	14.7	13.8	13.9	14.8	19.7	22.5				
Other assets	5.7	10.2	16.1	18.6	20.5	22.6				
Total assets	42.8	50.0	62.1	70.9	83.1	95.0				
Deposits of households	35.1	42.1	48.4	54.5	62.0	70.8	81.3	92.9	124.9	145.3
Deposits of public units	4.6	4.4	8.4	10.0	12.6	15.5	15.0	15.2	17.9	18.0
Other liabilities	3.1	3.6	5.3	6.4	8.5	8.7				

In light of the MNB’s balance sheet, it is likely that OTP’s non-nominated other assets were also comprised of deposits held with the central bank. In accounting terms, accrued interest was added to loans and deposits at the end of the year, as a result of which they were not included in other assets and other liabilities.⁴⁴ For the compilation of financial accounts, it has therefore been sufficient to use data on loans and deposits from OTP’s statements, without the need to estimate other items. (The stock of deposits with the central bank has been taken from the central bank’s balance sheet, while an aggregated estimate has been made for the value of equity, securities and other nominated instruments in respect of the entire credit institutions sector.)

According to aggregated statistics (MNB, HCSO, IMF), the role of commercial banks and specialised credit institutions in lending to and taking deposits from resident corporations became perceivable from 1985, and dominant from early 1987 when loans and deposits were transferred from the MNB at the start of the two-tier banking system. Apart from the MNB and ÁFB, which was part of the general government, for a long time OTP was the largest banking service provider, which from 1982 onwards was also licensed to grant loans to companies. Prior to 1984, the other significant bank of the era, Magyar Külkereskedelmi Bank (Hungarian Foreign Trade Bank, MKB) had only been licensed to enter into foreign currency transactions, and it financed the central bank by depositing the foreign currency funds received from residents and non-residents. The bank’s

⁴² Housing loans granted at preferential rates and zero-interest loans granted by employers were introduced in 1971.

⁴³ Subsequent consideration needed to be given to foreign currency accounts held with IBUSZ. OTP took foreign currency deposits from 1970.

⁴⁴ Due to the addition of accrued interest at the end of the year, interim (quarterly) data on loans and deposits are only comparable to year-end data after adjustments (see later).

accounting balance sheet total and equity capital data are shown in the table below, based on contemporary annual accounts.⁴⁵

MKB balance sh, HUF bn	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Balance sheet total	21.0	28.5	34.6	47.8	60.6	61.4	56.9	53.4	59.1	66.0	70.9	87.8
Own capital		0.9	1.1	1.2	1.8	1.9	2.0	2.3	2.5	2.8	3.2	3.3

While all resident banks were state-owned at the start of the period, in 1974 corporations acquired equity in MKB through a capital increase. Central bank and non-resident equity was introduced to the sector when CIB Bank was established in 1979, and interbank equity when Interbank was established in 1981. At the end of 1989, at least 10 credit institutions were owned solely or partly by resident credit institutions. Previously, share capital and own funds were of a symbolic size in state-owned institutions (both corporations and banks), accounting to a mere 1-2% of total assets. Major capital increases in credit institutions were carried upon and following the introduction of the two-tier banking system, as a result of which by the end of 1989 the average ratio of own funds to total assets exceeded 10% in the sector. In the financial accounts, the stock of shares held by credit institutions qualifying as limited companies (rather than cooperatives) has been established individually for each institution using their accounting equity and profits. The allocation by holding sector has been obtained through a breakdown of share capital by shareholder. Annual transactions have been obtained as a result of changes in share capital.⁴⁶ For each credit institution, the first known capital data have been back-cast.

In the absence of balance sheet data, the own funds of savings cooperatives were set at 10% of their respective deposit stocks, and back-cast over the entire time series.⁴⁷ At the end of 1989, the stock of own funds known from the MNB data collection amounted to HUF 5.95 billion, while that of base capital to HUF 2.59 billion. Households accounted for HUF 1.7 billion in own funds, and non-financial corporations for HUF 4.25 billion. In back-cast data, the share of ownership held by corporations has been reduced progressively.

For the years preceding the two-tier banking system, credit institutions' accounting balance sheet totals are illustrated by the figure below (in a statistical sense, representing the balance sheet of institutions in the credit institutions sector, net of technical entries).

Credit institut., HUF bn	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Balance sheet total	126.3	146.5	169.6	202.8	236.5	251.6	267.3	285.7	314.3	351.3	384.7	444.2

In terms of both value and sectoral breakdown, financial accounts data for resident loans and deposits needed to be matched with the status as at the end of 1989, and the adjustment needed to be back-cast over credit institutions' data. Earlier data on loans granted by credit institutions to customers could be matched seamlessly with the stocks carried in the financial accounts at the end of 1989. In line with later practice, the loans to small undertakings (granted for agricultural and other production), which appeared at the same time as retail loans, have been allocated to non-financial corporations (S.11) rather than households (S.14). At the end of 1989, HUF 15 billion worth of interest accrued on non-financial corporations' stock of credit, which has been back-cast to 1987 in proportion with stocks. For the preceding period, no accrued interest has been calculated for the minimal stock of credit. The stock of corporate bills of exchange discounted with credit institutions has been removed from loans granted to corporations, and is shown in financial accounts under short-term securities (back-cast to 1985). In the period under consideration, long-term bank loans to households represent

⁴⁵ For this period, little information is available about the composition of the MKB's balance sheet. Consequently, it is difficult to determine the extent to which it may have been linked to resident customers. Later on this issue will be reiterated in connection with the establishment of deposit stocks.

⁴⁶ We have assumed that the full amount of the share capital was paid up by the shareholder in each case. No sufficient information was available for the quantification of diverging cases.

⁴⁷ At the end of 1969, there were 380 savings cooperatives and 4,800 mutual savings cooperatives in operation, with 684,000 and 792,000 members, respectively. One share was worth at least HUF 100. At the end of 1989, there were 260 savings cooperatives in operation, with 1,700,000 members. In 1978, there were 1,356,000 members.

housing loans. Small-amount consumer loans have been included in the short-term category (no information is available on their breakdown by maturity). There has been no need for any subsequent addition of accrued interest as result of OTP's accounting practice for the end of the year. Given that it was no longer possible to grant preferential housing loans in 1989, their outstanding stock was transferred from OTP to the Housing Fund, the bonds of which were acquired by OTP. In order to ensure the consistent treatment of the time series, this temporary institution has been treated as part of OTP for the period between 1989 and 1991, with housing loans transferred back to the bank, and Housing Fund bonds ignored. The Housing Fund's government bonds covering the losses resulting from the difference in interest have also been treated as securities (government securities) transferred to the bank. The stock of loans to "public entities" other than councils has been allocated between the central government and non-financial corporations. At this time, non-profit institutions serving households had no credit debt.

In the field of credit institutions' liabilities to customers on deposits, a number of adjustments have been needed when matching earlier data with financial accounts. The bank deposits held by small enterprises have been allocated between households and non-financial corporations. (Small enterprises included both sole proprietors and companies without a legal personality.) The stock of corporate deposits has been increased by the amount of accrued interest (HUF 7 billion at the end of 1989) and other bank assets (HUF 21 billion at the end of 1989). There has also been a need for an upward adjustment to items carried at nominal value.⁴⁸ The adjustments also had to be back-cast. As the corporate foreign currency deposits held with MKB were not included in contemporary time series, the additional deposit stocks have been treated as foreign currency liabilities to credit institutions. The foreign currency deposits of households also had to be supplemented by the amount of BC accounts held with IBUSZ.⁴⁹ The vast majority of deposits held by "public entities" other than councils have been classified under the deposits of non-profit institutions serving households. These were primarily deposits of trade unions and societies. The deposits held by the General Directorate for Social Security of the National Council of Trade Unions (SZOT) has been transferred to the central government. On interbank deposits, i.e. receivables and payables of resident credit institutions vis-à-vis one another, the first comprehensive set of data are available for the end of 1989, obtained from the detailed MNB data collection. For earlier periods, inferences about the size of interbank claims have been made from the aggregated bank balance sheets disclosed in the HCSO Statistical Yearbook, and from the annual reports of individual banks. For the pre-1985 period, in establishing the stock of interbank deposits, account could only be taken of the deposits held by savings cooperatives with OTP.⁵⁰ We have assumed that no significant financial links existed between other credit institutions at the time.

3.4 INSURANCE CORPORATIONS' CLAIMS AND LIABILITIES VIS-À-VIS RESIDENT PARTICIPANTS OTHER THAN BANKS

In addition to the State Insurance Company (ÁB) established in 1949, Hungária Biztosító (HB), also a state-owned insurer, started operations from June 1986 through the allocation of the former's assets, while Garancia Biztosító, founded by banks, and Atlasz Biztosító, founded by banks, insurers and corporations, started their operations in 1988. From their launch, all of these insurers have been treated as corporations operating as limited companies, although ÁB and HB were only effectively converted into limited companies later, in 1990. In 1949, of the former 233 mutual insurance societies 10 were authorised to retain their licences; there were 9 registered societies in 1970, and 8 at the end of the 1980s. These were mostly railway workers' and miners' mutual societies. As they entered into reinsurance contracts with the State Insurance Company, their negligible

⁴⁸ At the end of 1989, contemporary statistics consistently reported about HUF 165 billion worth of corporate deposits, net of small enterprises. On the other hand, the MNB reporting statements taken into account for financial accounts included HUF 185 billion in corporate deposits. Apparently, going backwards deficiencies increased in the field of reported stocks of corporate deposits, i.e. contemporary statistics failed to report some of the corporate deposits.

⁴⁹ Non-interest-bearing BC accounts could be opened with IBUSZ offices to deposit foreign currency obtained from the rest of the world from 1974. IBUSZ Idegenforgalmi Rt. is a non-financial corporation where liabilities on deposits should not be recorded; consequently, that stock has been transferred to deposits with credit institutions (HUF 4.7 billion at the end of 1989).

⁵⁰ The size of deposits held with OTP has been calculated on the basis of funds taken but not lent. Until 1982, loans could only be granted to members.

assets (of which no specific statements are available) have been reported under those of limited companies (as part of the State Insurance Company) in the back-cast time series of the financial accounts.

In respect of insurers, aggregated accounting balance sheets are available for the end of 1988 and 1989 (HCSO Statistical Yearbooks). For earlier periods, information about the stock of insurance technical reserves and its variations has been obtained from the Insurance Yearbooks of the National Authority for Insurance Supervision. On the asset side, investments of insurance provisions have been determined by the deposits held with the MNB, and holdings of securities and equity. These instruments provided the framework of the balance sheet, within which other entries have been back-cast on a proportional basis. Provisions (AF.6) have been broken down into life and non-life insurance provisions based on details about provisioning.⁵¹ The segregation of life and non-life insurance provisions is not only important because these entries represent separate financial instruments in the financial accounts, but also because they may be allocated to different counterpart sectors and groups of connected clients. Life insurance provisions are treated as claims of resident households, while non-life insurance provisions have been allocated between households and non-financial corporations.⁵² Annual variations in the stock of insurance technical reserves have been shown as transactions. In respect of this period, no revaluation has been recognised either for provisions, or for the securities and other assets held as invested provisions. In 1977, the sudden halt in the level of provisions (including that of life insurance provisions) was due to the government's one-off withdrawal of the amount of provisions made for that year (HUF 1.7 billion) from the insurer. This has been derecognised from the stock through other changes in volume (in the form of capital transferred from ÁB to the central government). Insurers may grant loans to customers against insurance policies. In the financial accounts, policy loans are shown as long-term loans (AF.42), allocated between the borrower sectors of non-financial corporations and households. As regards year-end stocks, balance sheet data are available going back to 1988, whereas earlier data have been obtained through linear estimation. There may also have been claims and liabilities on reinsurance over the entire period given that mutual insurance societies used the reinsurance services provided by insurers; however, as it has not been possible to quantify such items, their stocks are shown in the statistics in net terms.

3.5 BALANCE SHEETS OF NON-FINANCIAL CORPORATIONS, CLAIMS AND LIABILITIES VIS-À-VIS RESIDENT COUNTERPARTIES

In the absence of any data collection for statistical purposes, the primary data sources of financial accounts in respect of non-financial corporations' assets and liabilities that are not covered by bank data sources have been and continue to be the balance sheets reported in annual business accounts and tax returns. Knowledge of corporations' accounting balance sheets is essential to establish the stocks of intercompany claims (loans, equity and other receivables), claims between corporations and owner sectors (equity), and receivables from employment, trade and taxation (other accounts receivable), and the changes in those stocks. A unique feature of the period between 1969 and 1989 is that accounting balance sheets are only available for the first and last years of the period, whereas for interim years only the stock of non-financial assets (fixed assets, inventories, investments) and bank information (currency, deposits, loans) is known in respect of corporations. Apart from these, some flow-type variables in the national accounts (output or sales, intermediate consumption, operating result, change in inventories) have been available to produce estimates for specific balance sheet entries (in particular for other accounts receivable and payable).

Non-financial corporations (S.11) have been considered as including entities operating in a corporate form (state-owned enterprises, companies, trusts, associations, joint ventures, cooperatives) other than financial

⁵¹ According to the study on the history of the State Insurance Company, provisioning between 1949 and 1986 amounted to HUF 30.2 billion, comprised of HUF 19.3 billion in life insurance provisions, HUF 5.3 billion in provisions for risk (from 1973), HUF 4.0 billion in provisions for liability insurance (from 1962), and HUF 1.5 billion in other reserves. In the summer of 1986, the State Insurance Company's total reserves amounted to HUF 22.0 billion, of which HUF 16.5 billion had been allocated to life insurance provisions.

⁵² From 1968, insurance could also be obtained by state-owned enterprises.

institutions, and a part of small enterprises.⁵³ The available statistical data sources have typically been provided in the following sector and industry breakdown.

Sectors in the socialist national economy:	Industries in the socialist national economy:
Public sector	Material branches
State-owned enterprises	Mining, manufacturing, electricity
Ministry corporations	Construction industry
Council corporations	Agriculture and forestry
Government institutions	Transport and communication
Government, government units	Trade
Government plants	Water management
Cooperative sector	Non-material branches
Social bodies	Personal and business services
Private (independent farms)	Health, social and cultural services
Small partnerships and supporting activities	Administrative and other services

Entities operating in a corporate form were state-owned enterprises in the government sector, cooperatives, and privately-owned businesses in other sectors. In a broader sense, for the purpose of contemporary statistical classification state-owned enterprises were considered as including corporations controlled by ministries and councils, as well as the subsidiaries, associations, joint ventures, and companies of such corporations. Ministry corporations and cooperatives may also have included financial corporations (financial institutions, insurance companies and local savings institutions). The sectoral breakdown actually represented a classification by ownership to facilitate the segregation of state-owned, municipal and private corporations as they are called today, and thereby to enable their equity (shares and other equity) to be allocated to holding sectors.⁵⁴ To a certain extent, the information available in a sectoral breakdown could also be matched with the data generated in a breakdown by industry. The indicators of non-financial corporations were predominantly linked to material branches, of which public roads and bridges (from the industry of transport and communication) and dams and water facilities (from the industry of water management) needed to be omitted (as they belonged to government units). Of the non-material branches, only a part of personal and business services was linked to corporations (with particular regard to the services of financial institutions, and the management of housing and property), while the remaining industries represented the duties of government (budgetary) institutions. In some instances, within the corporate sector the data of cooperatives had to be extracted from data in an industry breakdown, which have been estimated from the industry of agriculture.

Between 1969 and 1974, using accounting balance sheet reports and its own calculations, the HCSO compiled the aggregated balance sheet of the national economy, which included the financial and non-financial assets and liabilities of all sectors.⁵⁵ This ambitious effort was supported by state-owned enterprises and cooperatives revaluating their fixed assets in 1968 as of the start of the year, as a result of which net book values may have provided a good approximation to contemporary fair value in compliance with statistical requirements. In the compilation of national wealth, the balance sheet of non-financial corporations (state-owned enterprises and cooperatives) can only be segregated in 1969, in subsequent periods the public sector was presented in the aggregate. From 1975, financial assets were no longer presented,⁵⁶ and subsequently national wealth was represented in the statistics by real assets. As of 1981, the HCSO also discontinued estimates for the stock of non-produced non-financial assets (natural resources), leaving only the statistical presentation of accumulated

⁵³ The HCSO defined corporate-type entities as business entities required to draw up a balance sheet report or a simplified report. These include economic entities with a legal personality and economic entities without a legal personality with annual sales exceeding HUF 25 million (from 1988). Among small enterprises, account has been taken of the data of entities producing statements of assets and liabilities, i.e. companies with annual sales of not more than HUF 25 million, and entities subject to the corporate income tax.

⁵⁴ From 1989, in quarterly financial accounts statistics the breakdown of corporations' share capital by holding sector ensures that the stock of shares and other equity may be allocated to specific holding sectors. However, as no such information was available until 1989, allocations for that period could be made on the basis of the "sector" of corporations, i.e. their legal form or ownership.

⁵⁵ A detailed description of data and methodology is provided in the publications of the HCSO and János Árvay listed in the sources.

⁵⁶ Due to the increasing level of indebtedness, a full presentation of financial assets and liabilities has not been possible.

assets (fixed assets, inventories, assets under construction). While asset valuations were commissioned centrally on several occasions in the 1960s, no such valuations were carried out at all in the 1970s and 1980s. As a result, the book values of fixed assets as used in statistics increasingly diverged from fair values. Having recognised this, from the late 1980s the HCSO discontinued reporting the stock of net fixed assets for statistical purposes, and started to publish corporations' aggregated accounting balance sheets instead. It is for that reason that detailed corporate balance sheets are available from the end of 1989, which have also been used as a reference point for the compilation of back data.

Accounting balance sheets have been back-cast in a breakdown into state-owned enterprises and cooperatives in order to obtain a breakdown of own funds and profit/loss by main shareholder (public and private) as required to establish the stock of equity. The balance sheets for interim years have been constructed through the establishment of own funds on a residual basis following the compilation of various financial and non-financial assets and liabilities. These own funds, including undistributed profits, feed into the financial accounts as the value of corporate shares and other equity (AF.51). For the compilation of the balance sheet, the net value of tangibles (fixed assets in contemporary terms), the value of inventories, and the value of assets under construction (presented as a separate instrument) have been taken from HCSO statistics on national wealth, accumulated assets or fixed assets, respectively; financial instruments with banks have been taken from the data sources described earlier; profit or loss data have been taken from national accounts (national income statements); and estimates have been made for the stocks of other receivables and other payables. (The stock of other accounts receivable and payable, i.e. trade credit, has been estimated on the basis of corporate output and intermediate consumption, while estimates for other items have been made by reference to profits, wages and salaries, taxes and subsidies).⁵⁷ The main entries in the accounting balance sheet compiled for non-financial corporations for the period between 1969 and 1989 are illustrated in the two tables below. (Back-cast balance sheets estimated in compliance with the accounting principles applicable at the end of 1989.)

Corp. balance sheet, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Cash and deposits	47.4	67.3	80.1	89.0	99.6	121.2	124.0	129.0	140.0	139.0	150.0
Current claims	97.0	107.5	119.1	130.3	146.4	165.2	184.5	203.8	225.1	245.5	263.5
o/w: Trade credits	93.3	103.6	113.6	121.8	134.2	150.1	167.0	183.0	201.6	218.3	232.0
Inventories	212.9	228.2	256.1	279.3	300.0	335.3	365.0	405.8	430.7	478.1	491.1
Fixed assets	449.6	495.9	539.8	587.0	635.5	688.0	762.6	826.4	895.0	972.3	1052.1
Unfinished assets	47.6	54.2	65.1	69.9	68.0	78.6	81.6	88.6	109.7	128.7	137.3
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.3	0.3
Financial investments	13.5	16.0	20.0	24.0	27.0	30.0	34.0	38.0	40.0	46.0	53.0
Other assets	52.2	58.4	66.8	75.9	91.5	105.9	119.5	95.8	113.2	118.2	125.1
Balance sheet total	920.2	1027.5	1147.0	1255.4	1368.0	1524.1	1671.3	1787.5	1953.9	2128.0	2272.4
Own capital/funds	612.3	683.1	760.6	825.4	879.6	964.8	1052.9	1165.3	1254.9	1362.8	1453.8
Profit for the year	75.2	77.6	82.9	91.1	108.3	125.9	138.0	118.4	144.3	148.3	152.3
Debt liabilities	83.9	95.4	111.3	127.5	143.8	163.2	177.2	197.4	213.3	245.1	267.8
Other liabilities	52.7	63.6	74.5	85.4	98.6	115.5	129.0	111.0	128.0	139.0	148.0
Trade credits	78.9	88.6	96.7	103.4	113.4	128.1	146.0	164.2	179.4	196.3	212.0
Others	17.2	19.2	21.0	22.6	24.3	26.6	28.2	31.2	34.0	36.5	38.5

⁵⁷ A detailed description of the steps involved in the estimation of the corporate balance sheet would go beyond the scope of this inventory.

Corp. balance sheet, HUF bn	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Cash and deposits	150.0	155.8	161.0	161.0	151.0	123.0	130.0	138.1	169.9	156.4	182.0
Current claims	263.5	300.4	326.4	349.4	378.5	412.9	442.0	495.6	570.4	635.2	731.7
o/w: Trade credits	232.0	264.0	288.0	306.0	329.2	356.5	379.0	423.0	478.0	521.0	598.4
Inventories	491.1	541.6	596.8	631.0	661.1	691.8	734.0	777.4	815.2	878.7	934.9
Fixed assets	1052.1	1111.6	1162.6	1216.0	1282.6	1320.0	1368.5	1447.8	1532.7	1600.0	1686.0
Unfinished assets	137.3	140.3	145.6	155.8	149.8	137.3	145.5	127.6	136.4	145.9	151.7
Intangible assets	0.3	0.4	0.4	0.5	0.5	1.6	2.6	3.6	4.6	5.6	11.6
Financial investments	53.0	57.0	62.0	69.0	75.5	80.0	87.0	92.0	105.6	128.0	215.5
Other assets	125.1	124.5	151.5	154.0	161.5	196.0	218.5	235.0	297.0	258.0	284.5
Balance sheet total	2272.4	2431.5	2606.2	2736.5	2860.5	2962.4	3128.0	3317.1	3631.8	3807.7	4197.7
Own capital/funds	1453.8	1550.8	1640.9	1714.0	1782.9	1789.0	1897.1	2003.5	2144.2	2247.5	2446.9
Profit for the year	152.3	147.9	173.2	170.8	170.2	185.3	198.7	213.6	256.0	194.5	222.1
Debt liabilities	267.8	288.1	302.4	328.6	350.1	368.8	379.6	394.6	415.6	418.9	436.3
Other liabilities	148.0	155.0	176.0	188.0	199.5	236.0	253.0	285.0	367.0	474.0	564.8
Trade credits	212.0	248.4	270.0	288.6	310.0	334.7	349.6	369.4	396.0	417.0	469.7
Others	38.5	41.3	43.7	46.5	47.8	48.6	50.0	51.0	53.0	55.8	58.0

The value of fixed assets (tangibles) in the accounting balance sheet has a fundamental influence the value of own funds, which in turn will determine the size of the stock of unlisted equity (corporate shares and other equity) in the financial accounts. In the absence of regular asset valuations, a distortion in the value of fixed assets (retained at historical book value adjusted for depreciation) has led to a severe underestimation of corporate own funds from the 1980s onwards. A smaller part of that distortion was adjusted in the context of the asset valuations linked to the accounting transition in 1992, and to corporate transformations.⁵⁸ At the time, write-ups exceeding a total of HUF 500 billion were recognised in the balance sheets, which has been back-dated within the value of corporate other equity to the end of 1989 in the compilation of quarterly financial accounts for earlier periods, and has now also been taken into account for the adjustment of pre-1989 own funds data.⁵⁹

Another difference is that in the new accounting balance sheet, the category of fixed assets has been replaced by that of tangible assets, which, in addition to the incorporated natural resources, included (and continues to include) investments and advances on investments. For statistical purposes, the concept of fixed assets has been reserved for produced non-financial assets. Also, advances on inventories have been added to the value of inventories. Until 1991, the value of natural resources (land, forests and mineral resources) was not included in accounting assets, and the advances carried in balance sheets were netted against stocks of accounts receivable and payable. The balance sheet profit or loss was obtained as profit or loss before taxes, and was presented on the liabilities side of the balance sheet separately from equity.⁶⁰ The balance sheets of non-financial corporations converted according to the accounting requirements in place from 1992 are illustrated in the two tables below for the period between 1969 and 1989. (The data marked in red are estimates, as the balance sheet entries concerned were introduced in 1992.)

⁵⁸ One of the last corporations to be transformed from a state-owned (council-owned) corporation into a limited company was the Budapest Transport Company in 1996, which had a write-up exceeding HUF 100 billion recognised in its own funds at the time.

⁵⁹ In 1992, the inclusion of land in the balance sheets of cooperatives also led to an increase in their equity capital. Previously, entities' accounting balance sheets had not included natural resources. A change to the contrary was caused by the winding-up of state-owned property management corporations and the derecognition of public rental housing from corporate fixed assets.

⁶⁰ Typically, the income required by government was collected from corporations during the year concerned in the form of advances, as a result of which in the accounting balance sheet a high stock of other assets counterbalanced the full recognition of profits on the liabilities side. This grossing has been eliminated both from statistics and from the national balance sheets compiled by the HCSO between 1969 and 1974.

Corp. balance sheet, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.3	0.3
Fixed assets	595.2	668.4	738.4	805.3	866.7	946.4	1041.7	1131.6	1240.9	1356.4	1462.1
o/w: Unfinished assets	47.6	54.2	65.1	69.9	68.0	78.6	81.6	88.6	109.7	128.7	137.3
o/w: Advances	9.0	9.5	11.0	12.5	13.0	15.0	15.0	17.0	22.0	25.0	27.0
Financial investments	13.5	16.0	20.0	24.5	28.2	32.0	36.9	42.1	45.4	52.7	61.0
Inventories	215.5	230.9	259.2	282.7	303.6	339.3	369.4	410.7	435.9	483.8	497.0
o/w: Advances	2.6	2.7	3.1	3.4	3.6	4.0	4.4	4.9	5.2	5.7	5.9
Current claims	146.1	162.4	182.1	201.6	232.2	264.1	295.5	289.4	326.2	349.7	372.8
o/w: Trade credits	93.3	103.6	113.6	121.8	134.2	150.1	167.0	183.0	201.6	218.3	232.0
Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and deposits	47.4	67.3	80.1	89.0	99.6	121.2	124.0	129.0	140.0	139.0	150.0
Other receivables	3.1	3.5	3.8	4.1	4.5	5.0	5.6	6.1	6.7	7.3	7.8
Balance sheet total	1020.8	1148.5	1283.6	1407.2	1534.9	1707.9	1873.2	2009.0	2195.3	2389.1	2551.0
Own capital/funds	728.3	817.9	910.1	991.3	1065.9	1172.6	1279.4	1415.9	1529.1	1655.2	1762.5
Liabilities	287.1	324.5	366.7	408.4	460.6	525.8	583.2	581.3	653.3	719.5	772.8
o/w: Advances	11.6	12.2	14.1	15.9	16.6	19.0	19.4	21.9	27.2	30.7	32.9
o/w: Trade credits	78.9	88.6	96.7	103.4	113.4	128.1	146.0	164.2	179.4	196.3	212.0
Other payables	5.4	6.1	6.8	7.5	8.4	9.5	10.6	11.8	12.9	14.4	15.7

Corp. balance sheet, HUF bn	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Intangible assets	0.3	0.4	0.4	0.5	0.5	1.6	2.6	3.6	4.6	5.6	11.6
Fixed assets	1462.1	1541.6	1618.8	1706.4	1786.4	1828.6	1910.7	1987.2	2106.9	2213.9	2345.2
o/w: Unfinished assets	137.3	140.3	145.6	155.8	149.8	137.3	145.5	127.6	136.4	145.9	151.7
o/w: Advances	27.0	27.0	28.0	32.0	29.0	26.0	30.0	24.0	26.0	28.0	30.0
Financial investments	61.0	66.3	72.6	80.6	90.9	106.9	121.5	135.6	161.4	196.1	291.6
Inventories	497.0	548.1	604.0	638.6	669.0	700.1	742.8	786.7	825.0	889.2	946.7
o/w: Advances	5.9	6.5	7.2	7.6	7.9	8.3	8.8	9.3	9.8	10.5	11.8
Current claims	372.8	407.1	458.1	481.7	513.6	570.0	611.4	670.0	789.7	797.7	903.2
o/w: Trade credits	232.0	264.0	288.0	306.0	329.2	356.5	379.0	423.0	478.0	521.0	598.4
Securities	0.0	0.0	0.0	0.0	0.0	1.0	2.0	3.0	6.0	10.0	16.9
Cash and deposits	150.0	155.8	161.0	161.0	151.0	123.0	130.0	138.1	169.9	156.4	182.0
Other receivables	7.8	8.5	9.2	10.0	11.0	11.0	12.6	14.1	15.9	17.4	20.0
Balance sheet total	2551.0	2727.8	2924.0	3078.7	3222.4	3342.0	3533.6	3738.2	4079.3	4286.2	4717.0
Own capital/funds	1762.5	1875.6	1983.5	2076.6	2157.9	2173.3	2293.9	2425.3	2584.9	2747.5	2987.2
Liabilities	772.8	834.6	921.7	981.9	1042.8	1145.6	1215.7	1287.8	1467.7	1511.1	1699.8
o/w: Advances	32.9	33.5	35.2	39.6	36.9	34.3	38.8	33.3	35.8	38.5	41.8
o/w: Trade credits	212.0	248.4	270.0	288.6	310.0	334.7	349.6	369.4	396.0	417.0	469.7
Other payables	15.7	17.6	18.8	20.2	21.7	23.1	24.0	25.1	26.7	27.6	30.0

Individual balance sheet entries have been used for specific instruments in the financial accounts as follows. The stock of adjusted own funds, which also includes undistributed profits (after taxes and dividends), has essentially been allocated to holding sectors according to the legal form of the corporations. The own funds of cooperatives have been allocated as other equity (AF.519) between households (S.14) and non-financial corporations (S.11), with an estimated portion also allocated to central government (S.1311) given the state-owned land used by agricultural cooperatives. For 1989, the stock of households' other equity in cooperatives has been reduced by HUF 10 billion with regard to the assets withdrawn by exiting members (other change in volume). The own funds of corporations other than cooperatives have been allocated by legal form through

the separation of limited companies, limited liability companies, partnerships, associations, and joint ventures. Their data have been back-cast to their establishment, or respectively to 1969 for corporations established earlier.⁶¹ In the financial accounts, the own funds of limited companies have been matched with shares issued by residents (AF.512). A stock of HUF 27.5 billion worth of shares has been derived for 1988 and HUF 23.0 billion in 1989 through other changes in volume in the context of corporate transformation (other equity have been decreased in the same way). Joint ventures were typically owned by corporations, occasionally with a minority share held by non-residents. The capital of the remaining state-owned enterprises has been allocated between the equity holdings of ministries and councils (local governments).⁶² As part of that, the ownership arrangements emerging in the 1990s (following the transfer of assets to local governments) have been taken as a point of reference and back-cast over the entire time series.

Trade credit and advances (AF.81) and other accounts receivable/payable (AF.89) are technical items resulting from the timing differences between economic output and the corresponding payments. Apart from receivables and liabilities linked to the supply of goods and the provision of services, these categories primarily include items related to taxes, social contributions, wages, dividends, and rents. The other receivables and payables of non-financial corporations vis-à-vis other sectors have been estimated from the perspective of the sectors concerned, and the intercompany part has been derived on a residual basis by deducting these estimated values from the corporate totals.⁶³ For this period, only trade credit and advances have been shown vis-à-vis non-resident counterparties, whereas other payables on wages have also been recognised vis-à-vis households, and other receivables and payables on taxes and contributions vis-à-vis the general government. The establishment of these items will be discussed later.

In financial accounts statistics, non-financial corporations' accounting balance sheets are also considered as the data source for intercompany loans and loans between corporations and households. However, in the pre-1992 period, the granularity of corporate balance sheets is insufficient for the extraction of data on loans to/from shareholders, members or employees. For that reason, the stock of intercompany loans (AF.41) has been derived by taking into account developments in intercompany equity going back to 1985, the year from which lending had been authorised. The stocks of (shareholder and member) loans granted by households to corporations (AF.41 and AF.42) have also been back-cast in proportion with their equity. The claims of non-financial corporations on housing loans granted by employers have been incorporated into the financial accounts on the basis of OTP statements (off-balance sheet memorandum items on intermediated employer loans).⁶⁴ The data sources of loans granted by the government to corporations from the 1990s are the balance sheets of various government units, and the final budget accounts concerning claims. As no stocks were stated at all in respect of the general government for the 1970s and 1980s, the year-end stock of government loans has been taken from reports by ÁFB/ÁFI. These data could also be extracted from contemporary corporate balance sheets; however, no such balance sheet reports are available. All loan types shown here have been treated as assets and liabilities outstanding in forints; accordingly, the variations in their stocks for the entire year are shown in the financial accounts as transactions.

Particular attention should be paid to the breakdown of annual changes in the stock of equity (AF.51) into components, and to the estimation of the amount of annual equity investments. In the case of equity, the effect of revaluations and other changes in volume may be significant, which prevents the size of equity investments (i.e. transactions) from being estimated directly on the basis of variations in stocks. In general,

⁶¹ A more detailed assessment has been possible for corporations that already existed in 1990, when the HCSO's current statistical register and the business register were started. Reliance has also been made on the HCSO's statistical register for 1980, and on the corporate records of the Ministry of Finance for 1974–1976.

⁶² According to the HCSO's records, in 1980 there were 1,020 state-owned enterprises in operation that had been established by ministries, and 571 established by councils.

⁶³ The stocks of intercompany claims and liabilities can be calculated on both sides of the balance sheet, and do not necessarily match due to the fact that all data have been derived by estimations. Generally, for each instrument asset-side data are accepted (except for equity), net of technical items such as advances on taxes and income.

⁶⁴ It is assumed that the stock of housing loans granted by non-financial corporations matches that of the employer loans intermediated by OTP. In reality, it was also possible for corporations to grant loans directly, and for central government units to use OTP's service; nevertheless, the two effects were insignificant, or neutralised each other.

inferences to the size of transactions (equity investments and withdrawals) have been made on the basis of variations in corporate share capital (core capital). However, full information about the size of share capital is first provided in the corporate balance sheet for the end of 1989, and in respect of earlier periods estimates have been required for the size of share capital. Transactions in the shares and other equity of companies, associations and joint ventures have been calculated individually for each corporation from back-cast share capital values. The number of each type of corporation, their estimated own funds and share capital, and the estimated annual value of net equity investments (transactions) are summarised for non-financial corporations in the table below.

Corporations, HUF bn	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Shareholding comp.	15	16	16	17	17	19	20	20	22	34	140	318
Own capital (book)	1.4	1.4	1.4	1.6	1.6	1.7	2.1	2.1	2.2	5.8	67.0	125.4
Base capital	1.4	1.4	1.4	1.4	1.5	1.5	2.0	2.0	2.1	5.2	58.6	106.5
Transaction	0.0	0.0	0.0	0.1	0.0	0.1	0.5	0.0	0.1	2.9	26.5	26.0
Limited liability corp.	14	14	17	20	23	31	47	60	69	110	800	5381
Own capital (book)	0.3	0.3	0.5	0.7	1.0	1.4	1.7	2.2	3.0	4.5	20.0	68.4
Base capital	0.3	0.3	0.5	0.7	1.0	1.4	1.7	2.1	2.9	4.4	18.6	62.6
Transaction	0.0	0.0	0.2	0.2	0.4	0.4	0.3	0.4	0.8	1.5	14.2	44.0
Joint ventures									276	300	330	378
Own capital (book)	9.0	9.4	10.2	11.1	13.1	16.0	17.4	20.9	23.0	24.9	30.2	41.0
Base capital	9.0	9.4	10.2	10.9	12.5	14.5	15.1	17.4	18.4	19.2	22.4	29.0
Transaction	2.7	0.4	0.8	0.7	1.6	2.0	0.6	2.3	1.0	0.8	3.2	6.7

Unlike companies, state-owned enterprises and agricultural cooperatives were typically established before the period under consideration, and the increases in their own funds were typically a result of accumulated profits and subsidies, which have been shown as revaluations in the financial accounts. Transactions (equity investments by ministries and councils) have been recognised for state-owned enterprises newly established in the period under consideration, the amount of which has been estimated individually for each corporation based on the information available in 1990. The own funds of state-owned enterprises, net of the profit or loss for the year concerned, in original (balance sheet) and adjusted (financial accounts) amount, and the amounts of annual equity investments recognised as transactions are illustrated by the table below.⁶⁵

State-owned, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Own capital (book)	506.6	562.8	614.1	654.3	689.3	759.3	831.0	930.3	1 004.7	1 093.6	1 164.9
Own capital (adjusted)	556.6	622.8	684.1	734.3	779.3	859.3	941.0	1 050.3	1 134.7	1 233.6	1 314.9
Transaction		14.6	8.8	5.9	6.3	5.5	4.6	11.4	5.7	3.7	4.2
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Own capital (book)	1 238.4	1 310.6	1 357.4	1 414.0	1 411.7	1 509.7	1 599.9	1 724.5	1 732.7	1 810.8	
Own capital (adjusted)	1 398.4	1 482.6	1 542.4	1 613.0	1 623.7	1 734.7	1 839.9	1 979.5	2 002.7	2 095.0	
Transaction	4.1	5.3	4.0	2.3	7.3	14.4	8.1	12.9	4.7	1.5	

Within the assets of cooperatives, classified as non-financial corporations, households' equity in agricultural production cooperatives (in the industry of agriculture) has been segregated, and has had its entire variation shown as a revaluation in the financial accounts for the period between 1969 and 1989. The assets of other cooperatives (industry, construction, trade and other services), treated as corporate assets, have been derived on a residual basis, and given the fact that a majority of those assets were raised in the period under

⁶⁵ Only the book value of the stock of own funds for the end of 1989 may be considered as factual (based on corporate balance sheets), all other data are based on estimates.

consideration, an aggregated transaction has been estimated for them in accordance with the variation in share capital.⁶⁶ Cooperatives' own funds at book value, and their allocated stocks between agricultural and other cooperatives are shown in the table below. The assets of other cooperatives accounted for an estimated 25% of the total assets of all cooperatives at the start of the period, rising to 30% by the end of the period. At that time, the core capital of agricultural cooperatives amounted to HUF 176 billion, and that of other cooperatives to HUF 79 billion. (At the time, the share capital of the entire non-financial corporations sector exceeded HUF 1,650 billion.)

Cooperatives, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Own capital (book)	103.8	118.2	141.2	165.4	184.1	198.9	214.7	227.4	242.3	258.5	277.9
o/w Agricultural	77.8	87.5	104.5	122.4	135.3	145.2	156.7	165.0	175.6	187.4	201.5
o/w Other cooperativ.	26.0	30.7	36.7	43.0	48.8	53.7	58.0	62.4	66.6	71.1	76.4
Number of other coop.	2275	2350	2430	2550	2650	2780	2920	3036	3120	3165	3205
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Own capital (book)	300.4	317.1	341.1	350.0	356.2	362.4	375.5	384.8	400.6	396.0	
o/w Agricultural	217.8	229.9	247.0	253.1	256.5	260.9	270.4	275.1	286.4	279.1	
o/w Other cooperativ.	82.6	87.2	94.1	97.0	99.7	101.5	105.1	109.7	114.2	116.9	
Number of other coop.	3240	3290	3420	3540	3700	3980	4400	5040	5547	5743	

3.6 ESTABLISHMENT OF SPECIFIC CLAIMS AND LIABILITIES OF THE GENERAL GOVERNMENT VIS-À-VIS RESIDENTS

This section describes the assets and liabilities of the general government vis-à-vis resident non-bank partners in the categories of debt securities (AF.3), loans (AF.4) and others (AF.8). In the national accounts, the general government (S.13) is comprised of the subsectors of central government (S.1311), social security funds (S.1314) and local governments (S.1313). The data of the sector are presented in that breakdown for the entire period between 1970 and 1989 despite the fact that in organisational terms the social security system was not separated within the budget until the Social Security Fund was established as a separate entity in 1989. The data of local councils and their institutions have been matched with those of local governments. Apart from those of budgetary institutions, the operations of ÁFB and ÁFI linked to government loans and public loans have been treated as part of the central government.

Balance sheets for the general government were not released at all in the period under consideration.⁶⁷ Stocks of other receivables and other liabilities were back-cast using available flow data. For the period between 1981 and 1989, undistorted fiscal flow data (revenues, expenditures, finance data) are available in adequate granularity in the Government Finance Statistics (GFS) yearbook released by the IMF in 1990. For earlier years, only the few revenue and expenditure items included in budget execution (final accounts) acts could be used as points of reference for the estimation of stock data. In accounts concerning the implementation of the state budget, social security revenues and expenditures were reported, but data on councils and extrabudgetary funds were only disclosed in part.⁶⁸ In this period, the budgetary presentation and balance were complete and entirely cash based, i.e. they also included transactions linked to financial instruments (equity investments and lending). These items could only be separated in the detailed notes on the final accounts, and the IMF

⁶⁶ The increase in the number of institutions was primarily due to the spread of housing cooperatives (with no assets) in the first half of the 1970s, and the emergence of consumer and sales cooperatives in the second half of the decade. The 1980s were characterised by the establishment of entities in industry, construction and services.

⁶⁷ A full balance sheet was first drawn up as of the end of 1991 for the 1992 final accounts, whereas specific assets and liabilities were first reported for central and local government units in the 1990 final accounts. These have been used for financial accounts back-cast to the end of 1989. No balance sheet was drawn up for the "state" until the establishment of the Hungarian State Treasury.

⁶⁸ A full set of official fiscal accounts were disclosed from 1984 onwards, which already included data on both councils and extrabudgetary funds.

GFS presentation.⁶⁹ At the same time, in respect of corporations' payments of taxes and contributions and the current subsidies which they received, the detailed notes on the final accounts also presented time adjustment of payments, which could be matched with accruals based adjustments to the items concerned. The payments data for 1989 and 1990 that have been used as reference for the generation of stock data on taxes and contributions (AF.89), and the stocks derived as of the end of 1989 are shown in the table below. These are the opening stocks of quarterly financial accounts statistics.

Tax items, HUF bn	Stock, end-1989	Annual flow, 1989	Annual flow, 1990
Personal income tax	8.3	96.3	126.8
Social security contribution	28.5	300.0	353.0
Value added tax	32.1/23.0	137.6	146.8
Tax on consumption	9.2	97.3	108.2
Corporate income tax	0.0	140.2	126.7

Contrary to other types of tax, VAT is recorded in gross terms in the statistics: vis-à-vis non-financial corporations, government receivables are shown due to lags in revenues, and government payables are shown due to lags in refunds. However, the revenues themselves are only known in net terms for the period, and have thus been allocated according to later ratios. Revenues from personal income taxes and all social security contributions are generated with employers and are channeled to the general government through households, while the central government and local governments (councils and their institutions) also act as employers themselves.⁷⁰ Generally, payments on one month's wages and contributions are carried forward to the next year, giving rise to receivables or payables with the participants concerned. Due to the links of wages and contributions, the accrual adjustments have also been estimated collectively for the period concerned. For taxes, as a rule a one-month lag has been taken into account relative to the corresponding transaction, whereas a two-month lag has been assumed for VAT refunds, and in general no lag has been considered for the corporate tax due to interim advance payments.⁷¹ The initial data and results of accrual adjustments to wages are summarised in the table below.

Wages, adjust., HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Gross annual wages	126.1	138.6	147.5	156.9	169.7	185.3	200.7	211.2	230.2	252.0	270.0
Net annual wages	103.0	111.7	118.9	126.3	136.2	148.0	160.4	168.4	183.3	200.6	214.6
Claims on net wages	8.6	9.3	9.9	10.5	11.3	12.3	13.4	14.0	15.3	16.7	17.9
Claims on contribution	1.8	2.0	2.1	2.3	2.5	2.8	3.0	3.3	3.7	4.0	4.6
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Gross annual wages	299.8	323.1	350.6	384.5	432.7	479.0	525.9	532.0	646.2	755.7	
Net annual wages	238.5	253.8	267.8	281.7	311.4	343.0	369.6	371.8	389.0	444.0	
Claims on net wages	19.9	21.1	22.3	23.5	25.9	28.6	30.8	31.0	32.4	36.9	
Claims on contribution	5.1	5.8	6.6	8.4	10.5	11.8	12.8	14.7	20.3	28.5	
Claims on income tax									6.7	8.3	

In national accounts statistics, only regular income from employment is subject to accrual adjustment. However, as no such separation is available for the period under consideration, the wage bill providing the basis for the

⁶⁹ These are the items that divert the the balance of the national accounts (net lending) from the cash based budget balance: the addition of a new entity (ÁFI), the exclusion of financial operations (equity and loans), and the incorporation of accrual adjustments.

⁷⁰ Introduced in 1988, a vast majority of VAT revenues were transferred to councils; however, such revenues have consistently been treated as assigned taxes, with the full revenue adjustment (and claims) shown under the central government, and councils shown as receiving current transfers from the central government subsector according to payments. The present analysis has followed the assumption that 25% of revenues in personal income taxes and social security contributions have been collected from the general government (allocated equally between the central and council subsectors), and 75% from non-financial corporations in their capacity as employers.

⁷¹ Exceptions include e.g. a significant amount of tax reclaimed in 1988 due to a drop in corporate profits, which has been taken into account.

adjustment could only be established by estimation. The assumption has been that these regular wages were consistently paid on a monthly basis in the month following the corresponding labour input. Of this wage bill, 20% has been allocated to the general government in its capacity as an employer, and the remaining part to non-financial corporations. Financial corporations' payables on wages have been considered as negligible in the period (there were approximately 30,000 employees).

In the 1970s and 1980s, significant amounts of subsidies were refunded to corporations, including both subsidies for accumulation (investments) and current subsidies (production subsidies, consumer price subsidies, import subsidies, etc.). Amounts of the latter liabilities for the year concerned were recorded by participants, and budgetary presentations also included payments carried forward between calendar years. Accordingly, accrual adjustment to current transfers have also been established in the financial accounts, with other accounts payable (AF.89) estimated for corporate subsidies that were payable by the central government in respect of the year concerned, but were actually paid in the following year. (Capital transfers are generally not adjusted for time.) Annual payments on corporate subsidies and the stocks estimated for the financial accounts are summarised in the table below.

Subsidies, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Cash expenditure	41.4	49.9	53.2	55.5	68.5	98.9	103.4	100.6	121.7	126.8	124.1
Government liability	2.1	2.5	2.7	2.9	3.4	4.0	4.5	5.0	5.5	5.9	6.3
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Cash expenditure	131.5	142.1	153.0	162.5	146.7	152.9	202.1	217.4	188.2	159.8	
Government liability	6.7	7.1	7.6	8.0	8.5	9.0	9.0	9.0	8.0	7.0	

For central government and local governments (councils), estimates have been made for both receivables and liabilities on trade credit (AF.81). Accounts receivable arise due to subsequent payments on service charges, as well as due to advances paid on investments, services and the supply of goods. Accounts payable are primarily linked to material expenses, and their back-cast estimates have been obtained accordingly. All items have been shown vis-à-vis non-financial corporations for the period concerned. As trade credit and advances appear as a separate instrument in the financial accounts, their amounts do not need to be shown here separately.

Two items are shown under loans granted by institutions in the general government to residents (AF.4). The central government (S.1311) carries the public loan granted by ÁFB (ÁFI) to non-financial corporations, the stock data of which have been taken from the statements issued by ÁFB (ÁFI). From early 1987, due to the winding-up of ÁFB and the redistribution of its duties to commercial banks and ÁFI, a minor part of the loans were channeled to corporations via credit institutions.⁷² Loans were also granted in smaller amounts via the central budget and extrabudgetary funds; however, little information is available on that lending.⁷³ Under the local governments (councils) subsector (S.1313), housing loans to households are shown, with developments in the stocks back-cast as estimates based on the stock of employer loans, which is known from OTP and recorded under non-financial corporations. These items are also shown separately as long-term loans in the standard breakdown of the data in the financial accounts.

In Hungary, the conditions for the issue of resident debt securities have been provided since 1982. In 1982, the first issue was that of government bonds in the amount of HUF 8 billion, acquired by KVH Rt. (MNB) and the State Insurance Company. The next issue in 1983 was also subscribed by the State Insurance Company. In that year, corporate bonds intended for household and public investors were also distributed. In 1984, corporate bonds were also issued by KVH Rt. (MNB) as bonds of the corporate reserve fund. From 1985, in the financial accounts the gradually increasing stock of corporate bills of exchange was presented as short-term

⁷² As funds received to be re-lent, in the estimated amount of HUF 10 billion.

⁷³ Net lending is only included in the IMF GFS yearbook (lending minus repayment). These amounts have been considered as negligible or respectively as transfers. The funds provided to corporations in 1970 for the settlement of the reserve funds (HUF 23.8 billion) has been recognised as an acquisition of other equity.

debt securities, subsequently allocated to credit institutions and the central bank. The additional government bonds issued in 1986 were recognised in the MNB's balance sheet, with major amounts allocated to the new credit institutions in 1987. The volume issued in 1989 was allocated to government institutions, primarily to the Social Security Fund established at the time. Treasury bills were issued from 1988 onwards. Council bonds were first issued in 1983, but their volume remained negligible until 1987. For the 1980s, only partial information is available about the securities in issue; as a result, most of the data reported in the financial accounts have been obtained by estimation, using flow information (issuance and repayments) and subsequent stocks. As the market prices of the securities are not known, it has not been possible to record price changes, which qualifies all stock variations over the period as transactions.

3.7 ESTABLISHMENT OF SPECIFIC FINANCIAL ASSETS AND LIABILITIES OF HOUSEHOLDS IN THE FINANCIAL ACCOUNTS

This section details households' claims and liabilities that have not been discussed in the foregoing in the context of the compilation of data for other sectors. While the primary focus of the analysis is other receivables and payables linked to households' business activities, an overview is also appropriate as to the content of other receivables and payables linked to wages and salary.

Households may have receivables and payables outstanding on trade credit and advances (AF.81) in two capacities. On the one hand, households as consumers of goods and services (retail) frequently pay for the goods and services used either *ex ante* (in the form of advances), or *ex post* (through generation of other accounts payable).⁷⁴ This analysis has relied on the assumption that the amount of advances (households' receivables) was negligible compared to ex-post payments (households' payables); accordingly, an estimate had been made for the latter.⁷⁵ Liabilities to non-financial corporations linked to the supply of goods and non-financial services have been established, while items linked to financial services have been taken from credit institution data. Ex-post payments are typically required for the utility services needed for the maintenance of homes, which, for the period under consideration, were essentially covered in the national accounts by the "Heating and domestic energy" major group as part of households' consumption expenditures.⁷⁶ Households' payables on trade credit resulting from the use of utility services have been back-cast in proportion with annual charges. The annual amounts paid on heating and domestic energy and other post-paid utility services relative to the full amount of households' consumption expenditures, and the year-end stocks of other accounts payable on utilities (trade credit) estimated using those amounts are summarised in the table below. On the assumption that up to 1989 the amount of write-offs due to default was negligible, the entire variation in stock has been shown as a transaction in the financial accounts.

Utility payment, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Annual utility fees	5.9	6.4	6.6	6.9	7.4	8.0	9.0	10.1	10.9	12.3	14.3
Trade payables	0.8	0.9	0.9	0.9	1.0	1.1	1.2	1.3	1.5	1.6	1.9
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Annual utility fees	18.2	19.3	22.0	23.1	25.7	31.9	32.5	37.1	40.9	46.7	
Trade payables	2.4	2.6	2.9	3.1	3.4	4.3	4.3	4.9	5.5	6.2	

Additionally, households also participate in the economy as producers of goods and services. In that capacity, for statistical purposes they are primarily identified as sole proprietors (self-employed) or as providers of services to owner-occupied dwellings.⁷⁷ In the households sector of the financial accounts, apart from the financial assets and liabilities of retail customers (consumers), the financial assets (receivables) and liabilities of sole

⁷⁴ The ex-post payments concerned are primarily contractual, but obviously also include late payments.

⁷⁵ Advance payments occur in the cases of subscriptions, travel, holiday, theatre and other passes, rents, and down-payments.

⁷⁶ Additional estimates have been required for sewerage charges, telecommunications, and waste disposal. The data have been taken from the national accounts, and adjusted for breaks in the series (1970, 1988).

⁷⁷ In the context of imputed services to owner-occupied dwellings, the household is not linked to other units (it is a provider to itself), and may not have receivables and payables vis-à-vis other units as a result of such services.

proprietors are also shown. Sole proprietors' data linked to financial intermediaries (S.12) are covered from the latter's data sources; however, estimates are consistently required for their receivables and liabilities vis-à-vis other households and non-financial corporations.⁷⁸ For the period between 1969 and 1989, estimates have been made in respect of sole proprietors for the receivables and payables on trade credit and advances (AF.81) and for other receivables and payables (AF.89), assuming one half of the receivables to be outstanding from other households, and the other half from non-financial corporations. The value of each instrument has been established on the basis of the production value (in today's terms: output) of "crafts", aligned with the stocks held at the end of 1989. A summary of the indicators affected by the estimation is provided in the table below.

Sole proprietor, HUF bn	1970	1975	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Number (1000 persons)	86.3	84.2	103.4	112.0	121.4	131.8	139.0	145.6	150.7	154.6	162.2	174.8
Output (production)	7.5	12.0	25.1	29.9	35.1	42.0	49.1	55.7	63.1	75.3	100.9	132.7
Trade receivables	0.5	0.7	1.5	1.8	2.1	2.5	2.9	3.3	3.8	4.5	6.1	8.0
Other receivables	0.3	0.5	1.1	1.3	1.6	1.9	2.2	2.5	2.8	3.4	4.5	6.0
Trade payables	0.4	0.6	1.3	1.6	1.9	2.2	2.6	3.0	3.3	4.0	5.3	7.0
Other payables	0.5	0.8	1.8	2.1	2.5	2.9	3.4	3.9	4.4	5.3	7.1	9.0

For households, the most complex financial instrument is comprised of other receivables and other payables resulting from temporal adjustments to income from employment due to unpaid earnings. This because both employer and employee contributions on wages must be run through households' national accounts, as a result of which households' other receivables will include the net wages due as well as the total amount of taxes and contributions payable on them. These latter items are also shown as payables to the general government; consequently, households' net financial worth and net lending are only affected by receivables on net wages. Income from employment is also generated within the household sector for sole proprietors, but the amount of taxes and contributions payable to the general government in that regard (arrears) are considered negligible. Receivables on wages between households resulting from sole proprietors with employees are shown under other receivables and other payables. Receivables (payables) on wages and receivables (payables) on taxes and contributions include only amounts paid following the period concerned (payments carried forward from one month to the next), but not receivables (payables) accumulated over longer periods of time.

3.8 COMPILATION AND BALANCING OF THE COMPLETE SET OF ACCOUNTS

The first financial accounts to be compiled have been those for the rest of the world (consolidated national economy), the adequate data quality of which was ensured by their alignment with the balance of payments (international financial statements). However, as it has not been possible to compile the accounts of each resident sector from a single data source based on a single balance sheet, these accounts have mostly been derived in ways specific to the instruments concerned. As a result, a more accurate insight into data quality has only been gained in retrospect, following the compilation of the full set of accounts. The quality of specific aggregates and balances may be judged in isolation, while that of others can only be evaluated by reference to external indicators.

In financial accounts statistics, the net financial worth and net lending of the financial corporations sector and its subsectors are required to be kept around zero.⁷⁹ In this data compilation, the primary objective was to balance net financial worth through adjustments for minor differences between financial assets and liabilities, which also resulted in changes to net lending. Some improvements have been made to the balance of the assets and liabilities of the central bank (S.121), credit institutions (S.122) and insurance companies (S.128)

⁷⁸ No direct data source is available; as a rule, not even the households concerned keep records of such instruments.

⁷⁹ Due to the low value of non-financial assets, financial assets and liabilities are outstanding in approximately the same amount. As net lending is derived as the changes in net financial worth resulting from transactions, in the absence of any major net revaluations this should also be approximately zero. Net lending may be affected positively by corporate earnings that is not distributed to shareholders, in which case it is counterbalanced by a write-up in equity issued.

through other receivables and other liabilities vis-à-vis one another, non-financial corporations and households, incorporated subsequently. For non-financial corporations (S.11), net worth readings are required to be around zero, i.e. the value of net financial worth should be similar to that of non-financial assets, with a negative sign. In effect, we have found that throughout the period under consideration, net financial worth takes a slightly lower absolute value compared to the stock of real assets, with the difference becoming marked towards the middle of the period. The positive net worth is explained by the fact that compared to their book value, a greater amount of financial assets (deposits and equity) has been allocated to corporations against the data sources of counterpart sectors, while other liabilities, being of a technical nature in the corporate balance sheet, have been ignored. The estimated stocks of non-financial corporations' net liabilities (net financial worth with the opposite sign) and non-financial assets are shown in the table below.

Corporations, HUF bn	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Stock of real assets	799.1	887.1	983.5	1 072.1	1 153.7	1 266.7	1 391.8	1 520.5	1 649.8	1 809.7	1 926.5
Net liabilities	759.5	833.7	930.4	998.4	1 052.3	1 162.1	1 280.4	1 419.9	1 545.0	1 700.0	1 818.5
Difference	39.6	53.4	53.1	73.7	101.5	104.5	111.4	100.6	104.8	109.8	108.0
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Stock of real assets	2 056.5	2 188.0	2 305.8	2 418.9	2 495.9	2 617.3	2 744.2	2 900.7	3 070.2	3 261.6	
Net liabilities	1 929.3	2 027.7	2 112.5	2 249.7	2 311.6	2 443.0	2 605.8	2 778.5	2 952.7	3 138.3	
Difference	127.3	160.2	193.2	169.2	184.3	174.3	138.3	122.2	117.5	123.4	

Due to the negative balance effect of investments, non-financial corporations tend to have a negative net lending, the size of which is essentially determined by the ratio of undistributed earnings to investments. However, given the significant volume of subsidies in the period under consideration, it has not been possible to make direct estimates for the expected values of corporate net lending.⁸⁰ Following the establishment of the net lending of the general government and households, the balance of non-financial corporations within the set of financial accounts has been obtained on the basis of balances for the other sectors. Households have a positive net worth including a positive net financial worth, supported by a mostly positive net lending. Obtained from the financial accounts, households' net lending may be set against households' net lending indicator as reported in the national accounts (national income statements), which is illustrated in the table below.⁸¹ During the period under consideration, there were major changes in the separation of institutional sectors and in the contents of indicators within national economic accounts (national accounts).

Households, HUF bn	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Net lending (new)	7.2	5.0	5.4	7.6	8.0	9.0	5.9	11.9	11.1	7.8
Net financing (old)	5.0	3.6	2.7	4.8	4.4	7.0	5.4	8.8	11.8	3.0
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Net lending (new)	8.2	8.8	9.1	12.0	14.4	16.0	22.9	15.9	15.5	40.6
Net financing (old)	1.9	7.3	5.1	7.7	5.2	9.5	14.0	-2.1	11.8	5.4

The higher values of households' net lending reported in the financial accounts are primarily explained by financial investments linked to non-financial corporations, insurance companies and the rest of the world, which were not included in contemporary national accounts (see figure below). Following minor adjustments concerning credit institutions (incorporation of other receivables as discussed earlier), the financial accounts have been approved for households.

⁸⁰ In respect of economic entities, from the mid-1970s onwards national accounts statistics have not undertaken to distinguish capital transfers from financial transactions ("net lending").

⁸¹ According to the more recent methodology of national accounts, "net lending" was a mere HUF 8.1 billion for 1988 and HUF 1.1 billion for 1989.

Fin investment, HUF bn	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Into corporations (S.11)	0.0	0.0	1.0	1.1	2.0	2.1	3.1	3.6	3.6	5.0	12.0	24.6
Into insurance (S.128)	1.2	1.3	1.4	1.3	1.4	2.2	1.9	1.9	2.3	3.7	1.8	4.3
To the RoW (S.2)	0.2	0.2	0.3	0.4	0.4	0.4	0.6	0.4	0.5	0.7	2.0	8.1

On the other hand, additional clarifications have been required regarding the net lending of non-financial corporations, the central bank (MNB), and the central government. First, opposing extremes in the balances of the MNB and the central government have been moderated through transactions recognised subsequently for equity (AF.512). As a result, the transactions of government equity investments in the central bank are comprised of three components in the financial accounts: capital increase, compensation for exchange-rate losses, and the additional ad-hoc transactions being discussed here. Their effect is illustrated in the table below, which indicates the years for which equity investments have been recorded.

MNB capital. HUF bn	1971	1974	1975	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Capital injection	4.4	1.5						4.0					
Revaluation compensat.		-3.0		-9.0	6.3	30.2	-6.4	9.5	2.3	63.0	90.1	53.2	211.2
One-off adjustment			2.0	-9.8	-4.3	2.8	36.2	14.0	10.7	-5.1	4.1	-0.3	-10.0
Total transactions	4.4	-1.5	2.0	-18.8	2.0	33.0	29.8	27.5	13.0	57.9	94.2	53.0	201.1

Next, the net lending of non-financial corporations relative to that of the central government has been clarified. For the period between 1977 and 1983, the net lending of the general government has been approximated to expected values by means of the other receivables and payables vis-à-vis non-financial corporations. For 1983 and 1984, entries have been recorded for the government's capital withdrawals from corporations (negative equity transactions).⁸² In the following table, the official balance of the general government and the IMF GFS balance available from 1981 onwards are compared to net lending as presented in the financial accounts after adjustments.

GG balance, HUF bn	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Official cash balance	-3.8	-3.3	-2.6	-1.8	-3.5	-3.0	-2.5	-3.5	-3.5	-3.6
Net lending (new)	-2.9	-2.7	0.7	0.9	-10.8	-18.9	-18.6	-23.0	-38.1	-31.5
(Continued)	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Official cash balance	-4.5	-9.5	-12.2	-6.1	-3.7	-13.8	-45.3	-34.4	-10.2	-48.7
IMF GFS balance		-24.7	-18.6	-9.5	13.6	-11.8	-31.6	-47.2	0.6	-42.5
Net lending (new)	-27.5	-24.6	-15.5	-4.0	8.4	-11.9	-29.2	-28.1	-1.0	-39.7

3.9 ESTABLISHMENT OF ADDITIONAL BACK SERIES AND QUARTERLY DATA FOR SPECIFIC INSTRUMENTS

Based on currently available sources, annual data can be back-cast to 1960 for currency and resident bank deposits out of households' financial assets, and bank loans out of the sector's liabilities. From 1965 onwards, quarterly data are also available on the instruments of deposits and loans. The quarterly stocks of forint currency can be shown by holding sector from 1970 onwards. Additionally, the credit debt granted to non-financial corporations by banks are shown in a quarterly breakdown from 1974. The range of available back data may become wider later on. For the 1980s, a number of data sources survive that include interim data, but only limited use can be made of these for the generation of homogeneous time series that may be incorporated into the financial accounts. Interim data are inevitably of a poorer quality compared to annual

⁸² In the 1970s, the government effected capital expenditures to increase the corporate reserve funds, then withdrew these corporate deposits in the first half of the 1980s. If these transactions were to be shown as transfers, they would lead to unreasonable distortions in the balances of both sectors. This explains the need for the adjustments made to the financial accounts.

data, and adjustments to the latter cannot be transposed to the former without a deeper insight into data and underlying processes. The difficulty of matching the quarterly data of households' loans, deposits and currency holdings to the financial accounts is a case in point.

While the year-end stocks of household (retail) deposits were reported in the HCSO Statistical Yearbook and OTP releases throughout the period, credit stocks were only reported from the end of 1964 onwards. The stock of credits may be (and has been) back-cast to earlier periods by using the credit transactions (lending and repayments) reported. From 1965 onwards, contemporary OTP statements provide information about quarterly changes in the stocks of retail loans and deposits, which has enabled quarter-end stocks to be estimated for interim quarters. For deposits, within flows OTP separated the amounts of interest credited on year-end, which have been allocated to interim quarters in order to avoid year-end hikes in the last quarter of each year. The stocks of quarter-end retail deposits as recorded by OTP are summarised for the period between 1965 and 1986 in the table below. From 1987, the quarterly bank statistics produced for the IMF have been used as the source of estimates.

HH deposits, HUF bn	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Stock end-Q1	19.0	22.1	24.7	27.1	32.7	39.1	45.3	51.8	58.0	66.1	75.7
Stock end-Q2	19.7	22.9	25.1	28.1	33.4	40.3	46.1	52.8	58.9	67.6	77.8
Stock end-Q3	19.7	23.1	24.9	28.2	33.8	40.8	46.6	53.0	59.2	68.0	78.2
Stock end-Q4	20.4	23.0	24.8	29.2	35.1	42.1	48.4	54.5	62.0	70.8	81.3
o/w interest	0.7	0.8	0.8	0.9	1.1	1.3	1.6	1.8	2.1	2.5	2.8
(Continued)	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Stock end-Q1	86.0	97.4	113.7	130.2	139.8	150.8	166.1	183.2	203.1	225.7	251.8
Stock end-Q2	87.5	99.5	116.9	131.2	140.1	151.8	167.7	186.1	205.2	228.5	255.7
Stock end-Q3	88.4	101.3	118.9	131.3	139.7	153.2	169.1	188.6	207.5	230.5	259.2
Stock end-Q4	92.9	107.5	124.9	135.8	145.3	160.1	175.7	197.1	219.4	244.1	274.9
o/w interest	3.2	3.5	4.1	4.4	4.8	5.3	5.7	6.5	8.6	9.0	10.9

For retail loans, during the period under consideration interest was generally added to stocks in the third quarter, but no specific information was reported by OTP regarding the amounts concerned. Extra large quarterly changes in stocks have been treated as accrued interest, and allocated to preceding quarters. The quarterly transactions in retail loans as reported by OTP are summarised in the table below, with the quarters of interest capitalisation highlighted.

HH loans, HUF bn	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Changes in Q1	0.2	0.2	0.4	-0.1	0.0	-0.1	0.2	0.4	0.3	0.4	0.5
Changes in Q2	0.5	0.7	0.6	0.4	0.6	0.8	1.1	1.1	1.3	1.2	1.8
Changes in Q3	0.5	0.9	1.0	0.9	0.9	1.6	1.8	1.9	2.0	2.5	2.2
Changes in Q4	0.5	0.7	0.4	0.7	0.5	1.4	1.2	1.0	1.2	1.9	2.8
(Continued)	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Changes in Q1	1.1	0.9	0.3	1.1	1.1	0.8	1.4	2.8	4.4	3.9	4.7
Changes in Q2	2.0	2.3	2.3	2.7	2.8	2.8	2.6	4.3	5.2	5.3	6.0
Changes in Q3	2.7	4.7	4.8	5.6	5.8	6.6	6.6	9.6	12.0	13.4	15.6
Changes in Q4	3.4	2.2	2.8	3.1	3.4	2.6	3.0	4.2	3.4	3.7	4.1

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