FINANCIAL ACCOUNTS OF NON-FINANCIAL CORPORATIONS, MICRO AND MACRO STATISTICAL DATA

MAGYAR NEMZETI BANK

2019

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Prepared at the Directorate Statistics of the Magyar Nemzeti Bank, under the guidance of János Gerendás, Director.

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The statistical terms used in this paper are defined in the publication entitled Hungary's financial accounts, 2014 (Magyar Nemzeti Bank, 2016).

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Introduction

The sector of non-financial corporations possesses assets in larger volume than the financial corporations, the general government or the household sector. At the same time, the non-financial corporations – in terms of their size, activity and other characteristics of their business activity – formulate a substantially more heterogeneous group than the actors belonging to other sectors of the economy. The sector-level aggregates of the national accounts are not capable of reflecting this diversity, since it is not necessary to break down the non-financial corporations sector into sub-sectors, while the standard statistics presents the financial corporations sector in nine, and the general government in three sub-sectors. However, according to the international recommendations, it is possible to divide the corporate sectors' data by ownership sectors (public, national private, foreign controlled entities), which provides deeper insight into the management specifics of the enterprises under different control. In addition, certain economic indicators are also available broken down by sectors (by principal activity) or size; however, these apply only to certain aggregates of the non-financial national accounts.

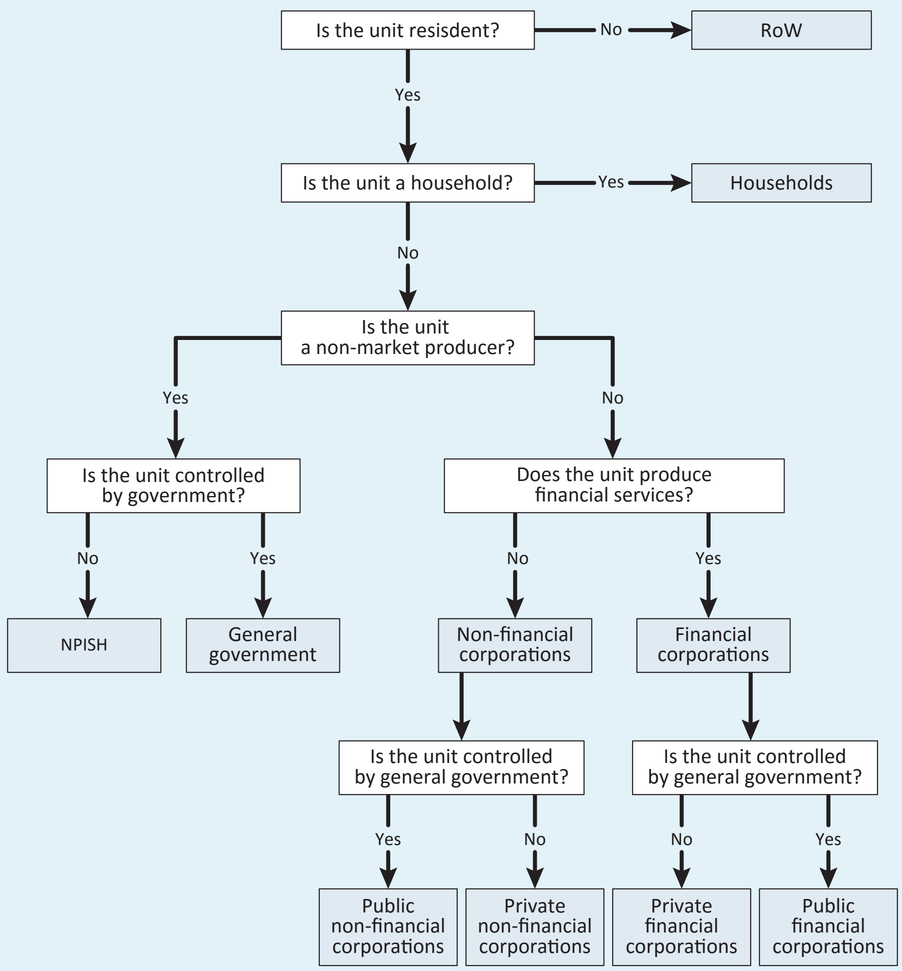
In order to examine the corporate assets or the financing characteristics of corporations in more detail, it is necessary to break down the sector-level data included in the statistics, which is possible by combining the macro data and the corporate micro data. Micro data include accounting statements and annual reports, which also serve as key data sources for the national accounts in respect of the corporate sector. However, accounting products are used to a different degree in the various areas of statistics, since the structure, level of details, recognition and valuation rules of the national accounts differ from the principles and rules of business accounting.[1] This publication presents the types of information retrievable from the financial accounts statistics or – in a wider sense – from macro statistics with regard to the wealth position and financing processes of non-financial corporations, as well as the type of the available accounting (micro)data, and the way these can be linked with the macro statistics for the purpose of more detailed analyses. Generally speaking, the wealth, i.e. the assets and liabilities, is generated by financing and revaluation processes, and the balance of the financing processes is typically related to real economy processes. This publication also strives to present these connections by describing – in addition to the financial accounts data – the key indicator of the non-financial national accounts with regard to the corporate sector, and when breaking down the sector into parts, it treats the stock and financing indicators together with the real economy characteristics also at the level of micro data.

[1] The national accounts must provide uniform data, comparable in time and space, for the entire economy, including all sectors, while the accounting systems are different and they also vary in time.

1 Sectoral delineation, content of the non-financial corporate sector

When examining the financial indicators of corporations pursuing non-financial activity (in short: non-financial corporations, or corporations), it is expedient to use the definitions and categories of the national accounts (SNA, ESA). This ensures that we work with data comparable in time and space, whether we review the role of the corporate sector in the national economy, prepare international comparisons or describe the development of the sector.

Chart 1.1
Allocation of institutional units to sectors



Source: ESA 2010, Chart 2.1.

The national account statistics breaks down the resident (domestic) economy, based on the characteristics of the economic activity, into five key sectors, of which the first one is the sector of non-financial corporations (S.11). The non-financial corporations sector includes the institutions, producing products and non-financial services, which are market producers. Thus the categorisation by sector also takes into consideration, in addition to the nature of the principal activity, the motivations and organisational circumstances of performing the activity; this is what differentiates the sector classification scheme from the activity-based industry classification scheme (TEÁOR). The Hungarian statistics traditionally allocated the enterprises to sectors based on their legal form. Initially this meant the separation of the enterprises and the budgetary organisations, the first being the financial and non-financial corporations, and the latter forming the general government sector. In addition to this, the classic non-profit organisations (social organisations) constituted the non-profit institution sector serving households. At the same time, in addition to the legal form, the profitability of the business management must be also examined in the case of public enterprises for the classification by sector, and thus an increasing number of organisations operating as enterprises or non-profit institutions are reclassified as non-market producers into the public sector. In addition to the classic non-profit institutions, gradually new forms of organisation have come into being. Of these, the trade associations or chambers are organisations supporting enterprises rather than households, and thus they were transferred to the corporate sectors. Public benefit corporations appeared from 1994, and from 2007 the non-profit companies replacing the first, being between the non-financial corporates sector and the general government.

Table 1.1
Type of producer and principal activities and functions classified by sector

Type of producer	Principal activity and function	Sector
Market producer	Production of market goods and non-financial services	Non-financial corporations (S.11)
Market producer	Financial intermediation including insurance Auxiliary financial activities	Financial corporations (S.12)
Public non-market producer	Production and supply of non-market output for collective and individual consumption, and carrying out transactions intended to redistribute national income and wealth	General government (S.13)
Market producer or private producer for own final use	 Consumption Production of market output and output for own final use	Households (S.14) As consumers As entrepreneurs
Private non-market producer	Production and supply of non-market output for individual	Non-profit institutions serving household (S.15)

Source: ESA 2010, Table 2.2.

Offshore companies started to appear in larger number in Hungary in the second half of the 1990s; these companies were linked to non-resident groups and pursued real economy or passive financial activity. After Hungary's accession to the EU, these companies had to be liquidated or transformed into normal companies by 2006. This was the time when the Hungarian statistics introduced the notion of special purpose enterprise (SPE) for those passive financial intermediaries that have financial relations only with non-residents, and allocated them to the financial corporations sector as private financial intermediaries (S.127). The holding companies with domestic relations and (also) linked to resident companies spread in Hungary in the second half of the 2000s. There is a steady growth in new asset manager and group financing companies, as parts of large non-resident or resident groups. While the SPEs with purely non-resident relations are categorised as financial corporations, the passive financial intermediary members of the groups pursuing real economy activities are not detached from the non-financial corporations sector, but – if circumstances permit – consolidated with the producer member of the group. In a few cases, the holding-type company is consolidated with a different ownership sector (e.g. household). Similarly, the companies, pursuing real economy activity (producer, service provider), which secondarily also have passive financial intermediary function (capital in transit), remain in the non-financial corporations sector.

From and until what time do we regard an economic organisation active (functioning)?

The national account statistics commenced with flow type indicators; its primary objective was to describe the production processes and the use of the realised income. In this relation, "functioning" also means active participation in production, and in the distribution or use of incomes. At the same time, gradually the reckoning of the national wealth has also become the duty of the national account statistics, and experiences show that the existence and possession of certain properties (assets and liabilities) are not always accompanied by the stakeholder organisations' active participation in the production and income processes measurable by the national accounts. This problem is well reflected by the definition of the organisations' principal activity in the national accounts. Principal activity is the activity that generates the highest value added for the respective organisation in any period. Under this approach, it is not possible to determine the activity of an organisation that does not participate in production in a perceptible manner. This also complicates the reckoning of the organisation. In this area, the greatest problem is posed by the reckoning and classification of the passive asset holder organisations. With a view to presenting the national wealth and the changes therein in full, we determine the range of economic organisation to be reckoned as follows. The life of an economic organisation commences when its assets become separable from the assets of the founding organisation (or person) and lasts until such time as its assets are fully absorbed or distributed among the investors or creditors. Accordingly, we regard e.g. the organisations under liquidation, dissolution or involuntary strike-off active and functional as long as they have positive assets. However, in the absence of data reporting, it is not easy to determine this.

Classification by economic activity

In addition to the classification by sector, the economic agents may also be grouped based on their principal economic activity in accordance with the Standard Classification of All Economic Activities (TEÁOR). Since the non-financial corporations sector includes organisations pursuing a variety of economic activities, the breakdown of the sector's aggregate data also based on the TEÁOR provides extremely useful information for the economic analysis.

The Standard Classification of All Economic Activities (TEÁOR) has a four-tier hierarchical structure, built as follows:

- the first tier, designated by letter, includes the national economy branches,
- the second tier designates the sectors by a two-digit code,
- the third tier designates the sub-sectors by a three-digit code,
- the fourth tier designates the class by a four-digit code.

When publishing the data of the national accounts, breakdown by sector, satisfying the users' requirements, is applied. These breakdowns by sector usually use 3, 10, 21, 38 or 64 categories, depending on the required level of details. For example, the grouping that uses 10 categories, looks like as follows:

Table 1.2
Classification of activities by industries

Seq. No	NACE Rev. 2. sections	Description
1.	A	Agriculture, forestry and fishing
2.	B, C, D, E	Mining and quarrying; manufacturing; electricity, gas, steam and airconditioning supply; water supply; sewerage, waste management and remediation activities
2a.	C	of which: manufacturing
3.	F	Construction
4.	G, H, I	Wholesale and retail trade, repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities
5.	J	Information and communication
6.	K	Financial and insurance activities
7.	L	Real estate activities
8.	M, N	Professional, scientific and technical activities; administrative and support service activities
9.	O, P, Q	Public administration and defence; compulsory social security; education;
10.	R, S, T, U	Arts, entertainment and recreation; other service activities; activities of households as employers; undifferentiated goods- and services-producing activities of households for own use; activities of extraterritorial organisations and bodies

The contents of the classifications with the different levels of details are available in Chapter 23 of ESA 2010 and in the publications issued by the Hungarian Central Statistical Office.

The breakdown of the non-financial corporations sector by core activity does not result in perfectly homogenous activity groups, since the organisations usually pursue several, different activities, of which the selection of the core activity is not always straightforward.

2 Macro data of non-financial corporations based on the national accounts

2.1 INTERNATIONAL COMPARISON

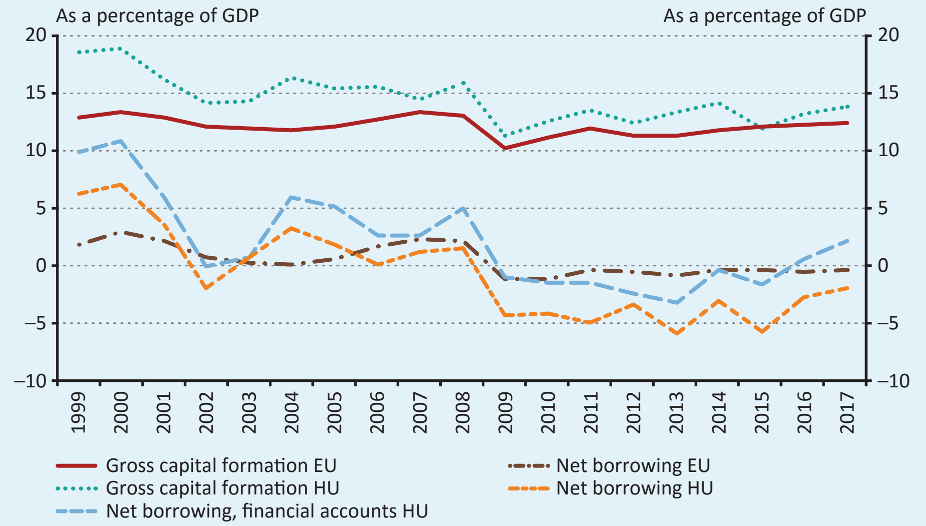
In this section, we present the wealth position and financing process of the non-financial corporations in an international comparison. The non-financial corporations are economic organisations producing (rendering) products and financial services, and thus non-financial assets represent a major share in their balance sheet. The financial accounts statistics record the financial assets and liabilities of economic sectors, while the non-financial assets and the accumulation thereof are included in the non-financial national accounts. Accordingly, the results of both statistics are needed for the monitoring of the developments in the sector's assets and liabilities. Financial accounts are prepared by all EU member states, while the balance data of non-financial assets are available only partially. However, the balance data derived from the financial accounts should be also treated with reservations, and thus the compilation below is about data quality at least to the same degree as about the corporate data. The total volume of corporate assets can be determined only through estimation, and thus we highlight those countries in the case of which it was possible to perform the necessary estimates and supplementations.

Economic weight of non-financial corporations based on the national accounts

On the whole, the financial assets and liabilities of non-financial corporations finance the acquisition of non-financial assets and the operation of the corporations.[2] Accordingly, the net lending of non-financial corporations is essentially determined by two factors: the volume of savings and investments. Since the accumulation of non-financial assets typically exceeds the savings of corporations, net lending is usually negative. This means that the accumulation of non-financial assets at the corporations is partially financed by the owners' and creditors' investments. The gross (not reduced by depreciation) accumulation of non-financial assets in the pre-crisis years amounted to 12-14 percent of GDP; after the crisis, it gradually rose from 10 percent of GDP to the previous level in the EU member states (see Chart 2.1.1). In Hungary, the national account statistics measured corporate investment activity exceeding the EU average; however, this was not accompanied by an above average net borrowing; moreover, according to the data of the non-financial national accounts, from 2009 the non-financial corporations sector recorded major net lending (financial saving), in certain years as high as 5 percent of GDP. The financial accounts reflected higher corporate borrowing position throughout the period. (When examining the EU as a whole, the balance of the non-financial corporations sector calculated from the financial and non-financial accounts is essentially identical.)

[2] In addition to their real economy activity, the non-financial corporations may also behave – temporarily or even permanently – as financial corporations, i.e. the growth in liabilities is invested in financial assets. When this takes place in the form of foreign direct investment – i.e. the enterprise places the funds received from another member of the group within the group as a passive intermediary – we talk about capital in transit. The presence of capital in transit increases the balance of and transactions in financial assets and liabilities, but it has no effect on the net financial worth and net lending. At present, it can be eliminated in the case of the transaction data of the domestic balance of payments statistics. The potential effect of the capital in transit cannot be eliminated from the published data of other countries.

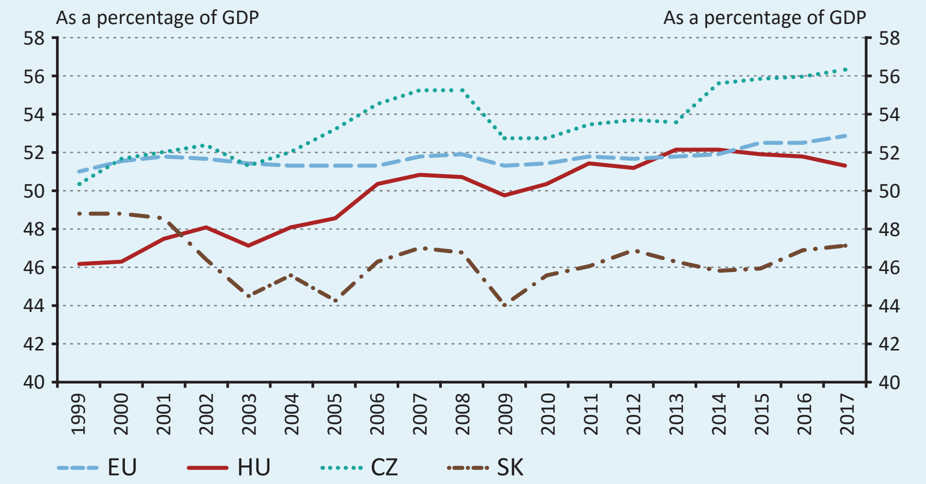
Chart 2.1.1
Annual gross capital formation and net lending of non-financial corporations in the European Union and Hungary, as a percentage of GDP



Source: Eurostat, annual national accounts.

The non-financial corporations generate more than half of the new value produced in the economy (GDP) in the European Union as whole, and also in Hungary (Chart 2.1.2). The economic weight of non-financial corporations shows an increasing trend in most of the countries, which typically entails a relative decrease in the households' role in production. However the degree of the corporations' contribution to the production of GDP varies by countries and the development thereof in time is also different, which may follow from the special features of the economic structure or from the difference in the segregation of the sectors (where is the line between households and corporate sector).

Chart 2.1.2
Gross value added of non-financial corporations in the European Union and selected countries, as a percentage of GDP

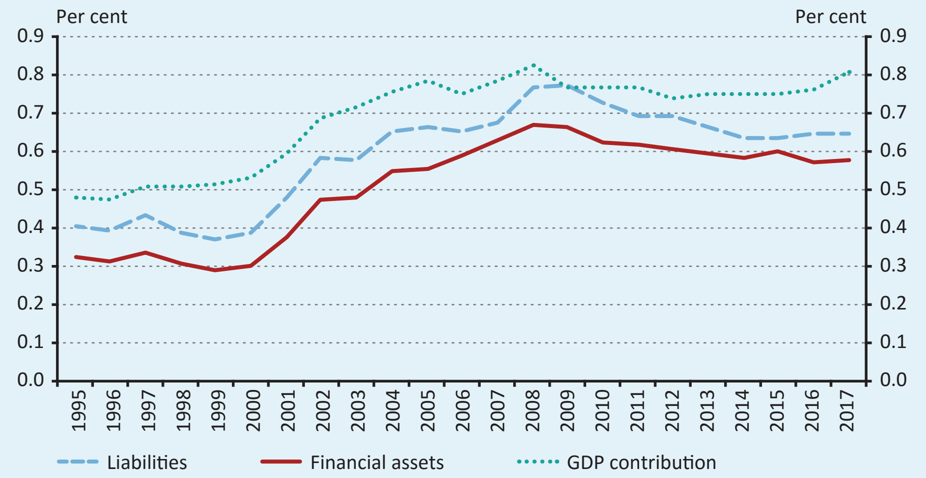


Source: Eurostat, annual national accounts.

While the gross value added, calculated at current price, produced in Hungary amounted to roughly 0.8 percent of the GDP generated in the European Union in recent years, according to the data of the financial accounts, the wealth (total liabilities) and total financial assets of the non-financial corporations accounted for about 0.7 and 0.6 percent, respectively, of the EU's total corporate wealth and balance of financial assets (Chart 2.1.3). This may imply that the Hungarian non-financial corporations hold somewhat lower financial assets and slightly higher non-financial assets than the EU average.

From the second half of the 2000s, several large corporate direct investments contributed to the fact that the growth in the aggregate wealth (total assets, total liabilities) of the Hungarian corporations outstripped the rise in GDP. Part of the large groups developed then, later on were dissolved or consolidated, and thus the weight of the Hungarian corporate sector within the EU decreased in recent years.

Chart 2.1.3
Ratio of non-consolidated stocks of financial assets and liabilities of resident corporations in Hungary to ones of resident in the European Union, per cent



Source: Eurostat, annual financial accounts. Applies to the EU 28 member states, supplemented by estimate before 2001.

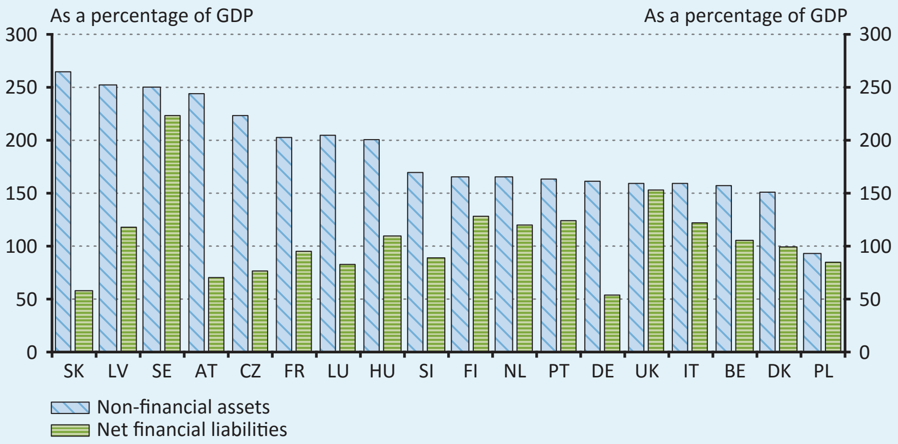
Composition of the non-financial corporations' assets and liabilities

Corporations are organisations where the assets are generated from the funds provided by the owners and the creditors. Naturally, during the operation of the corporations, the valuation of the assets and liabilities may differ, and thus some net worth may be formed; however, it has no economic content, it rather can be regarded as a kind of statistical error. If we assume that the net worth is zero or close to zero – i.e. the value of the assets and liabilities is identical – , estimates for the value of the non-financial assets may be also provided on the basis of the balance data of the financial accounts (the balance sheets). One of the key indicators of the financial accounts is the net financial worth, which is the difference of the financial assets and liabilities (it is a negative value in the case of the non-financial corporations). The opposite of this is the net financial liability, which may be regarded as an estimate related to the balance of non-financial assets, since after deducting the financial assets from the liabilities we obtain the non-financial assets.[3] Based on the European Union's financial accounts, the estimated value of real assets at the end of 2016 is EUR 16,280 billion (109 percent of the EU's GDP). Of this, roughly EUR 14,000 billion belong to the 21 countries that report the balance of real assets directly as well. The non-financial corporations' real assets balance of these countries, reported within the national accounts, is EUR 22,800 billion, i.e. the actual data is almost twice as high as the figure estimated from the financial accounts. The data substantially vary by country (Chart 2.1.4). The actual corporate real assets balance fluctuates between 150 and 250 percent of GDP (the EU average is 172 percent, while the Hungarian figure is 200 percent), while the net financial debt in the financial accounts reaches only a fraction of this in several countries (the Hungarian figure may be deemed average), which implies measurement problems at the financial accounts. These problems in the financial accounts appear primarily in the area of the reckoning and valuation of the equity issued by non-financial corporations (shares, other equity), which complicates both the analysis of the composition of corporate wealth and the comparison thereof between the countries.[4]

[3] Statistics treats the produced and non-produced financial assets as non-financial assets, i.e. the aggregate of intellectual products, fixed assets, inventories and natural resources (land, mineral resources).

[4] The shortcomings in shares and equity on the liability side also appear in the owners' sectors, and thus at the asset side of the owner companies.

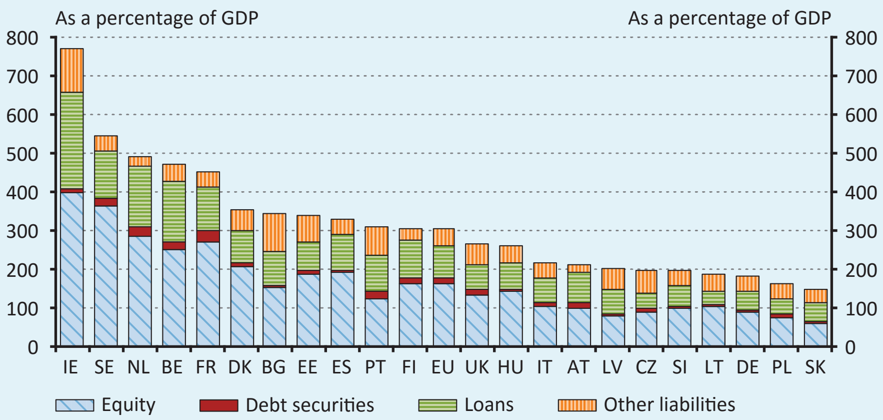
Chart 2.1.4
Stocks of non-financial assets and net financial liabilities, as a percentage of GDP, in selected EU-members, at the end of 2016



Source: Eurostat, annual national and financial accounts. The balance of non-financial assets contains estimates as well.

The composition of the non-financial corporations' liabilities reflects the financing facilities, the relationship between the owners and the creditors, as well as the development of the money and capital markets in the respective area. In accounting terms, the liability side of the balance sheet comprises of shareholder funds and debt capital; all this appears in statistics as liabilities, of which the shares and equites (AF.5) correspond to own resources; the debt securities (AF.3), loans (AF.4) and other liabilities (here AF.6-AF.8) together can be considered as debt capital. In the European Union, the aggregated liabilities of non-financial corporations amounted to 302 percent of GDP at the end of 2016, of which 54 percent was equity, 4 percent debt securities, 27 percent outstanding loans and 14 percent other liabilities, according to the aggregate data of the financial accounts. (Considering that the balance of equity is underestimated in financial accounts, the value of wealth may be as high as 370 percent of GDP, 62 percent of which is equity). At the end of 2016, the non-consolidated liabilities of Hungarian corporations amounted to 260 percent of GDP (350 percent after adjustment for equity); apart from the lower occurrence of securities, the composition of liabilities corresponded to the EU average (see Chart 2.1.5).

Chart 2.1.5
Composition of non-consolidated liabilities of corporations, as a percentage of GDP, in the European Union and selected countries, at the end of 2016

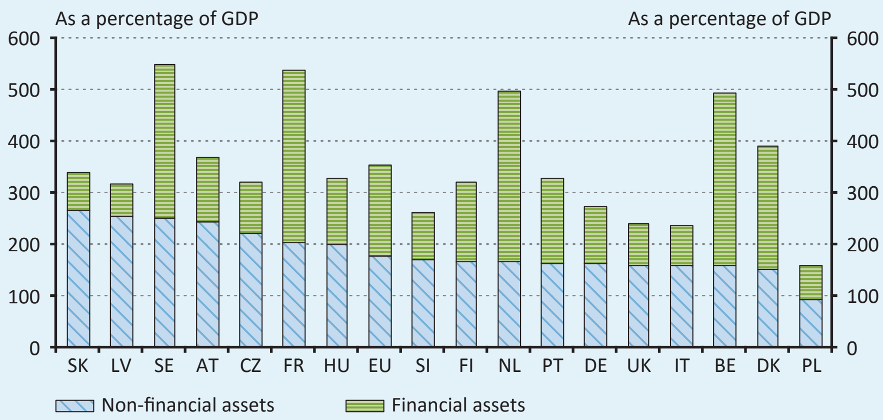


Source: Eurostat, annual financial accounts. Other liabilities, including insurance premium reserves and derivatives.

As regards the composition of corporate liabilities, there are major differences among the individual countries. In those countries where the corporate sectors' wealth as a percent of GDP (the balanced of liabilities) is smaller and the ratio of equity within liabilities is also lower, the reckoning of the equity is clearly incomplete in the financial accounts. In some countries, the ratio of other liabilities within corporate liabilities is strikingly high, which is clearly accompanied by a lower ratio of loans, which may imply instrument classification problems. In several countries the non-financial corporations also have insurance technical reserves (pension liabilities) (AF.6); in this compilation these are reported under other liabilities. In this area, the corporate pension scheme of the United Kingdom is outstanding, with its accumulated reserves amounting to 41 percent of GDP; the financial accounts also show reserves balance of 8 in Germany, almost 6 percent in Italy and 3 percent in Austria. As regards the ratio of the corporations' debt capital as a percent of GDP, Luxembourg (419 percent), Ireland (370 percent) and Cyprus (295 percent) have the most indebted corporate sector, while Hungary (117 percent) belongs to the countries with less indebted corporate sector (the EU average was 138 percent of GDP at the end of 2016).

We present the assets of the non-financial corporations by merging the balance data of the financial and non-financial accounts (Chart 2.1.6). We present those countries in respect of which the balance data of the corporate real assets can be derived from the non-financial accounts. The balance of the financial assets comes from the financial accounts statistics. As regards the European Union as a whole, at the end of 2016 the non-consolidated assets of non-financial corporations may have been 352 percent of GDP; the financial and non-financial assets had equal share in the wealth. In the case of Hungarian corporations, the ratio of non-financial assets was 61 percent in the balance sheet, while the balance of real assets as a percent of GDP exceeded the EU average (200 percent)[5]. There are only a few European countries where the balance of the corporations' financial assets exceeds that of the real assets (Ireland, Sweden, the Netherland, Luxembourg, France, Belgium, Denmark). In these countries the balance of ownership shares (equities, business shares, mutual fund shares) is considerable within the financial assets of non-financial corporations, and usually the balance of the corporations' loans granted is also high (Chart 2.1.7).

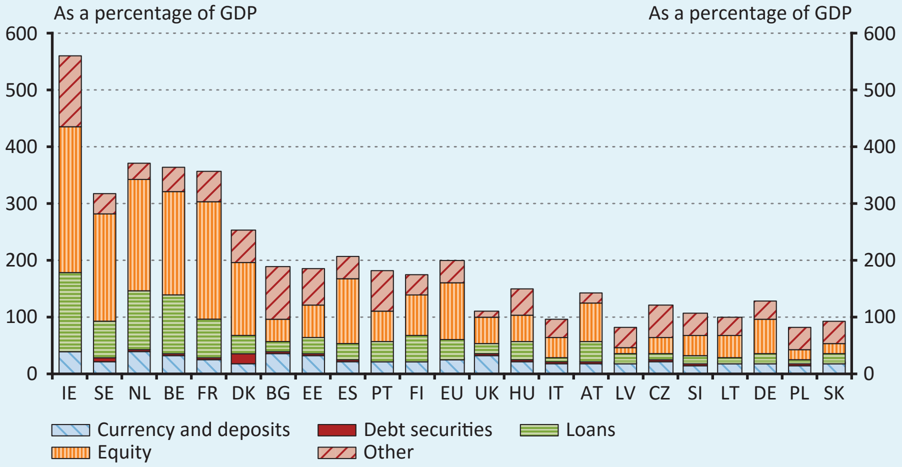
Chart 2.1.6
Composition of non-consolidated assets of corporations, as a percentage of GDP, in the European Union and selected countries, at the end of 2016



Source: Eurostat, annual national and financial accounts. The balance of non-financial assets contains estimates as well.

[5] According to the accounting data, the ratio of non-financial assets at the Hungarian corporations is only 46 percent. We obtain the same ratio when we approximate the balance of real assets with the net financial liabilities included in the financial accounts. For more details see section 2.3.

Chart 2.1.7
Composition of non-consolidated financial assets of corporations, as a percentage of GDP, at the end of 2016



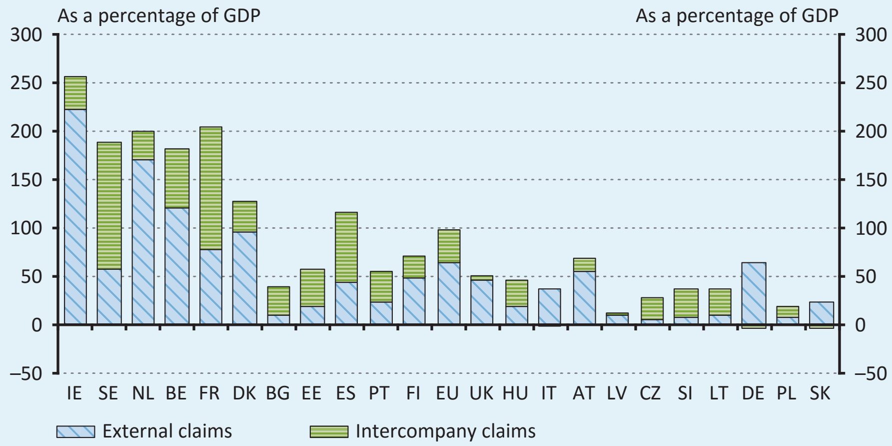
Source: Eurostat, annual financial accounts.

The financial assets of non-financial corporations mostly contain equity (shares and other equities). As regards the European Union as a whole, half of the corporate financial assets – amounting to almost 200 percent of GDP – is equity, according to the data related to the end of 2016. In the countries claiming major corporate financial assets, equity accounts for 50-60 percent of financial assets. In the case of the Hungarian corporations, on average only 30 percent of their financial assets is equity, while the liquid assets balance, the balance of loans granted and other receivables of the corporate sector exceed the EU average. The above average value of liquid assets is related to the substantial cash holding of Hungarian corporations, similarly to those of other Eastern European countries. (At the end of 2016, 11 percent of the Hungarian companies' liquid assets was cash, while the European average is 3 percent. The ratio of cash in Greece is 5 percent, in Italy and in the Czech Republic 9 percent, in Romania 12 percent, Lithuania 18 percent and in Slovakia 20 percent). The equity within the assets of non-financial corporations represents intercompany (directed to other domestic companies) or foreign (directed to other countries) capital investments (Chart 2.1.8).[6] The remarkably high balance of equity in Ireland, the Netherlands, Belgium, Denmark, Austria, Finland, the United Kingdom and Germany is determined by the major foreign direct investment of non-financial corporations. At the same time, in Sweden, France or Spain the domestic intercompany capital investments exceed the value of foreign ownership interests. In some countries, the financial accounts statistics data imply measurement errors in the domestic intercompany equity (Germany, Italy, Slovakia, United Kingdom). In these countries the corporations' equity investments are lower, because the domestic intercompany owner relations are not observed in the statistics.

In addition to the equity, another important instrument of intercompany financial relations is the loan or credit (AF.4). Non-financial corporations primarily lend to intra-group companies being in ownership relation (parent company, subsidiary, other participation). Accordingly, the corporate sector's loan receivables are high in those countries, where the ratio of equity is also high (Chart 2.1.9). However, on the whole, the balance of corporate loan receivables is only a fraction of the equity investments (36 and 99 percent of GDP, respectively, in the EU as a whole).

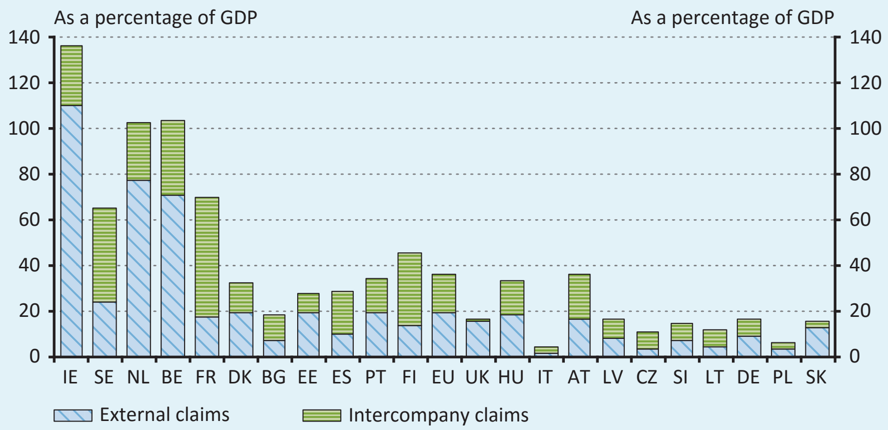
[6] The consolidated data of the financial accounts show the assets and liabilities directed outside the sector, and by deducting the consolidated corporate data from the non-consolidated data we obtain the assets and liabilities within the sector (intercompany).

Chart 2.1.8
Composition of equity assets of corporations, as a percentage of GDP, at the end of 2016



Source: Eurostat, annual financial accounts.

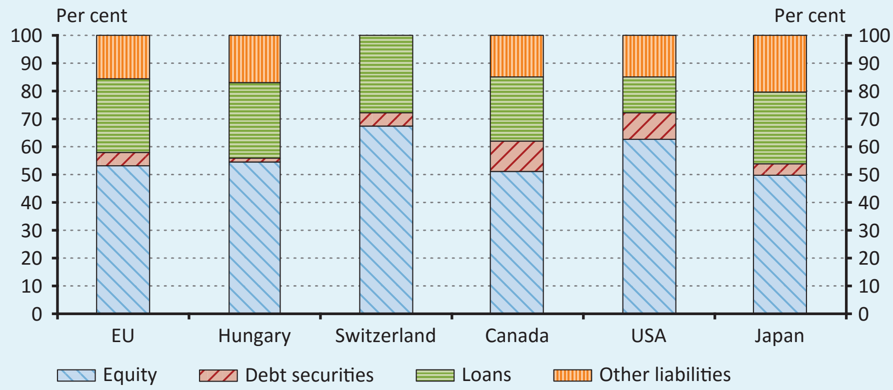
Chart 2.1.9
Composition of loan assets of corporations, as a percentage of GDP, at the end of 2016



Source: Eurostat, annual financial accounts.

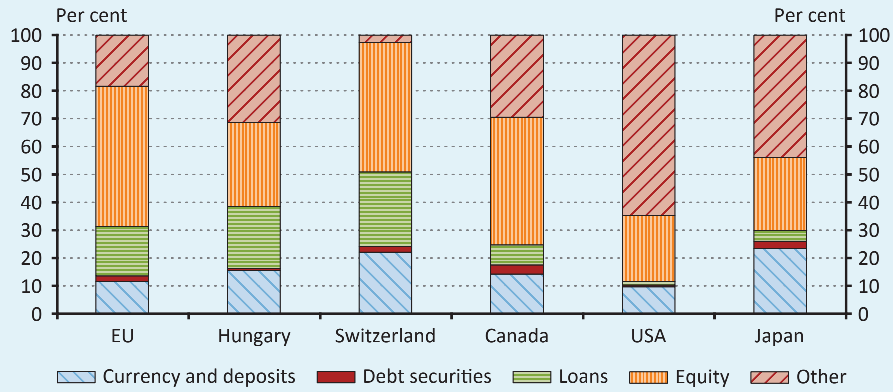
In summary, the composition of the Hungarian non-financial corporations' liabilities essentially corresponds to the EU average, but the ratio of the funds raised by bond issue is lower. The financing pattern in the United States of America fundamentally differs from the European one; in the USA, the ratio of equity approximates 63 percent and the ratio of debt securities is also considerable (Chart 2.1.10). It should be noted again that if the accounting non-financial assets of the European corporations are revalued to the statistical value, the ratio of issued shares and other equity (at market value) rises to the US level in the balance sheet.

Chart 2.1.10
Composition of non-consolidated liabilities of corporations, as a percentage of GDP, at the end of 2016



Source: Eurostat, annual financial accounts, 2016.

Chart 2.1.11
Composition of non-consolidated financial assets of corporations in the EU and in other countries



Source: Eurostat, annual financial accounts, 2016.

In the case of the Hungarian corporations, the composition of financial assets distinctly differs from the EU average; the Hungarian corporations hold equity to a lower degree, while the ratio of loans, other receivables and liquid assets is higher in their balance sheet. At the same time, the comparison with countries outside Europe is hindered by classification and data quality differences (see Chart 2.1.11).

2.2 PRODUCTION, INCOME AND ACCUMULATION PROCESSES OF THE HUNGARIAN NON-FINANCIAL CORPORATIONS

Similarly to other institutional sectors, the real economy (production, income and accumulation) processes of non-financial corporations are described by the non-financial accounts. Detailed information on the structure of non-financial accounts and their relations to the financial accounts is provided in the methodological publications on financial accounts (MNB 2014[7], MNB 2016[8]).

[7] Financial accounts of Hungary 2014
[8] Financial savings of households based on micro- and macro-statistical data

Table 2.2.1

Main items of simplified integrated national acounts presenting annual transactions of non-financial corporations, 1995-2017, billion HUF

Item		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
Output, gross		7 074	8 863	11 680	14 313	16 439	19 739	22 433	24 305	26 412	29 283	32 525	
Intermediate consumption	-	4 706	5 922	7 705	9 441	11 057	13 562	15 110	15 904	17 396	19 120	21 570	Production account
Value added, gross		2 368	2 941	3 975	4 872	5 382	6 177	7 323	8 401	9 016	10 163	10 955	
Compensation of employees	-	1 686	2 056	2 520	2 966	3 214	3 864	4 499	4 801	5 364	6 037	6 613	
Taxes less subsidies	-	83	104	137	180	239	237	283	303	329	315	306	Income accounts
Net property income and other transfers	-	175	280	551	714	785	833	1 008	1 099	1 111	1 464	1 581	
Disposable income, gross		424	501	767	1 011	1 144	1 243	1 533	2 197	2 212	2 347	2 455	
Savings, gross		424	501	767	1 011	1 144	1 243	1 533	2 197	2 212	2 347	2 455	
Aquisition of non-financial assets and net capital transfers	-	674	990	1 305	1 827	1 982	2 281	2 210	1 990	2 548	3 297	3 228	Capital account
Net lending (+) /net borrowing (-) in capital account		-250	-489	-538	-816	-837	-1 039	-676	207	-335	-950	-773	
Statistical discrepancy (NEO), non-financial corporation sector		-64	139	199	113	312	412	230	188	-202	315	385	
Net lending (+) /net borrowing (-) in financial account		-186	-628	-737	-928	-1 149	-1 450	-906	19	-134	-1 265	-1 158	Financial account
Transaction of financial assets		790	896	1 369	1 203	1 416	1 803	1 672	1 991	3 506	2 446	3 326	
Transaction of liabilities		976	1 525	2 106	2 132	2 566	3 253	2 578	1 972	3 640	3 711	4 484	

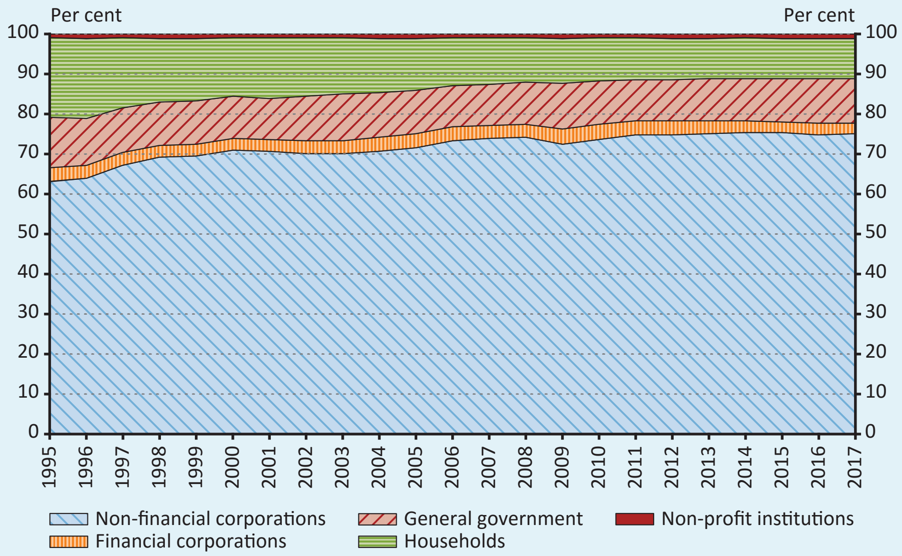
Item		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Output, gross		37 039	38 920	41 741	38 026	40 675	43 950	43 703	45 805	49 097	51 688	52 765	56 931
Intermediate consumption	-	24 823	25 875	27 932	24 860	26 969	29 406	28 981	30 046	32 063	33 772	34 399	36 909
Value added, gross		12 216	13 045	13 809	13 166	13 706	14 545	14 722	15 759	17 034	17 916	18 365	20 022
Compensation of employees	-	7 056	7 624	8 074	7 782	7 873	8 371	8 554	8 776	9 171	9 036	9 814	10 684
Taxes less subsidies	-	368	559	522	414	238	202	231	355	529	644	900	922
Net property income and other transfers	-	1 700	2 116	2 036	1 502	1 762	1 879	2 247	1 865	2 599	3 042	2 465	2 987
Disposable income, gross		3 092	2 746	3 176	3 467	3 832	4 093	3 689	4 763	4 735	5 194	5 187	5 429
Savings, gross		3 092	2 746	3 176	3 467	3 832	4 093	3 689	4 763	4 735	5 194	5 187	5 429
Aquisition of non-financial assets and net capital transfers	-	3 472	3 382	3 936	2 661	3 135	3 196	3 132	3 426	4 165	3 488	4 237	4 665
Net lending (+) /net borrowing (-) in capital account		-380	-636	-759	806	697	897	557	1 337	570	1 706	949	764
Statistical discrepancy (NEO), non-financial corporation sector		254	33	587	553	281	491	-153	373	459	1 147	1 131	1 621
Net lending (+) /net borrowing (-) in financial account		-633	-669	-1 347	253	415	406	710	964	112	559	-182	-857
Transaction of financial assets		4 524	4 426	1 006	1 506	158	3 908	335	1 937	3 018	1 188	3 293	3 900
Transaction of liabilities		5 157	5 095	2 352	1 252	-258	3 503	-375	974	2 907	629	3 475	4 757

Source: HCSO, national accounts, MNB, financial accounts.

In the system of national accounts, the production process is described by the production account. The production account presents the value of the individual sectors' gross[9] output, as well as the value of the materials and services used for the production of those, i.e. the intermediate consumption. The difference of the gross output and intermediate consumption is the gross value added, which is the balance of the production account. The gross value added shows the volume of new value generated during the production in the respective period. The sum of the sectors' gross value added and the balance of the product taxes and subsidies together constitute the gross domestic product (GDP). GDP is the indicator that is used the most often for describing the performance of an economy.

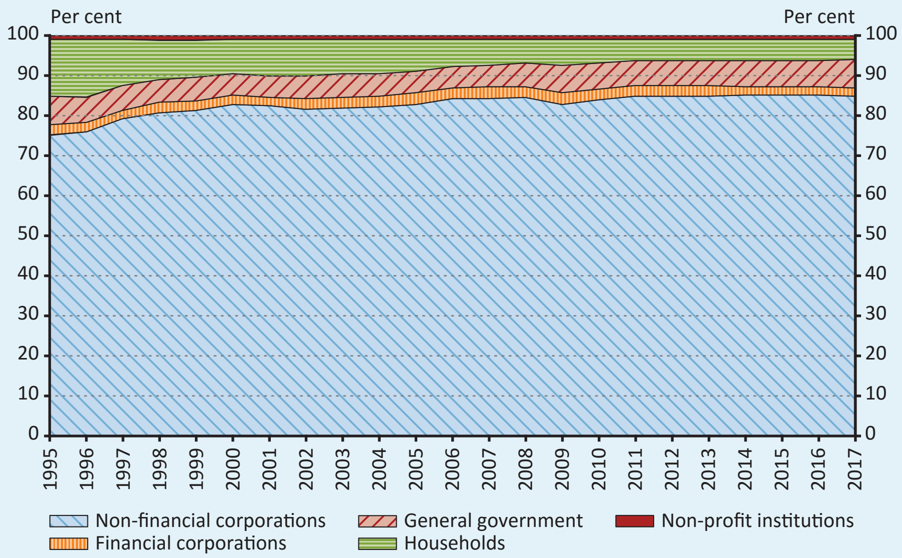
Of the institutional sectors, the non-financial corporations play the most important role in the production process. Among the sectors, non-financial corporations have the highest share in gross output, intermediate consumption and value added.

Chart 2.2.1
Distribution of gross output among sectors, per cent



Source: HCSO, national accounts.

Chart 2.2.2
Distribution of intermediate consumption among sectors, per cent



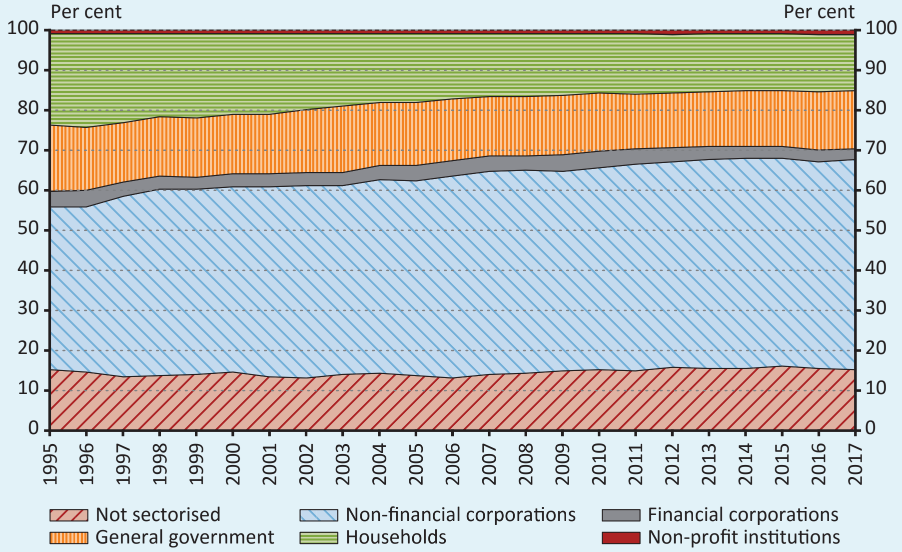
Source: HCSO, national accounts.

[9] In this section the gross attribute preceding the indicators means that the capital consumption, i.e. the amortisation was not deducted from the value of the indicator.

In recent years, the share of non-financial corporations in the total gross output was around 70 percent, and when examining a longer period, the share of non-financial corporations is moderately increasing at the expense of households.

In the area of intermediate consumption, the corporate sector is also dominant; about 80 percent of the goods and services necessary for production are consumed in this sector.

Chart 2.2.3
Distribution of gross value added among sectors, per cent

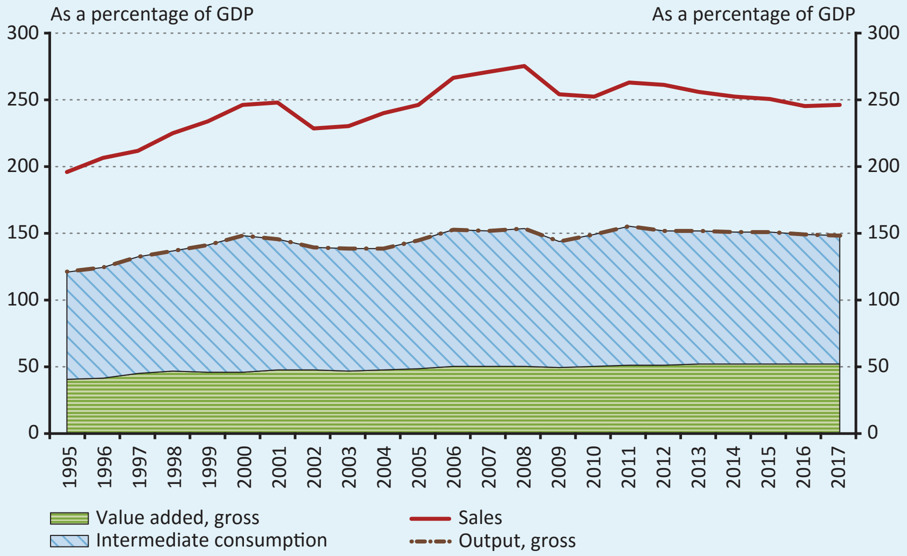


Source: HCSO, national accounts.

When examining the distribution of gross value added, we find that the share of non-financial corporations is outstanding here as well, compared to the other sectors, and it shows an increasing trend at the expense of households. This is due to the fact that the value added of the sole traders, belonging to the household sector, did not rise to the same degree as that of the companies belonging to the non-financial corporations. Almost half of the GDP is produced in the non-financial corporations sector, and the GDP growth in the period under review was realised primarily in this sector, since the share of the other sectors was stable, or even declining, like in the case of the household sector.

Part of the gross value added cannot be allocated to sectors. This part, not allocated to sectors, is the balance of product taxes and subsidies, which has to be used because the gross domestic product is measured at market price.

Chart 2.2.4
Production transactions of non-financial corporations, as a percentage of GDP

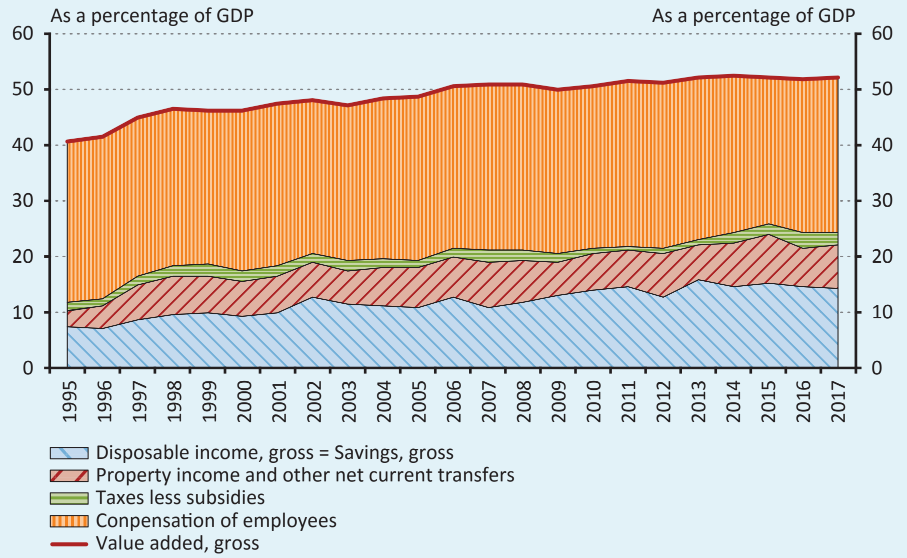


Source: HCSO, national accounts, MNB, corporate database for statistics.

The gross output of non-financial corporations in the period under review was around 120 and 160 percent of GDP. Chart 2.2.4 also shows the revenue figures from the aggregated accounting profit and loss statement of non-financial corporations. It is clear that at a lower level, output closely moves together with the revenue time series, since the output data are essentially derived from the revenues by applying certain adjustment items, of which the largest value is represented by the cost of goods sold and the mediated services.

The intermediate consumption in the sector reached roughly two thirds of the output, and thus the ratio of value added was about one third. The corporations' value added, as a percent of GDP, showed an increasing trend with minor fluctuations in the period under review.

Chart 2.2.5
Transactions of income didtribution of non-financial corporations, as a percentage of GDP

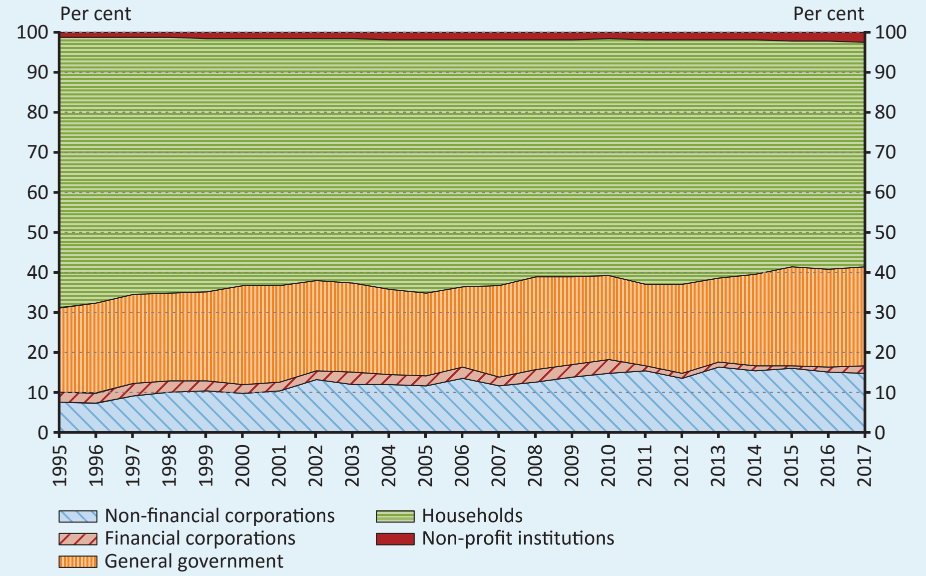


Source: HCSO, national accounts.

The gross value added generated in the non-financial corporations sector is distributed among the employees, the state, the creditors and the owners. Employees' income account for largest part of the revenues paid out; here the social insurance contribution paid by the employers also form part of the employees' earnings. The taxes paid to the state are substantially offset by the subsidies received from the state and the European Union, and thus the balance of taxes and subsidies on the whole accounts only for a negligible part of GDP. Property incomes represent the difference of the paid and received amounts of interests, dividends and profit sharing, reinvested earnings and rents. In terms of property income, the non-financial corporations are net payers.

The difference between the gross value added and earnings is the gross disposable income of the sector. In the corporate sector, the gross disposable income corresponds to the gross saving, since the non-financial corporations do not participate in consumption, and thus their disposable income conforms to their savings by definition.

Chart 2.2.6
Distribution of gross disposable income among sectors, per cent

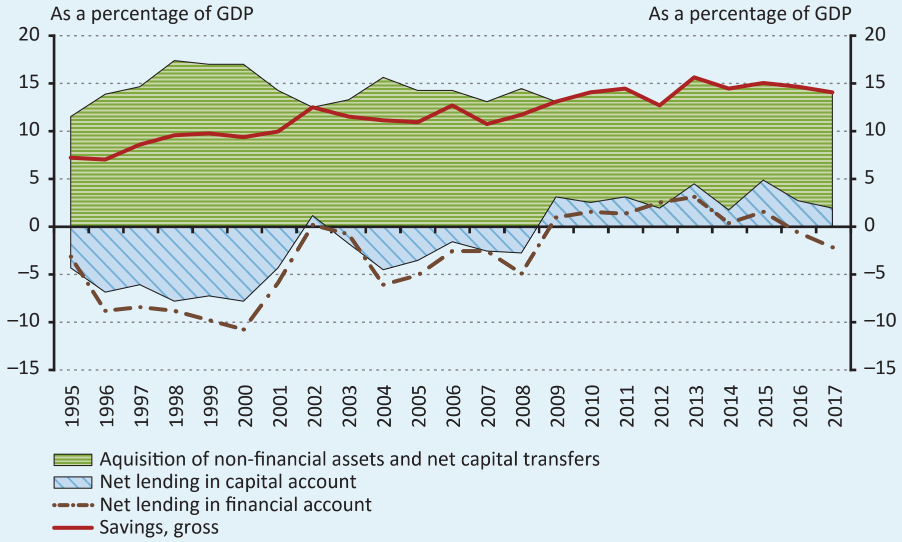


Source: HCSO, national accounts.

As a result of the income distribution processes, the share of non-financial corporations in the gross disposable income is significantly smaller than in the case of the gross value added. A major part of the income is transferred to the households, and the general government also has a significant share in the disposable income.

The non-financial corporations fund the acquisition of real assets, i.e. their investments, by their savings. If the gross savings (and the balance of capital transfers) do not cover the investments, the corporations are in net borrowing position. Upon the occurrence of net borrowing positon, the corporations increase their liabilities or reduce their financial assets.

Chart 2.2.7
Accumulation transactions of non-financial corporations, as a percentage of GDP

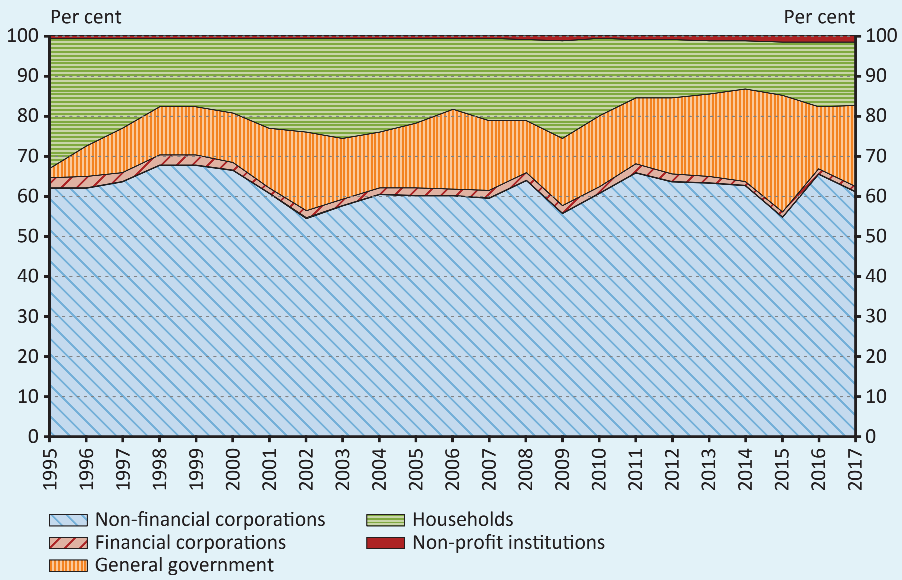


Source: HCSO, national accounts, MNB, financial accounts.

According to the data of the non-financial accounts, before the 2008 crisis, the savings of corporations were usually not sufficient for the financing of their investments, and thus they were in net borrowing position. After the crisis, the GDP-proportionate growth in savings and the decrease in investments reversed the situation, and the non-financial corporations became financial savers, signalled by the positive value of net lending.

The value of the financial saving also appears on the financial accounts as the net lending indicator. Net lending appears in statistics as the difference between the change in financial assets and liabilities as a result of transactions. The difference between the net lending appearing on the capital account and the net financing capacity appearing on the financial accounts is a statistical error, which is an important indicator of the quality of the statistics.

Chart 2.2.8
Distribution of aquisition of non-financial assets among sectors, per cent



Source: HCSO, national accounts.

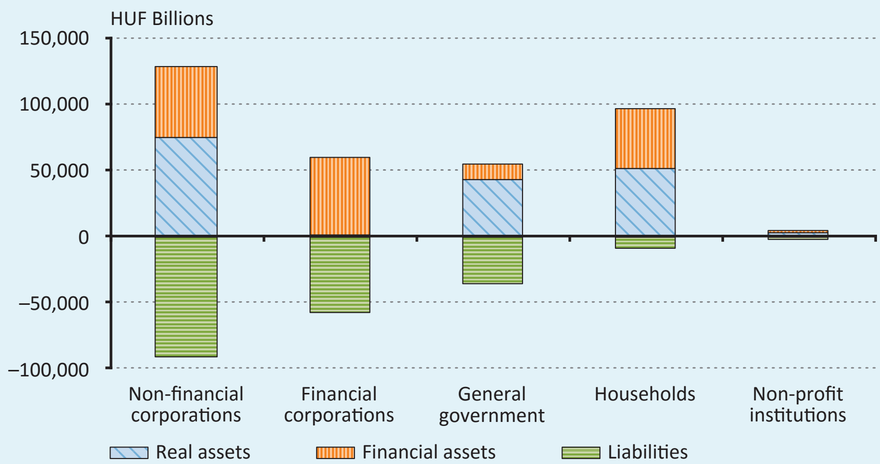
As regards the accumulation processes, the non-financial corporations play a key role in the economy; the vast majority of the investments, almost 60 percent, take place in this sector. The share of households shows a decreasing trend here as well, but primarily vis-à-vis the general government rather than vis-à-vis the non-financial corporations.

2.3 FINANCIAL AND NON-FINANCIAL ASSETS OF THE HUNGARIAN NON-FINANCIAL CORPORATIONS

The national account statistics breaks down the resident economy into five main sectors, which have different role in the economy, and accordingly the composition and size of their wealth vary (Chart 2.3.1).[10] The ultimate owner sectors (general government, households, non-profit institution serving households) have positive net worth; their assets exceed their liabilities. These sectors have no debts arising from equity; they finance their assets from own savings and loan debts. By contrast, the business sectors' (financial and non-financial corporations) outstanding liabilities correspond, in theory, to their assets, and their net worth is close to zero. The volume of the outstanding debt is determined, in addition to the loan debts, also by the equity, since the assets of the corporations are provided by the owners and the creditors together. The financial corporations have primarily financial assets, while in the case of the non-financial corporations the non-financial assets usually have higher share in the balance sheet than the financial assets.

In Hungary, the non-financial corporations sector has the largest wealth, whether it is measured by total assets or total liabilities. However, the statistical wealth measured from the two sides continuously and materially differ from each other, because the book value of assets is lower than the market value estimated in statistics, while in the case of liabilities, statistics mostly use the book values. As a result of this, in the statistical presentation non-financial corporations have substantial positive net worth (at the end of 2016 more than HUF 36,000 billion).[11]

Chart 2.3.1
Non-consolidated assets and libatities of main resident sectors, at the end of 2016, HUF billions



Source: HCSO, national accounts, MNB, financial accounts. The balance of real assets contains estimates.

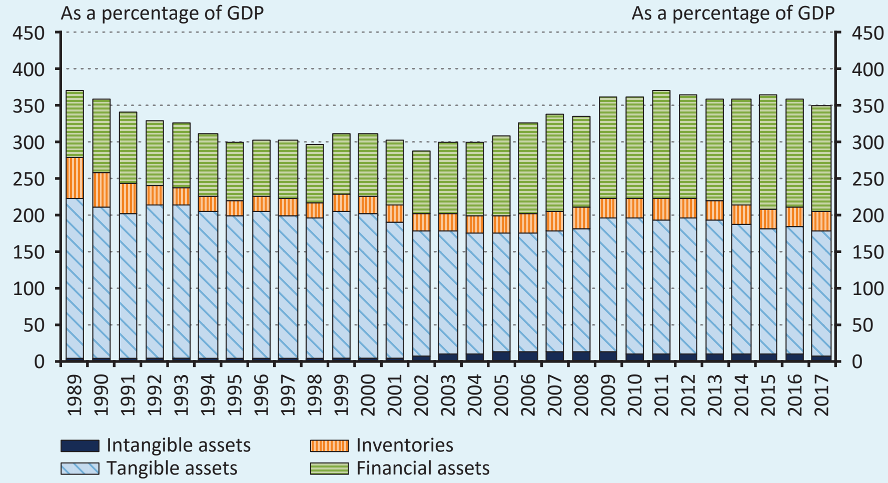
[10] Due to the delayed availability of the balance statistics related to non-financial assets, usually it is not possible to publish up-to-date data. For the purpose of this data publication, the non-financial asset were supplemented with the non-produced assets, which for the time being are not observed in Hungarian statistics; in addition, we further estimated the fixed asset data for the periods in respect of which no balance statistics is available yet.

[11] Naturally, the accounting presentation of the corporate balance sheet at book value shows zero net worth, this is why it is possible to present the wealth from two sides, i.e. from the assets and liabilities, in the same amount.

Main composition of the corporate assets – financial and non-financial assets

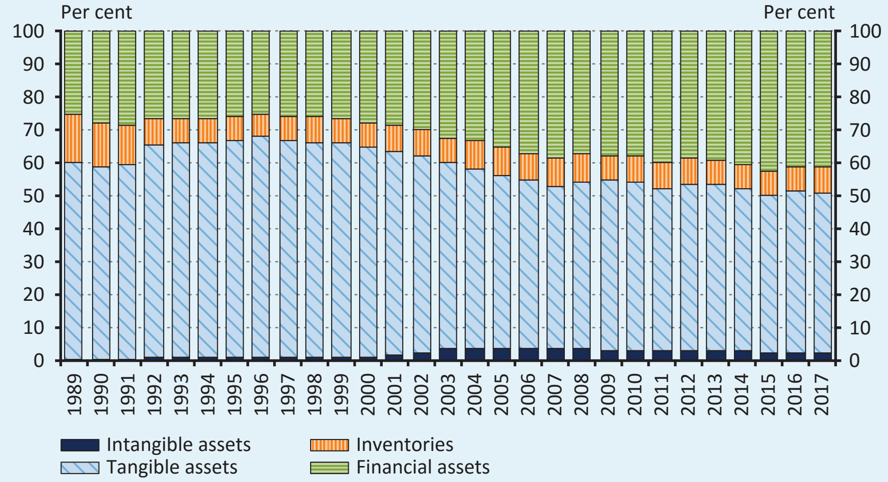
The assets of non-financial corporations measured in statistics fluctuated between 300 and 370 percent of GDP in the past decades (Chart 2.3.2).[12] Within that, the aggregate balance of fixed assets and non-produced assets (intangible assets and tangible assets) was around 200 percent of GDP all the time, while the consolidated value of financial assets (also including the resident intercompany relations) gradually rose from 80 percent of GDP to 150 percent. The high inventories and receivables of corporations, observed in the early 1990s, declined by the middle of the decade. Thereafter, inventories rose from 22 percent of GDP to 28 percent. The financial relations of non-financial corporations strengthened in the 2000s; the GDP-proportionate value of financial assets gradually rose year by year; the weight of financial assets in the aggregated corporate balance sheet rose from 25 percent to over 40 percent (Chart 2.3.3). The strengthening of the financial functions of the non-financial corporations took place in several phases and in several areas; this will be described in detail below.

Chart 2.3.2
Stocks of non-consolidated assets of non-financial corporations, as a percentage of GDP



Source: HCSO, national accounts, MNB, financial accounts. The balance of real assets contains estimates.

Chart 2.3.3
Composition of the non-financial corporations' non-consolidated assets, per cent



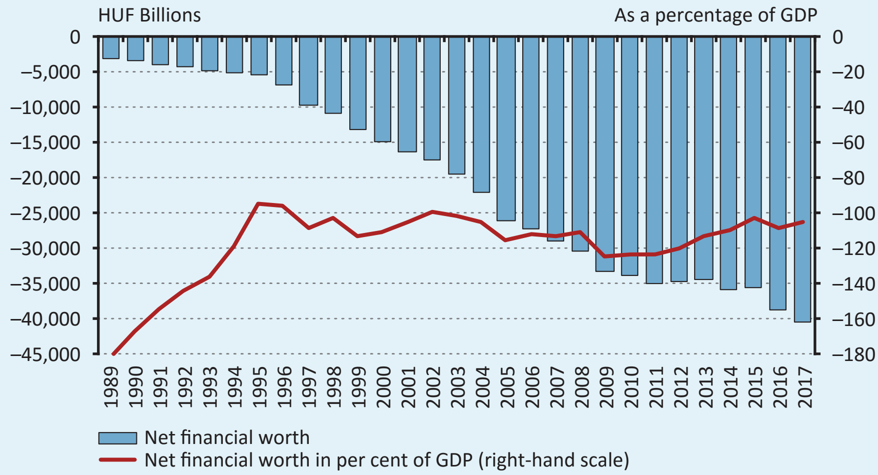
Source: the data shown in Chart 2.3.2.

[12] It should be taken into consideration that the quality of the pre-1995 data is worse in all respects than later. There is a leap in GDP in 1991 and 1995, there was a change in accounting standards in 1992, and the consistent data of the fixed assets statistics are available only from 1995.

Composition of financial wealth – financial assets and liabilities

Although non-financial corporations have significant financial assets, their outstanding liabilities[13] substantially exceed those. Namely, corporations invest a substantial part of their funds in non-financial assets (tangible assets, intangible assets, inventories), and thus the net financial worth is usually negative. According to the financial accounts data, the sector's net financial liability in 1989, 2000 and at the end of 2017 was HUF 3,138 billion, HUF 14,789 billion and HUF 40,308 billion, respectively. In the past 20 years, there was a fourfold rise in value of net financial debt in nominal terms, but it amounted to 100-125 percent of GDP throughout the period under review (Chart 2.3.4). The net financial liability fell below the GDP value by 1995 from twice the GDP observed before the political transition, mostly due to the failure to revalue financial assets and shares in corporations and to their impairments, while there was a major price increase.

Chart 2.3.4
Net financial worth of non-financial corporations, HUF billions and as a percentage of GDP



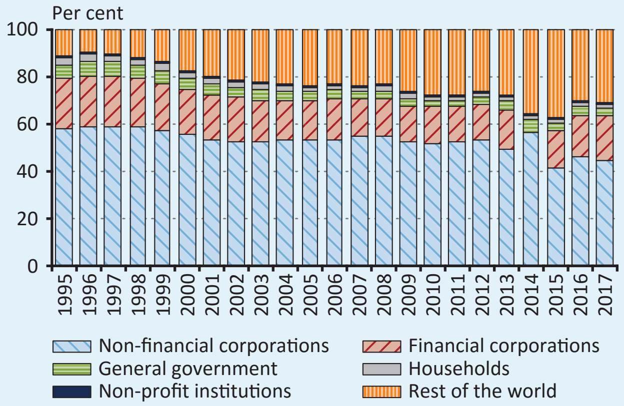
Source: MNB, financial accounts.

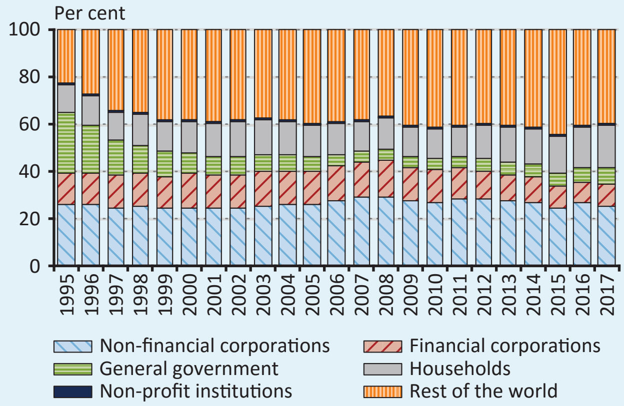
When examining the net financial worth of non-financial corporations based on the counterparty relations, we find that the net debt of non-financial corporations vis-à-vis the non-resident sector somewhat exceeded their net liability vis-à-vis the resident sectors. By the end of 2017, it accumulated a net liability of HUF 20,555 billion (54 percent of GDP) vis-à-vis the non-resident sector and HUF 19,753 billion (52 percent of GDP) vis-à-vis the resident sector. In the past twenty years, of the resident sectors its relations substantially expanded with the households (the 20 percent share characterising the start of the period rose to 40 percent by the end of the period), while its net financial worth vis-à-vis the general government decreased to a similar degree, and in its relations with the financial enterprises its outstanding receivables already exceeded its outstanding liabilities in the past three years.

However, the financial relations of the corporate sector with the individual counterparty sectors developed differently in the area of receivables and payables (Chart 2.3.5). In 2017, the receivables between the non-financial corporations accounted for 45 percent of the outstanding financial assets, while the same represented only one quarter of the liabilities, dominated by loans, shares and other equity and trade credits. Receivables from and payables to the non-resident sectors are also significant (32 percent and 40 percent, respectively), and similarly to the resident intercompany relations, the dominant instruments include loans, trade credits and equity here as well. Non-financial corporations mostly have equity-type liabilities vis-à-vis the households; these account for 85 percent of their liabilities to households. The typical forms of relation vis-à-vis the financial corporations include deposit receivables and loan debts, while in the case of the general government other receivables and other liabilities, as well as equity liabilities appear to a larger degree.

[13] Liabilities (debts) in the statistical presentation mean the liability side of the balance sheet, i.e. the total of "shareholders' equity" and "debt capital", i.e. also including equity.

Chart 2.3.5
Counterpart sector breakdown of financial assets and liabilities of non-financial corporations

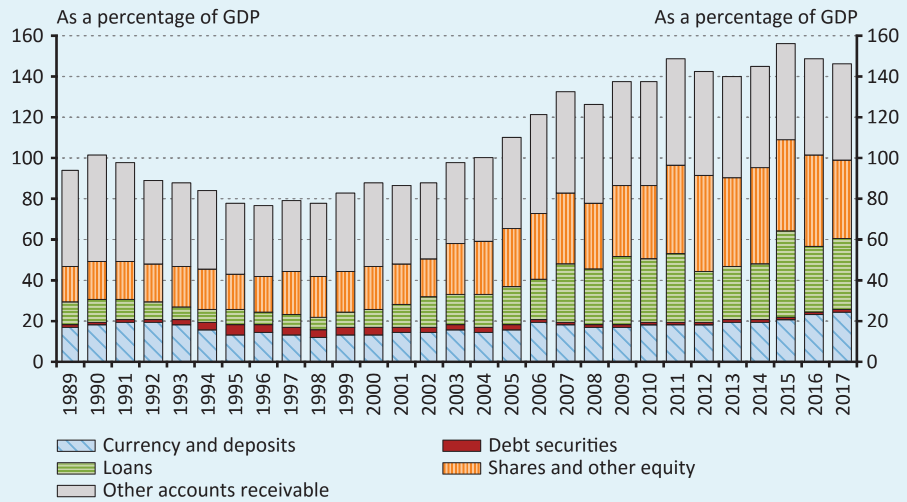




Source: MNB, financial accounts, non-consolidated balances.

The balance of the sector's non-consolidated financial assets at the end of 2017 amounted to 145 percent of GDP; within that loans, shares and other equity and trade credit instruments have the highest share (around 70 percent). Trade credits are more typical in the relations between the corporations, while the loan instrument (primarily through the owner relations) appears both in the resident an non-resident corporate relations. Within the financial assets, the balance of other receivables (most which are trade credits) is the highest; in 2017 it amounted to 47 percent of GDP. At the same time, in the past twenty years the balance of the outstanding loan receivables rose from 7 percent of GDP to 34 percent and equity receivables also substantially increased, from 20 percent of GDP to 39 percent. These are also the key instruments of intercompany financing and they show the strengthening of the financial relations between the companies, observed in recent years. Within the financial assets of non-financial corporations the balance of liquid assets (cash and deposits) is relatively high, but the share of this was pretty stable, around 17 percent in the past period. At the same time, the share of debt securities decreased within the sector's financial assets (from 4 to 1 percent) and the balance of insurance technical reserves and financial derivatives is also negligible (Chart 2.3.6).

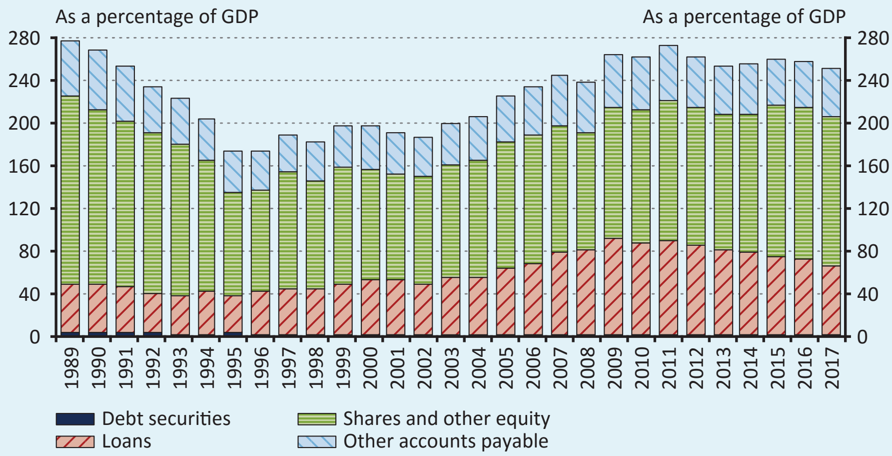
Chart 2.3.6
Composition of financial assets of corporations, as a percentage of GDP



Source: MNB, financial accounts, non-consolidated balances. Derivatives are also included in other receivables.

At the end of 2017, the non-consolidated outstanding liabilities of non-financial corporations amounted to roughly 250 percent of GDP, 55 percent of which was equity, 26 percent of loans taken, 18 percent other liabilities and hardly 1 percent debt securities (Chart 2.3.7). Thus, the most typical liabilities that characterise non-financial corporations include equity receivables and loans. Only a narrow circle of the corporations resort to securities (bond) issuance, and the vast majority of other liabilities comprise of trade credits (payables to suppliers). In the past decades a minor shift was observed from equity to loans. This was typical particularly in the period of 2005-2009, when the balance of outstanding loans rose from 62 percent of GDP to 91 percent. The larger growth occurred in non-resident funding, and in the case of this instrument the strengthening of intercompany relations is also apparent. After 2009, as a result of the financial crisis, the dynamic growth in outstanding loans stopped; in fact, growth as a percent of GDP may only be observed in the case of fund raising through equity. The weight of trade credit changed to a lesser degree in the past decades, and it fluctuated between 24 and 35 percent of GDP.

Chart 2.3.7
Composition of liabilities of corporations, as a percentage of GDP



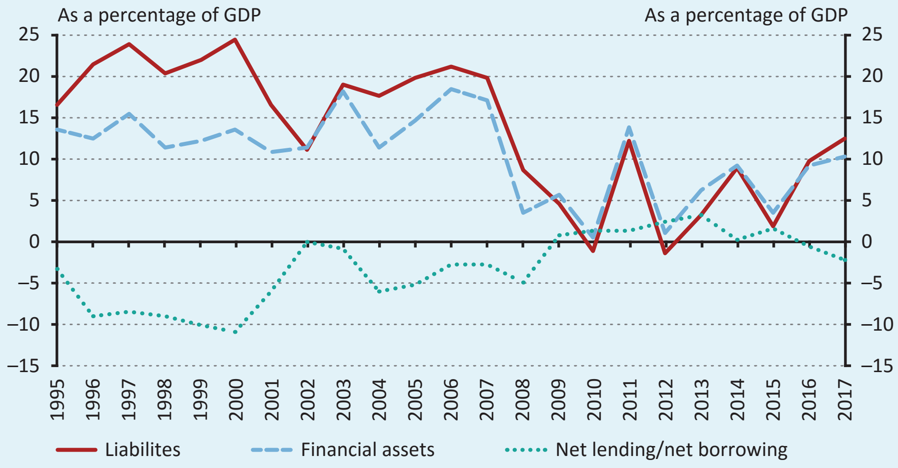
Source: MNB, financial accounts, non-consolidated balances. Derivatives are also included in other liabilities.

2.4 FINANCING PROCESSES OF NON-FINANCIAL CORPORATIONS

The change in the economic sectors' financial wealth is influenced essentially by two factors; i.e. the transactions related to the sale and purchase, and financing of the individual instruments, and on the other hand, revaluation, the change in market prices and exchange rates also influence the developments in financial wealth. In addition, other changes in volume, reflecting technical and classification changes, may also contribute to the flows to a smaller degree. The difference between the transactions of financial assets and liabilities is the net lending (also referred to as financial saving); this shows the change in net financial worth as a result of transactions in a specific period. If it is positive, this is the net amount provided by a sector for the financing of other sectors, while if it is negative, this is the amount it borrows from other sectors in a specific period (net borrowing).

In 2017, the net lending of non-financial corporations amounted to -2.2 percent of GDP, i.e. according to the data of the financial accounts the sector had net borrowing postion. The situation was similar also in the period of 1995-2008; the non-financial corporations needed additional resources for the funding of their operational expenses and investments. The sector incurred the highest net borrowing in 2000, when it amounted to 11 percent of GDP. The change occurred after the financial crisis; in the period of 2009-2015, due to the growth in savings and the decrease in investments, the sector was characterised by net lending. In this period, both the receivables and payable transactions declined compared to the former volume, but since the companies typically invested the funds released due to the absence of investments and the rise in subsidies in financial instruments, the transactions of financial assets outstripped their liabilities. In the past two years, non-financial corporations once again had net borrowing position, amounting to 1-2 percent of GDP (Chart 2.4.1).

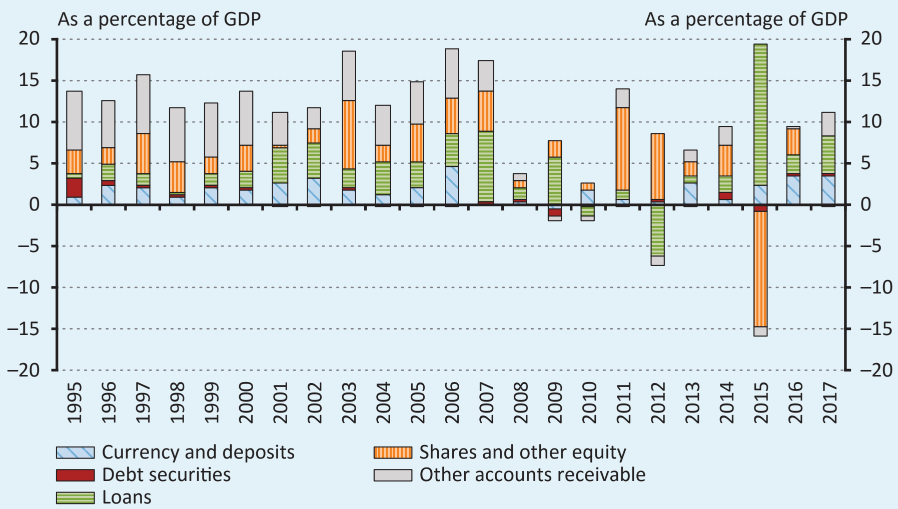
Chart 2.4.1
Annual net lending of non-financial corporations, as a percentage of GDP



Source: MNB, financial accounts, non-consolidated transactions.

In the pre-crisis period, the receivables transactions of non-financial corporations amounted to 11-18 percent of GDP, while they dropped to 1-8 percent of GDP in the post-crisis period, followed by a repeated rise in the past two years, to 9-10 percent of GDP. In the pre-crisis period the corporations' financial wealth rose primarily as result of the transactions related to loans granted, equity receivables and trade credits. Initially, the transactions related to these instrument rose to a larger degree in the relations vis-à-vis the non-resident sector, followed by the strengthening of the financial relations between the companies, due to the fact that several groups were established that pursue asset management or group financing activity. In the post-crisis years the outflow of funds through intercompany loans stopped and instead, the equity acquired in resident and non-resident companies increased. In the past two years, the rise in the corporations' new deposits was also determinant in the growth of outstanding financial assets, and within that the transactions in transferable deposits were of outstanding degree (Chart 2.4.2).

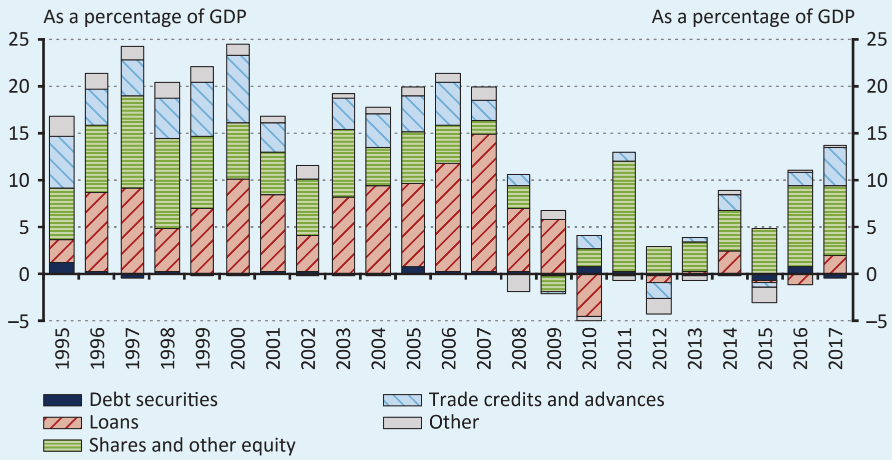
Chart 2.4.2
Annual transactions in different financial assets of corporations, as a percentage of GDP



Source: MNB, financial accounts, non-consolidated transactions.

The developments in the non-financial corporations' liabilities were also characterised by different processes in the pre- and post-crisis periods. The growth in liabilities as result of transactions was usually around 20 percent of GDP in the pre-crisis years. Then the main forms of financing included loans and equity (Chart 2.4.3). Initially liabilities were dominated by equity, followed by a gradual shift to loans. In addition to this, liabilities from trade credits and advances (supply of goods and services) were also significant, with the transactions amounting to 2-7 percent of GDP in the individual years. Most of those are domestic intercompany liabilities, while the smaller part of it were outstanding vis-à-vis non-resident suppliers. In the period after the financial crisis, the funding processes substantially changed. Compared to the previous period, the liability transactions declined to a much lower level (1-10 percent of GDP), the involvement of debt capital in funding decreased and the role of lending and trade credits also dropped, and fund raising through equity became the main form of funding for non-financial corporations. A rise in trade credits and loans taken from financial corporations was observed repeatedly only in the past two years, i.e. in 2016-2017.

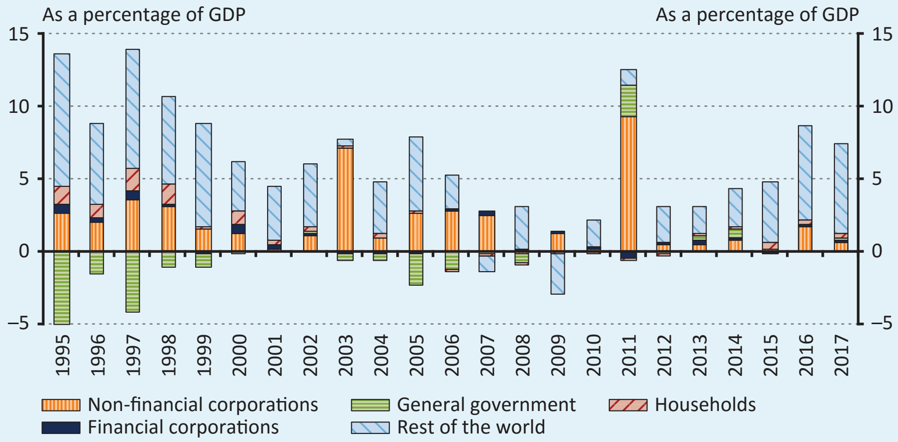
Chart 2.4.3
Annual transactions in different liabilities of corporations, as a percentage of GDP



Source: MNB, financial accounts, non-consolidated transactions.

More than 50 percent of the non-financial corporations' liabilities comprise of equity. In the past twenty years, the largest growth as a result of transactions was recorded in the non-resident corporate equities (3 percent of GDP), but equity in intercompany ownership also continuously rose (2 percent of GDP). Financial corporations posses the lowest share of corporate equity, and no substantial change was observed in this area in the past period. Although in the first half of the period under review the equity holdings of the general government as a result of transactions declined, in recent years minor equity purchases by the state can be once again observed. The number of corporations owned by households is also continuously increasing; roughly one quarter of the liability outstanding in the form of equity affects this sector (Chart 2.4.4).

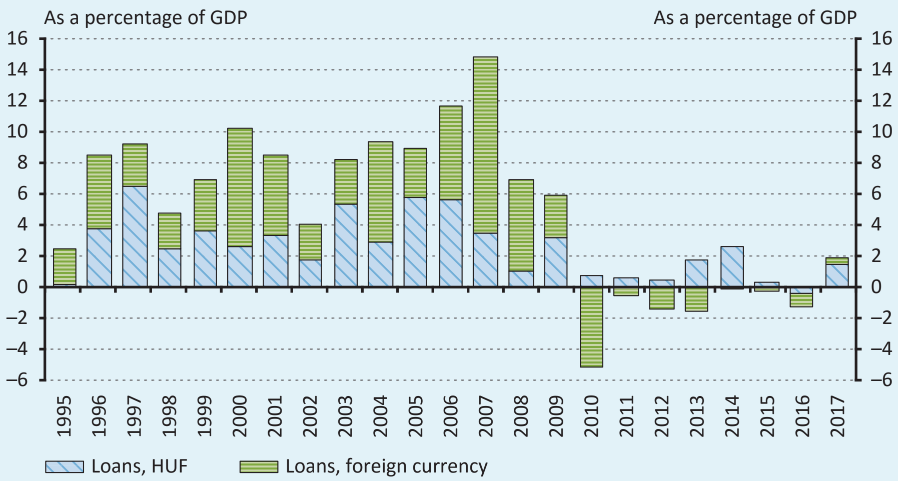
Chart 2.4.4
Annual transactions in shares and equity issued by corporations, as a percentage of GDP



Source: MNB, financial accounts, transactions by counterparty sector.

In addition to equities, loans also play an important role in the financing of corporations. In the period before the financial crisis, the high interest rate differential between the forint and foreign currency loans, and the lower volatility of the exchange rates made it favourable for the corporations to take foreign currency loans, and particularly CHF-dominated loans were taken in large volume (Chart 2.4.5). By 2008, more than half of the corporations' outstanding loans was already in foreign currency. However, after the crisis the situation changed, and foreign currency lending dropped as a result of both demand and supply factors. Non-financial corporations curbed their investments and used their released funds in part for loan repayments. A turn in funding by loans can be observed in 2017. While from 2010 the volume of outstanding foreign currency loans continuously decreased as a result of transactions, in 2017 roughly one quarter of the borrowing were once again foreign currency loan disbursements. Although on the whole 2016 was characterised by net repayment in the case of forint loans as well, by this time the volume of outstanding lending by financial corporations substantially increased as a result of transactions, but at this time it was still offset by the decline observed in the volume of intercompany loans and special large corporate loans.

Chart 2.4.5
Annual transactions in loan liabilities of corporations, as a percentage of GDP



Source: MNB, financial accounts, non-consolidated transactions.

2.5 FINANCIAL ACCOUNTS OF PUBLIC NON-FINANCIAL CORPORATIONS

The international methodological recommendations related to the national accounts (SNA 2008, ESA 2010) contain the breakdown of corporate sectors (S.11 and S.122) into sub-sectors by ownership, i.e. the segregation of public, national private and foreign controlled corporations within the sectors. This means that the companies in direct or indirect majority state or local government ownership (more accurately: controlled by the state or local government) are classified as public corporations, the companies in direct or indirect majority foreign ownership or operating under foreign control are classified as foreign-owned corporations, while the remaining companies are regarded as national private companies. The direct or ultimate owners of these corporations are typically households. Due to its outstanding importance, of these the Hungarian financial accounts statistics presents the financial accounts of the public companies annually. We provide estimates for the financial indicators of the other two groups of corporations in this publication in the section dealing with micro data. In fact, the financial accounts of the public corporations are also compiled purely on the basis of micro data in a way that for this narrower group of corporations the individual accounting data are mapped with the instruments of the financial accounts.

Public corporations in Hungarian statistics

In Hungary's practice, the group of public corporations includes the (state) and (municipal) corporations operating under the control of the central government and the local government, respectively.[14] In addition to the corporations directly controlled by the state or local government, the subsidiaries of those are also classified as public corporations. As the MNB separates all these companies within the corporate sector since 2010, it keeps its organisational register data since then and the compilation of the public corporations' annual financial accounts also commenced at that time.[15] The identification of the corporations directly owned by the state or local government is performed based on the ownership breakdown of the subscribed capital stated in the annual corporate tax return[16]. The information provided in the companies' annual reports provide assistance for the survey of their subsidiaries.[17] The financial accounts are prepared on the corporate tax return and annual reports database, but supplementary statistical data reporting is also necessary for ensuring that the stock data and the components of the flows are provided with adequate level of details and accuracy.

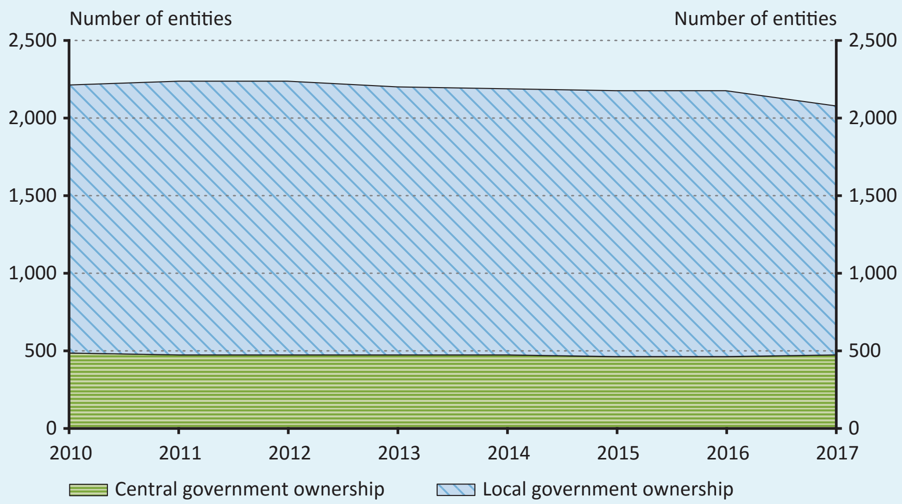
The previous methodological manuals applicable to the national accounts (SNA93, ESA95) contained the breakdown of the financial (S.12) and the non-financial (S.11) corporations by major shareholder sectors as a recommendation. Within this, the revised manuals (SNA 2008, ESA 2010) pay special attention to the public corporations: they provide a definition of the public sector, which is the aggregate of the general government and the public companies, and also regulate the statistical recognition of the financial relations between the owners (government organisations) and the corporations owned by them. It should be noted that not all corporations controlled by the state or local governments are classified as public companies, as some of the companies are directly allocated to the general government (government sector).[18]

Range of public corporations

The MNB's list of public corporations, related to the end of 2017, contains 2,125 companies. In the period under review no material change occurred in the number of corporations; it fluctuated between 2,200 and 2,300 – the number of corporations added to and removed from the group of public corporations more or less offset each other. The only larger decline in the number of corporations was registered in 2017, which was primarily attributable to the larger degree of liquidation of corporations owned by local governments, and the decline in the number of newly established companies. At the end of 2017, roughly one quarter of the public companies were owned by the state, and essentially no change occurred in this ratio in the period under review (Chart 2.5.1).

[14] The social insurance sub-sector has no corporate equity for already almost twenty years.
[15] Accordingly, this analysis as well covers the period of 2010-2017.
[16] The MNB receives the data of the corporate tax returns from NTCA for statistical purposes. For more details see the next section.
[17] The MNB receives the corporations' annual reports from the Ministry of Justice, or uses the published reports. For more details see the next section.
[18] As an annex to the data reporting regulations, the MNB publishes and regularly updates the list of corporations classified as general government for statistical purposes, and publishes the consolidated quarterly balance sheet of the classified large corporations within the background information of the financial accounts.

Chart 2.5.1
Number of public corporations, 2010-2017, pcs



Source: MNB, financial accounts, corporate balance sheet database for statistics.

A corporation may be allocated to the public corporations sub-sector through foundation, acquisition or reclassification, and it can be removed therefrom due to liquidation, sale or classification as general government; however, the changes in the number of public corporations were mostly attributable to new foundation and liquidations. If the owner of the parent company changes (i.e. public ownership is established or terminated), it also entails the addition or removal of the subsidiaries in its majority interest to or from the public sub-sector. Roughly one third of the firms allocated to the public corportions sub-sector at the end of 2017 were established before 2000. Part of them were reorganised as the legal successor of the state-owned companies of the era before the political transition based on the Transformation Act, usually in the form of limited company. The ownership rights of the corporations that remained in state ownership were exercised by ÁV/ÁVÜ (then by ÁPV Rt. and later on by MNV Zrt., MFB Zrt.), but a few companies remained in direct ownership of ministries. Since 1994, the corporations that were owned by the state before and those controlled by the county local governments were transferred to the ownership of the local governments located in their area of operation, and continued to function as local government corporations.[19] Throughout the period under review, the corporations in public ownership were mostly non-financial corporations; the ratio of financial corporations was around 1 percent. As regards their legal form, at the end of 2017 roughly 300 corporations operated as limited company, and the vast majority of them were limited liability companies. Within the public companies, the ratio of corporations in indirect public ownership (subsidiaries) fluctuated between 15 and 20 percent.

Wealth position of public corporations

Since no comprehensive national account (i.e. including both the non-financial accounts and the non-financial assets) statistics is prepared for the public companies, the assessment of the wealth position of this category of corporations relies primarily on the information retrievable from the accounting reports. The financial accounts, compiled on the basis of the accounting balance sheets and supplementary data sources, present primarily the corporations' financial assets and financing processes, while the corporate profit and loss statement, forming part of the annual report, reflects the corporations' profitability and management situation.

[19] For statistical purposes, these corporations are regarded as local government corporations retrospectively as well.

Table 2.5.1
Aggregated business accounting balance sheet of non-financial corporations, HUF billion

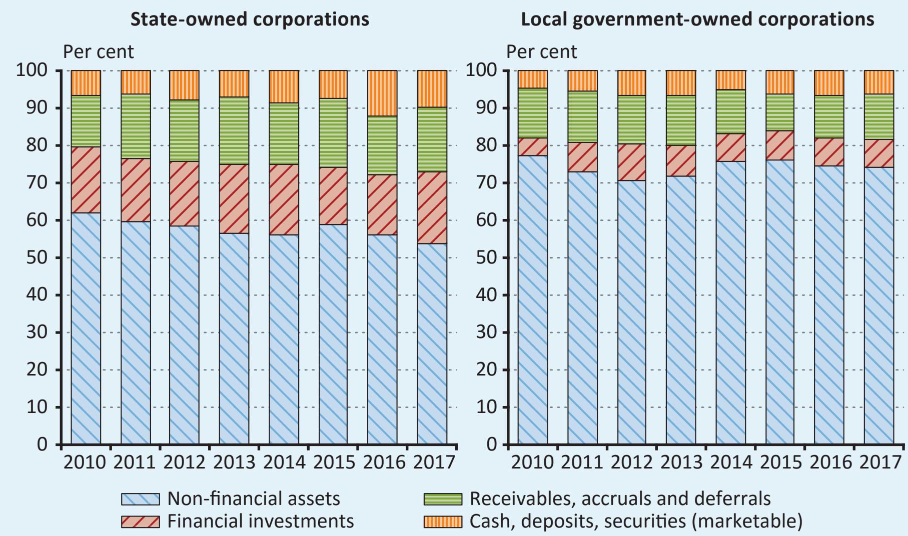
State-owned corporations	2010	2011	2012	2013	2014	2015	2016	2017
Non-financial assets	2 077	2 136	2 190	2 737	3 017	3 247	3 432	3 720
Financial investments	586	595	636	903	1 014	838	971	1 331
Receivables	394	517	503	711	732	824	777	1 009
Securities (marketable)	45	13	25	35	47	51	98	48
Cash and deposits	182	217	277	311	412	366	642	639
Accrued revenues and deferred expenses	70	97	113	160	160	188	188	184
Total assets	3 354	3 575	3 744	4 867	5 383	5 515	6 109	6 930
Owner's equity	1 388	1 368	1 502	2 028	2 083	2 270	2 427	3 102
Provisions	129	214	226	162	159	193	189	205
Long-term liabilities	1 058	989	925	1 306	1 768	1 513	1 770	1 620
Short-term liablilities	603	802	819	1 117	1 071	1 141	1 191	1 368
Accrued expenses and deferred revenues	176	202	268	255	301	397	531	633
Local government-owned corporations	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Non-financial assets	1 547	1 667	1 678	1 703	1 845	1 903	1 876	1 923
Financial investments	88	173	226	197	186	190	192	199
Receivables	209	256	257	253	209	203	198	215
Securities (marketable)	4	5	17	17	5	6	7	10
Cash and deposits	93	122	142	140	125	149	168	160
Accrued revenues and deferred expenses	59	61	56	63	73	51	79	92
Total assets	2 001	2 283	2 375	2 373	2 444	2 502	2 520	2 600
Owner's equity	878	984	1 068	904	868	925	953	1 010
Provisions	32	42	49	57	48	50	51	45
Long-term liabilities	241	220	260	430	408	408	414	412
Short-term liablilities	358	467	412	373	411	337	318	363
Accrued expenses and deferred revenues	493	570	586	609	709	782	784	770

Source: Corporate database for statistics. Non-financial assets: intangible assets, tangible assets, inventories.

The balance sheet total, i.e. the baseline figure of the accounting balance sheet, provides information primarily on the size of the corporations. When examining the aggregated accounting balance sheet of public corporations, there is striking difference between the state and local government enterprises in terms of magnitude. While the number of local government corporations was about three times as high as that of the state-owned companies throughout the period under review, the aggregated balance sheet total of the state-owned companies exceeded that of the local government corporations many times. The number of state-owned corporations essentially did not change between 2010 and 2017; however their assets and liabilities almost doubled. In the case of the local government corporations the growth was substantially smaller, merely 30 percent (see Table 2.5.2).

When examining the asset composition of public corporations, the ratio of non-financial assets is strikingly high, which is also typical for the entire non-financial corporations sector due to the asset-intensiveness of the product and services activities. In the period under review, non-financial assets accounted for 57 percent of the public corporations' assets on average, which roughly corresponds to that of the entire corporate sector; however, in the case of the local government companies this ratio fluctuates around 74 percent, which is substantially higher than that. This is attributable to the fact that local government enterprises are mostly active in asset-intensive national economy branches.

Chart 2.5.2
Composition of assets of public non-financial corporations according to the business accounts, per cent



Source: MNB, financial accounts, financial accounts of public corporations.

In the period of 2010-2017, the ratio of non-financial assets within the balance sheets slightly decreased both at the state-controlled and local government-controlled corporations; nevertheless, more than half of the increment in the aggregated balance sheet total is attributable to the real assets. Several of the corporations added to the range of public corporations during the period under review had substantial non-financial assets; these augmented the real assets of the sub-sector by roughly HUF 1,000 billion in total, while the non-financial assets of the liquidated or removed corporations amounted to only half of this. Moreover, the state and local government assets received for asset management also rose materially during the period under review, partly as a result of investment and partly due to the revaluation of assets.[20]

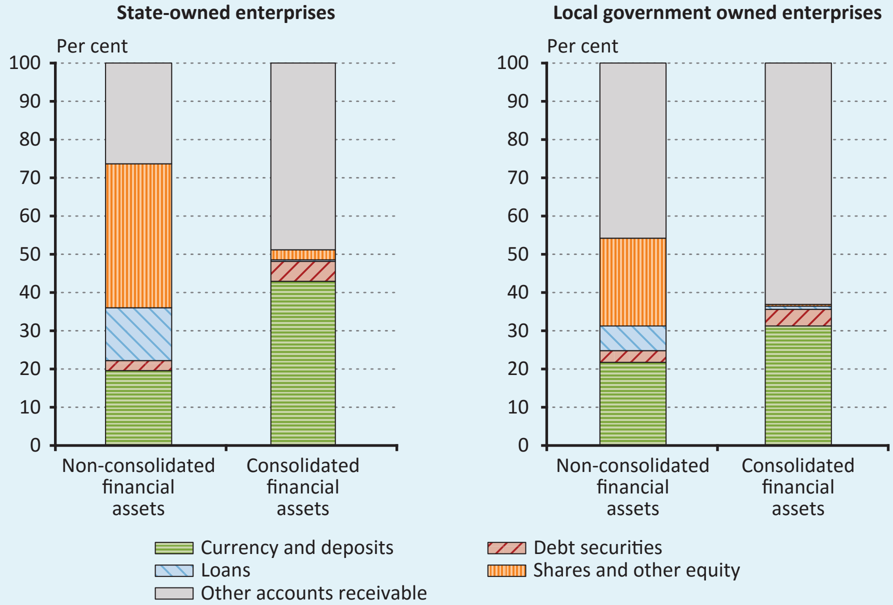
Financial assets of public companies – financial accounts

In parallel with the growth in the public corporations' real asset holding, their financial assets also augmented in the period under review. Between 2010 and 2017, the public corporations' consolidated financial assets rose almost two and a half times, while the local government corporations registered a much more moderate growth i.e. around 50 percent. All this shows that while in the case of the local government corporations the role of the non-financial and financial assets in the growth of assets between 2010 and 2017 was more or less balanced, in the case of state-owned corporations the growth in financial assets substantially exceeded the rise in non-financial assets.

As regards the composition of the financial assets (and liabilities), there is a major difference depending on whether we set out from the consolidated or non-consolidated financial instruments, since the financial assets covering the intra-group financial relations account for roughly half of the total financial assets. The financial transactions between the related companies arise primarily in the form of equity and intercompany loans, while outside the public corporations trade credits (trade accounts receivable, payable, advances) and corporate deposits are more common (Chart 2.5.3).

[20] It should be noted once again that the balance of real assets derived from the accounting balance sheets is substantially lower than that stated in the national accounts. Corporations report their assets at net book value (acquisition value adjusted for depreciation), while the national accounts are expected to state them at market value. The fair value in the case of tangible assets may be on average twice as high as the net book value.

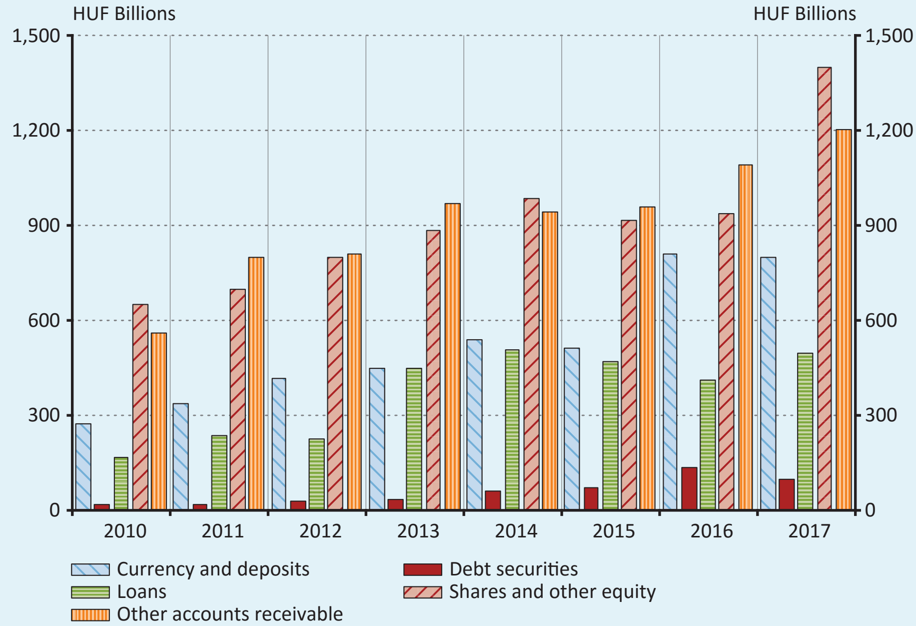
Chart 2.5.3
Composition of non-consolidated and consolidated financial assets of public corporations, at the end of 2017, per cent



Source: MNB, financial accounts, financial accounts of public corporations.

In the period between 2010 and 2017, of the public corporations' non-consolidated financial assets roughly two-thirds of the corporations' financial wealth took the form of equity and other receivables. In the case of state-owned corporations, equities prevailed, on average they accounted for roughly 35 percent of the total financial assets, while in the case of local government companies other receivables were dominant and the share of equities was merely 25 percent. The equity holding outside the scope of consolidation was negligible in both cases, merely accounted for 5 percent of the total financial assets on average. The dominance of equity in the case of state-owned companies is attributable to the fact that within this group the ratio of subsidiaries is extremely high. At the end of 2017, 40 percent of the corporations were in the majority interest of another state-owned company, while in the case of local government this ratio was merely around 10 percent. It should be also noted that the group of state-owned companies is characterised by extremely high concentration of equity, since roughly ten corporations hold more than 90 percent of all equity investments. During the period under review, there was a more than twofold increase in total in the stock of equity held by public corporations (subsidiary shares, other equity), which affected almost in full the state-owned companies. The vast majority of the increment was realised by transactions, i.e. equity purchases, foundation of subsidiaries or capital increase, while the revaluation of equity reduced the value of the holding.

Chart 2.5.4
Non-consolidated financial assets of public corporations, 2010-2017, HUF billion

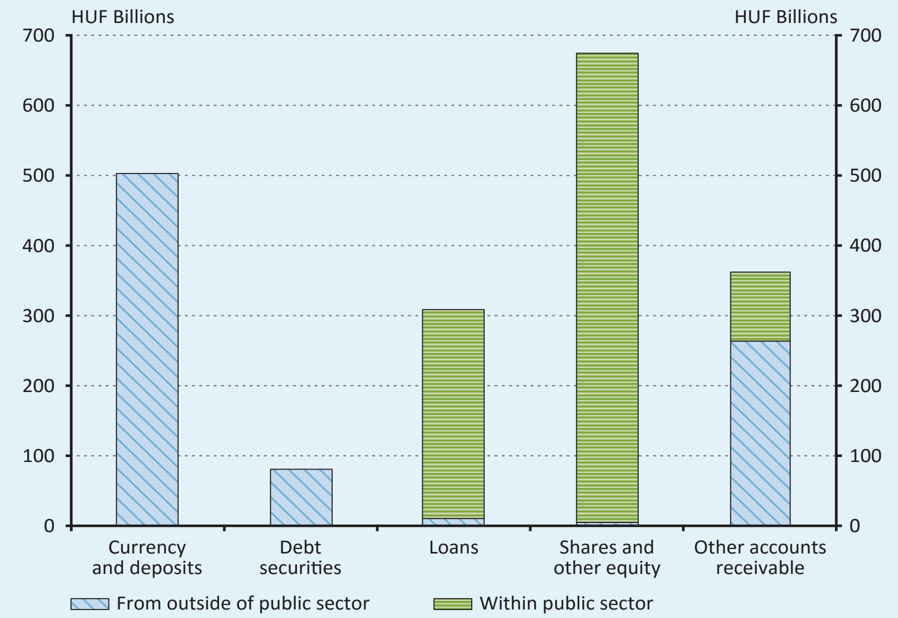


Source: MNB, financial accounts, financial accounts of public corporations.

The ratio of the other significant financial instrument, i.e. other receivables, was almost 50 percent in the case of the local government corporations and around 30 percent in the case of the state-owned companies within the non-consolidated financial assets, on average, in the period of 2010-2017 (based on the consolidated data, this ratio was 45 and 65 percent, respectively). The difference is partly attributable to the different activity of the state-owned and local government corporations; namely, the trade credits, accounting for a major part of other receivables, are present in a larger volume within the financial assets of the corporations pursuing services activity and operating an infrastructure, like the vast majority of the local government corporations. Of the state-owned corporations, in the case of asset management companies, the ratio of trade credits is usually negligible. The major part of other receivables arose vis-à-vis counterparties outside the public corporations sub-sector, and the almost twofold growth in trade credits was also realised in trade relations outside the scope of consolidation. This suggests that the public corporations realised a large part of their sales revenue outside the group, and thus the role of financing, based on trade credit, between related companies may be minimal.

The ratio of cash and deposits continuously rose in the period of 2010-2017; at the end of 2017, this financial instrument accounted for roughly 40 percent of the consolidated financial assets, while the value thereof trebled. Similarly to the equity, the ratio of loans granted also substantially differs in the case of the consolidated and non-consolidated data. This financial instrument accounted for roughly 15 percent of the consolidated financial assets on average, which represented, almost in full, loans between related companies (often cash pool). It may be assumed that this form of financing, which mostly comprised of short-term loans, partially substituted the liquidity gap caused by the proportionately lower than average volume of deposits of the non-financial corporations.

Chart 2.5.5
Annual transactions in different financial assets of public corporations, 2011-2017, HUF billion

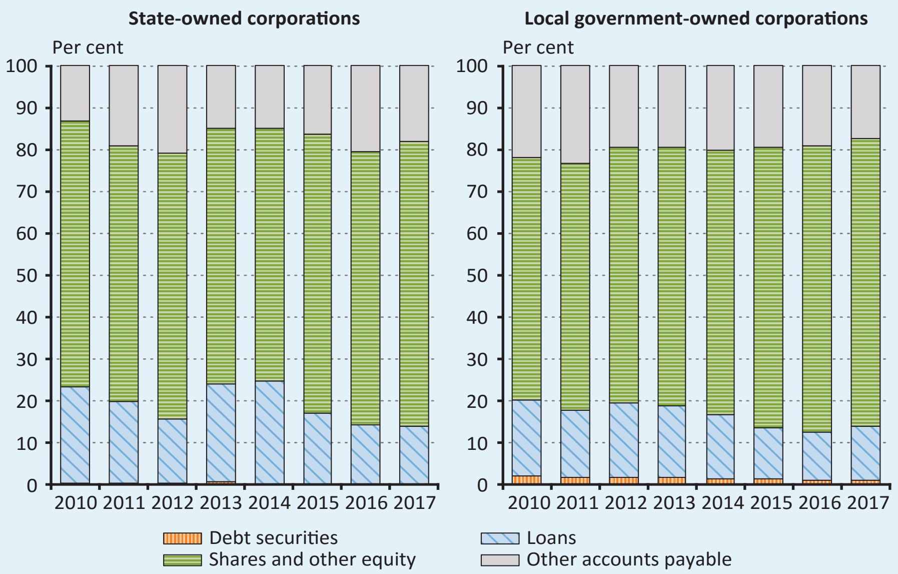


Source: MNB, financial accounts, financial accounts of public corporations.

Liabilities of public companies – financial accounts

According to the financial accounts data, in parallel with the growth in the public corporations' financial assets, their liabilities also substantially rose in the past period. The major growth in liabilities, exceeding that of the non-financial assets, primarily characterised the state-owned companies. Thus, in the case of the state-owned companies the assumption of liabilities exceeded the borrowing requirement of investments, and in part they financed the acquisition of financial instruments. In the period under review, among the liabilities equity was the most important financial instrument, the ratio of which continuously increased within liabilities, and at the end of the period it amounted to almost 70 percent compared to the initial 60 percent (Chart 2.5.6).

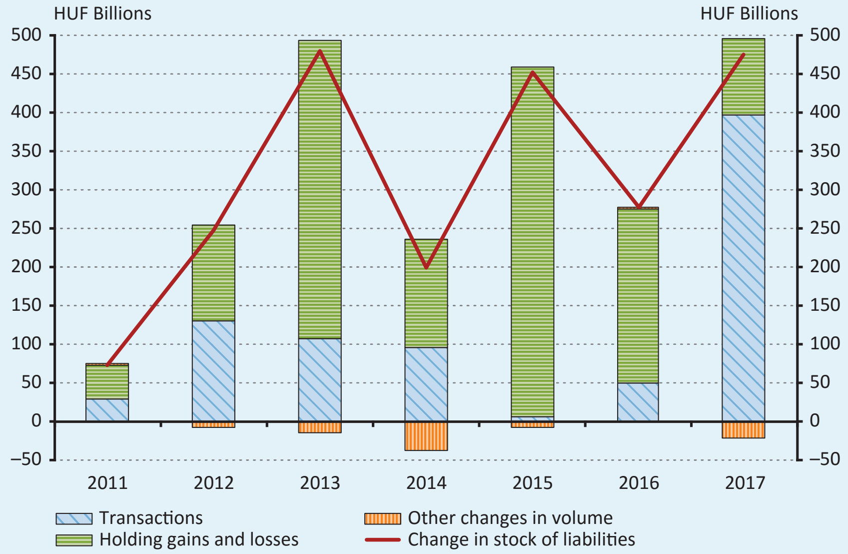
Chart 2.5.6
Composition of liabilities of state-owned and local government-owned corporations, per cent



Source: MNB, financial accounts, financial accounts of public corporations.

While on the asset side equity covers almost in full the range of related companies, on the liability side this consolidation item accounts for only about one quarter of equity, while the remaining shares are directly owned by the central government and the local governments. In the period under review, the equity holding – mostly comprising of unlisted shares – rose almost twofold, which primarily affected the state-owned companies. On the whole, during the period under review, the revaluations accounted for a determinant part of the increment in equity holding (Chart 2.5.7).

Chart 2.5.7
Components of changes in stocks of liabilities of public corporations, HUF billion



Source: MNB, financial accounts, financial accounts of public corporations.

Within the liabilities, loans and other liabilities accounted for roughly 20-20 percent on the average of the period. In the case of loans, a shift towards intercompany loans was observed in the past period. While at the beginning of the period under review hardly 20 percent of the outstanding borrowing came from the group, in 2017 already half of the outstanding loans were vis-à-vis related companies. This process is in line with the increasing number of subsidiaries. The outstanding borrowing did not increase substantially during the period under review, and thus it may be assumed that the finances of state-owned corporations turned to intercompany loans instead of the bank loans. On the other hand, no material change can be observed in the case of the local government companies; in their case lending within the circle of related companies accounts for roughly 15 percent of the outstanding borrowing.

In the period under review, the balance of other liabilities rose almost twofold; the ratio thereof within liabilities is 15 percent in the case of state-owned companies and around 20 percent at the local government corporations. The vast majority of other liabilities were outstanding vis-à-vis corporations outside the scope of consolidation and vis-à-vis the general government. The securities issued by public corporations have marginal role in the financing of the corporations; at the end of 2017, only the local government companies had bonds issued in negligible amount.

Although due to the shortness of the period under review, it is difficult to derive clear and definite trends from the data, the role of financial relations in the financing of corporations within the circle of public corporations seems to strengthen. This is also reflected by the non-consolidated transaction data, according to which in the period of 2011-2017, 80 percent of the growth in liabilities as a result of transactions was financed by corporations falling within the scope of consolidation (Chart 2.5.8).

Chart 2.5.8
Annual transactions in financial assets of public corporations, 2011-2017, HUF billion

Source: MNB, financial accounts, financial accounts of public corporations.

The net financial liabilities of public corporations as the difference of financial assets and liabilities rose by roughly 40 percent between 2010 and 2017. The impact of revaluations was determinant in the growth in net financial liabilities (in the decrease in the net financial worth of negative value), which mostly relates to the valuation of equity, since the ratio of instruments held in foreign currency is negligible within the financial assets of public corporations. Apart from the impact of revaluations (and other changes in volume), the net financial worth rose by roughly HUF 540 billion as a result of transactions between 2011 and 2017, which shows that on the whole the growth in financial assets as a result of transactions exceeded that of liabilities. The reason for the positive net lending is that in the case of public corporations the capital expenditures and other investments were mostly covered by state aids.[21] At the same time, between 2009 and 2015, the entire non-financial corporations sector also had substantial net lending, and within that the financial saving of the public corporations cannot be deemed overly high.

Revenues, expenditures and profit/loss of public corporations

As regards the profit and loss accounts of public corporations, it provides a view of the profitability and efficiency of the corporations' management and activity. It was already mentioned in the introduction of the section that the statistical methodology of the national accounts places great emphasis on ensuring that only that part of the state-owned and local government corporations belong to the non-financial corporations sector which indeed behave as market participants. In order to determine this, statistics sets out from the ratio of market revenue to costs and expenditures, and where the sales revenue does not cover at least 50 percent of the costs, it treats them as part of the general government rather than market participants. By definition, these corporations do not form part of any public corporation sub-sector, since those form a special group of the non-financial corporations sector, defined by owner (controller).

Based on the profit and loss accounts[22], the state-owned companies on the whole increased their net sales roughly two times in the period of 2010-2017, while the net sales of local government corporations essentially remained unchanged. In the case of state-owned companies, an increasing part of the revenues came from export sales; at the end of 2017, its share was 17 percent. In the period under review, the ratio of other revenues within the operating (trading) income

[21] For statistical purposes state aids also include, in addition to the actual operational or accumulation aid, the assumption or forgiveness of debt, or the non-repayable capital grant (capital injection, loan).

[22] It results in somewhat smaller data than the actual that in this compilation the profit and loss accounts of only those corporations may be taken into consideration that belonged to the group of public corporations at the end of the year. The data of corporations liquidated or removed during the year are missing.

rose from 16 to 26 percent in the case of the local government corporations, which was primarily attributable to local government price subsidy and aid, specified in the service contracts related to the infrastructural service provider activity. In the case of the state-owned corporations, this ratio is substantially lower; it fluctuated around 10 percent, but in terms of value it almost trebled. As regards the costs, material expenditures almost doubled in the period under review, while the personnel costs rose only by 30 percent.

Until 2016, the public corporations at aggregated level closed the year with a minor positive operating (trading) profit/loss; from 2016, the operating profit/loss also contains the extraordinary revenues and expenditures, previously stated in a separate row, which substantially increased the magnitude of the profit/loss. Interest revenues and expenditures from financial transactions continuously decreased in the past years, primarily due to the decrease in the central bank base rate.

Weight of public corporations within the non-financial corporations sector

Based on the available accounting and statistical data, we summarise the changes in the public corporations' economic weight between 2010 and 2017, compared to the non-financial corporations sector as a whole. In order to ensure comparability, we used adjusted accounting data, while in the case of the statistical indicators the comparability is ensured by the identical methodology (Table 2.5.2).

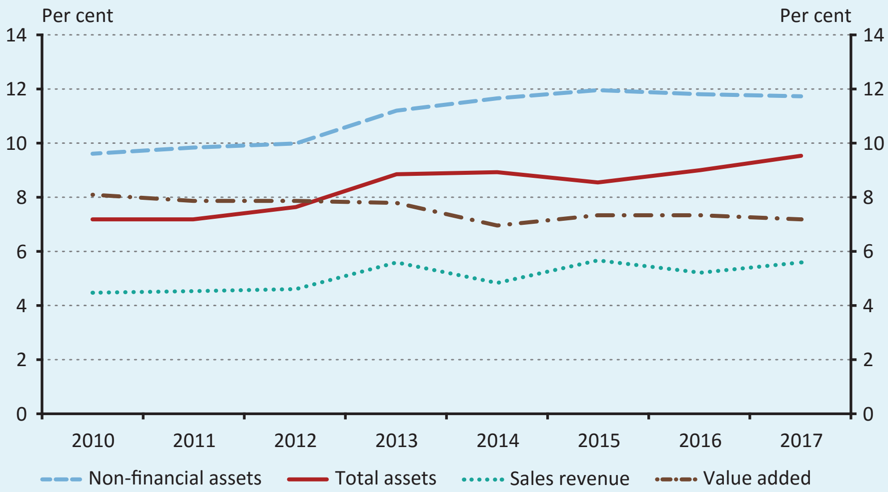
Table 2.5.2
Key business accounting and statistical indicators of public corporations and the total corporations sector, HUF billion

Key financial data	2010	2011	2012	2013	2014	2015	2016	2017
Balance sheet for public corporations, corrected								
Non-financial assets	3 543	3 768	3 846	4 416	4 831	5 124	5 270	5 560
Financial assets	1 843	2 131	2 319	2 877	3 057	2 950	3 407	4 009
Total assets, corrected	5 386	5 899	6 165	7 293	7 888	8 074	8 677	9 569
Owners equity, corrected	2 960	3 053	3 285	3 941	4 197	4 631	4 916	5 637
Long-term liabilities	687	608	573	819	990	558	648	506
Net sales revenues	3 069	3 392	3 424	4 336	3 961	4 714	4 533	5 297
Operating expenses	1 958	2 251	2 268	3 112	2 782	3 405	3 182	3 862
Net profit	33	12	38	-43	124	197	110	113
Balance sheet for non-financial corporations, corrected								
Non-financial assets	36 913	38 319	38 651	39 547	41 484	42 894	44 702	47 458
Financial assets	38 345	43 684	41 718	43 193	47 122	51 774	51 987	53 305
Total assets, corrected	75 258	82 003	80 369	82 739	88 606	94 668	96 689	100 763
Owners equity, corrected	31 822	35 774	36 174	37 269	40 272	45 906	47 017	49 173
Long-term liabilities	16 614	16 716	15 917	15 622	16 368	14 679	14 439	14 956
Net sales revenues	68 640	74 376	74 952	77 234	82 229	83 122	86 790	94 436
Operating expenses	55 103	59 984	60 276	61 895	65 293	68 255	64 801	70 916
Net profit	1 495	1 486	2 195	1 884	3 335	4 174	4 643	4 723
Statistical indicators, public corporations								
Value of financial assets	1 816	2 086	2 285	2 799	3 034	2 929	3 393	3 997
Value of liabilities	4 807	5 072	5 241	6 417	6 906	6 869	7 226	8 294
Gross value added	1 111	1 141	1 156	1 224	1 179	1 309	1 352	1 435
Statistical indicators, non-financial corpaorations								
Value of financial assets	37 490	42 326	40 975	42 480	47 336	53 646	52 872	55 947
Value of liabilities	71 332	77 403	75 575	76 903	83 199	89 175	91 609	96 254
Gross value added	13 706	14 545	14 722	15 759	17 034	17 916	18 365	20 022

Source: MNB, financial accounts; corporate database for statistical purposes; HCSO, national accounts. Table contains estimates as well.

Public corporations employ a decreasing ratio of the non-financial corporations sector's employees, some 8 percent (190 thousand persons). Between 2010 and 2017, the sub-sector realised an increasing – from 4.5 to 6.5 percent – ratio of the entire sector's sales revenue, and it also had an increasing share in the assets of the sector (based on the balance sheet total by 7.2-9.5 percent). The public non-financial corporations may have contributed to the gross value added of the sector by about 8 percent in the period under review (Chart 2.5.9)[23]. Considering the entirety of non-financial corporations, the after tax profit/loss rose from 4.7 percent of the shareholder's equity to 9.6 percent, while at the public corporations it amounted to 1- 3 percent of the shareholders' equity.

Chart 2.5.9
Share of public corporations in the non-financial corporations sector regarding selected indicators, per cent



Source: MNB, financial accounts, financial accounts of public corporations.

[23] The gross value added for the entire corporate sector is a HCSO data, and own estimate for the public corporations based on the sales revenues and material expenditures.

3 Assets and financing of non-financial corporations based on micro data

3.1 PRESENTATION OF CORPORATE MICRO DATA

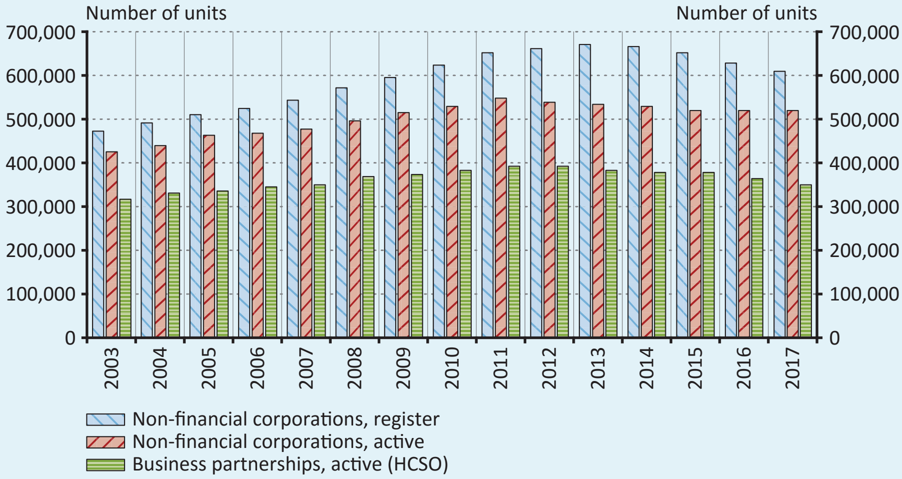
The range of micro data applicable to economic organisations essentially includes two sources of information: registers and value data. Registers are lists serving the identification and classification of the organisations, containing the permanent or rarely changing attributes of the organisations (tax number, registration number, statistical code, company registration number, name, address, legal form, core activity, economic sector, size characteristics, owner information, balance sheet date, bookkeeping currency, date of foundation and liquidation). The value data are the organisations' continuously changing – and thus regularly observed – attributes, usually expressed in monetary value (balance sheet data, other stock data, profit and loss accounts, other flow data). Registers also use value data partially, and thus there is no definite dividing line between the two types of information source, and they are usually used together when compiling the corporate micro databases. Administrative and statistical records are prepared both from the registers and the value data. The administrative databases are registers supporting the work of an authority (tax register, company register, court register, budget and general government register). Statistical databases are registers usually built on the administrative databases, but supplemented with statistical data sources and containing statistical categories. Below we present the registers and databases supporting the corporate financial statistics, and also describe the administrative databases serving as sources for the first.

Statistical register of organisations

The aggregated statistical data of the non-financial corporations sector are compiled by using the information gained from the various data sources, i.e. reported by the countarpart sectors and corporations, supplemented with the experts' estimations. The identification, processing and classification of the incoming individual data are performed relying on the register information. The content of the central bank statistical organisation register, essential for the organisation of the statistical data collection, statistical data processing and the analysis, is provided by the Register of Economic Organisations (REO). The basic information in the statistical register, managed by HCSO, originate from the data reporting of the statistical units and from administrative data sources. The REO registers all economic organisations with tax number, the legal entity and unincorporated enterprises, sole traders, private individuals with tax number, the budgetary organisations and the non-profit organisations with tax number. The MNB receives from HCSO the register information of the economic organisations and the changes therein on a daily basis. The identifier of the individual organisations is the unique registration number, which corresponds to the first eight digits of the tax number. The most important variables used for the enterprise-level analyses include the name, sector, core activity, legal form code, sales revenue and headcount category of the organisations. The legal form code is important for the identification of the organisations' sector and for the segregation of the shares and other equity, as financial instrument, issued by the corporations. The core activity is necessary for the industrial analyses, while the sales revenue and headcount categories provide information on the size of the corporations.

The MNB's statistical organisation register slightly differs from REO. On the one hand, it also includes the investment funds, which usually have no tax number (they are not taxpayers), but are independent institutional units forming part of the financial corporations sector. On the other hand, the MNB continuously revises the sector classification of the organisations, because this is one of the criteria of the regular data collections and data processing. Thirdly, the register also includes organisational attributes that support the central bank's statistical activity (e.g. the organisation is a reporting agent, public corporation, special purpose enterprise or securities issuer). Thus, the range of the organisations belonging to the non-financial corporations sector is regulated by the organisation register. These are the organisations of which the statistics should have data for a specific date or period to provide a comprehensive view of the financial, income and wealth position of the corporate sector (see Chart 3.1.1). Part of the registered organisations (already) performs no economic activities; the HCSO generates the category of operating organisations by eliminating these. (The HCSO decides on the range of operating organisation based on the sales revenue and employee headcount of the organisations. It can perform these retrospectively, in the knowledge of the tax returns and other data supplies.) When compiling the financial accounts, data are generated for a wider range of corporations than this, since estimates are also made for the companies under liquidation, dissolution and involuntary strike-off, and certain non-profit organisations (condominiums, property development associations, unions, chambers, etc.) are also recognised in the non-financial corporations sector.

Chart 3.1.1
Number of active partnerships (HCSO), registered and active non-financial corporations (MNB), end of years



Source: HCSO.

Corporate data sources supporting statistics

The statistics strives to cover the circle of corporations designated by the organisation register with data originating from a variety of data sources. The largest available external database is constituted by the balance sheets and profit and loss accounts, annexed to the annual corporate tax returns, received from the National Tax and Customs Administration (NTCA). In addition, the corporate annual balance sheet and profit and loss account data, received from the Company Information Service of the Ministry of Justice (MoJ), make a major contribution to the compilation of the statistical micro database. In addition, the public annual reports of the individual corporations, the notes to financial statements and the MNB's own corporate data collections are also used.

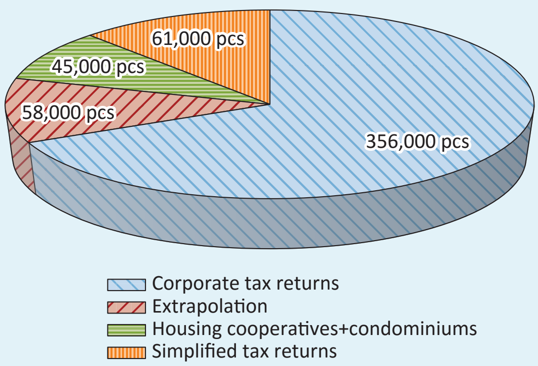
The majority of the organisations belonging to the non-financial corporations sector are subject to corporate income tax; these include, without limitation, the various economic organisations (public limited liability company, limited liability company, limited partnership) pursuing non-financial activity, unions, associations, branch offices, various offices (law or bailiff office), water associations, certain foundations, societies and one-person firms. On the other hand, the organisations, among others, that opted for the simplified entrepreneurial tax (EVA), small business tax (KIVA) or the small taxpayers' itemised lump sum tax (KATA), and the condominiums and housing associations, are not subject to corporate income tax. The dissolving corporations and those terminating their activity also fall outside the scope of the corporate tax return. The data from the corporate tax return are available as of 1992. An additional advantage of the database is that independently of the type and size of the corporations, it contains the data in standard structure and magnitude. (All companies compile identical balance sheet and profit and loss account, and make a declaration on the breakdown of subscribed capital by owner sectors.)

In addition to the tax return, individual data are available with regard to the corporations included in the company register. The annual accounting report data, included in the database of the Corporate Information Service database and available publicly, are of different structure and level of details depending on the organisations' type, size and method of bookkeeping. The balance sheet and profit and loss account of the companies that prepare detailed annual accounts in accordance with the Hungarian accounting standards (roughly 16,000 larger companies) are much more detailed than the standard balance sheet and profit and loss account attached to the tax return, and thus they serve as important supplements for the breakdown of the items taken from the tax return. The annual accounts also represent essential data source in respect of those enterprises that are not subject to corporate income tax (because they changed over to a different form of taxation, they are under transformation or dissolution, or they are exempted from tax by law). The electronic processing of the annual accounts developed in several phases and became complete by 2016 at the MoJ Company Information Service. Only the reports of the enterprises that changed over to the International Financial Reporting Standards (IFRS) cannot be put into the database, since for them there are no standard mandatory balance sheet and profit and loss account formats.

At present the non-financial corporations sector includes roughly 520,000 operating organisations, in respect of which data must be available (Chart 3.1.1). Of these, the database provided by the corporate tax returns contains the data of 356,000 corporations for 2017; in addition, imputation is performed in respect of the organisations included in the organisation register, i.e. based on the data of the previous year, the missing data are defined by advance estimates, and with the use of the annual accounts, the dataset is completed with supplements in the case of almost 58,000 companies. In respect of the roughly 45,000 condominiums and housing associations and the roughly 61,000 small taxpayers, the missing data are generated by estimation based on the annual accounts. In addition, the organisation register contains almost 100,000 enterprises that are permanently under liquidation, dissolution or involuntary strike-off, and thus it is not possible to estimate data for them.

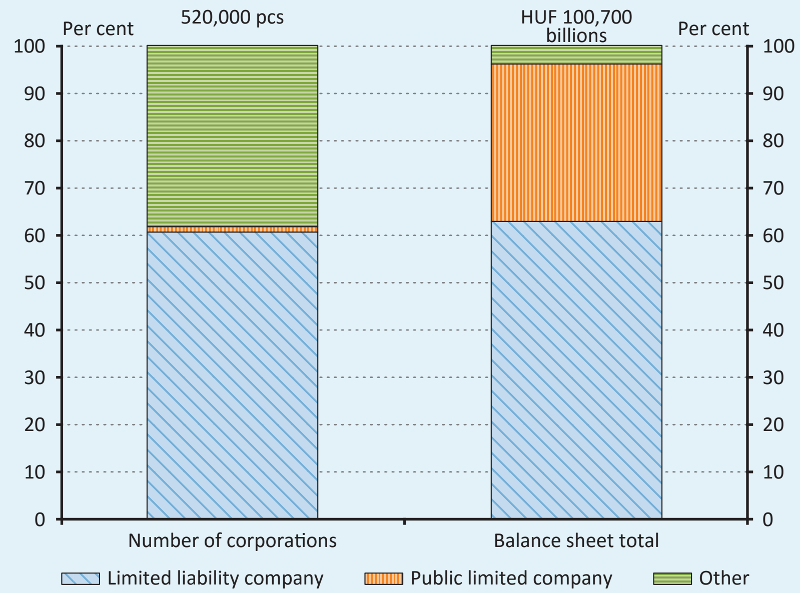
When classifying the corporations with custom data by legal form, of all entities regarded as operating, the number of companies limited by share is the lowest with 1.1 percent, but it indicates their importance that in 2017 they covered 33 percent of the entire balance sheet total. 60 percent of all corporations are limited liability companies, accounting for 63 percent of the balance sheet total of the sector. In numerical terms, over one third of all entities belong to the remaining segment, but their size measured by balance sheet total only constitutes 4 percent of the entire range of operating corporations. In this latter group more than 40 percent of the corporations are limited partnerships, accounting for roughly 44 percent based on the balance sheet total. In addition to the limited partnerships, this group includes housing associations, condominiums, Hungarian branch offices of non-resident enterprises, law offices, cooperative societies, general partnerships, joint ventures, bailiff offices, one-person firms and associations of forest owners.

Chart 3.1.2
Number of non-financial corporations by data source



Source: HCSO.

Chart 3.1.3
Composition of non-financial corporations by business form, number of corporations and balance sheet total



Source: HCSO.

Certain holding companies are consolidated with other corporations, which reduce the assets of the sector. In the case of the other corporations, an estimate is prepared for the items that are included only in the tax return. Similarly, estimates are prepared for the necessary detailed items, missing from the tax return. For this purpose the MNB's own corporate data collections are also used. As a result of this, a statistical database of standard structure, both at corporate level and in terms of time profile, is created, which is augmented annually with the data of one year. When compiling and using the data, it must be taken into consideration that the amendment of the Accounting Act and the change in the bookkeeping standards affect the content of the balance sheet and profit and loss account both in the tax return and in the annual accounts. Below we summarise the key accounting changes that must be addressed with a view to compiling corporate time series of standard structure.

Accounting changes, which caused breaks in the time series:

– there were fundamental accounting changes in Hungary in 1992. The Accounting Act of 1991[24] defined standard principles and reporting format for all enterprises. Among other things, the recognition of provisions commenced, profit/loss was added to shareholders' equity, fixed assets were replaced by tangible assets, gross recognition was accomplished, and prepayments and accrued income and accruals and deferred income were introduced. Minor restructuring was also performed in 1995 and 1998, e.g. the receivables from founders were moved to the liability side (as a reducing item).

– the new Act of 2000 on Accounting[25] once again introduced more significant changes in the corporate reports. Thus, from 2001 the value of state assets taken over for asset management must be stated among the other long-term liabilities instead of the equity in the case of the state-owned and local government corporations. In terms of its content, this liability is still considered as a capital element, and thus it is deducted from the liabilities and added to the book value of shareholders' equity. As of 2001, receivables are stated in the balance sheet at net value (reduced by impairment), and thus the balance sheet total and the provision on the liability side are both smaller. Receivables are still stated in statistics at gross value; the book value, the balance sheet total and the provisions are all increased by the impairment. As of 2001, the (non-simplified) balance sheet and profit and loss account became more detailed; the receivables and payables, revenues and expenditure vis-à-vis the related companies and other participations were added, and the accruals and deferrals must be also detailed.

[24] Act XVIII of 1991
[25] Act C of 2000

– until 2004, most of the organisations had to change over to double-entry bookkeeping, which extended the range of the corporations with accrual accounting; however, the companies that changed over to the simplified entrepreneurial tax (EVA) are mostly missing from this group from 2003, and those opting for the small taxpayers' itemised lump sum tax from 2013. As of 2004, it is possible to use other than the calendar year as financial year and currency other than forint as bookkeeping currency. The corporations that use different financial year are recognised in the calendar year when their financial year is closed, and thus the data of those enterprises that close their financial year at the beginning of the year, are enforced only three-quarters year later.

– in 2014, the possibility of single-entry bookkeeping was terminated, only the non-profit institution may opt for this method. According to the provisions of the Civil Code of 2014, the minimum share capital (nominal capital, subscribed capital) of limited liability companies once again became HUF 3 million instead of the HUF 0.5 million prevailing till then; 15 March 2017 was the final deadline for the settlement of the capital situation, transformation or dissolution.

– From 2016, the Hungarian accounting rules came closer to the EU regulation. A good example of this is that the approved (declared) dividends are not transferred at year end from the profit/loss (shareholders' equity) to short-term liabilities to owners, and thus it is no longer necessary to adjust shareholder's equity and retransfer the declared dividends in statistics. Furthermore, it is also permitted to the prepare the annual accounts in accordance with the International Financial Reporting Standards (IFRS). (From 2017 it is mandatory to apply IFRS for those non-financial corporations that distribute their securities in the regulated market of any EEA member state.)

The corporate balance sheet database for statistics is compiled by using the data sources, estimates and adjustments discussed above, the structure of which is illustrated by Table 3.1.1 containing aggregate data from the end of 2017. The compiled corporate balance sheet time series of standard structure are shown by Tables 3.1.2 and 3.1.3.

Table 3.1.1
Composition of balance sheet of non-financial corporations for statistical purposes, at the end of 2017, HUF billions

Balance sheet items	**Corporate tax returns**	Simplified tax returns	Housing cooperatives, condominiums	Extrapolation, corrections	**Completed corporate balance sheet**	Correction for depreciation and of equity	**Corrected corporate balance sheet**
Non-financial assets	47 161	398	49	659	48 267		48 267
Financial investments	15 833	15	44	-241	15 651		15 651
Receivables	23 463	228	12	644	24 347	356	24 702
Securities (current assets)	852	10	8	42	912		912
Cash and deposits	8 804	276	175	130	9 384		9 384
Accrued assets	1 800	4	0	47	1 851		1 851
Total assets	**97 909**	**931**	**288**	**1 280**	**100 408**	**356**	**100 763**
Equity	46 953	521	267	-87	47 654	1 525	49 179
Provisions	1 437	0	0	11	1 448	356	1 803
Long-term liabilities	16 233	98	12	139	16 481	-1 525	14 956
Short-term liabilities	28 592	291	9	1 147	30 040		30 040
Accrued liabilities	4 627	19	0	140	4 786		4 786

Source: MNB, corporate database for statistics. It contains estimates.

Table 3.1.2
Balance sheet of non-financial corporations for statistical purposes, assets, HUF billions

Year	Non-financial assets	of which: Advance payments	Financial investments	of which: Long-term loans	Claims at gross value	of which: Trade accounts receivable	Securities (current assets)	Cash and deposits	Prepaid expenses and accrued income	Gross total assets
1989	3 366	42	291	71	905	598	17	182	20	4 781
1990	3 618	52	394	75	1 125	762	26	288	26	5 476
1991	4 027	58	515	80	1 237	838	31	328	30	6 168
1992	4 519	57	723	74	1 244	799	52	474	45	7 057
1993	5 150	63	769	77	1 453	939	115	562	60	8 109
1994	5 781	71	843	80	1 693	1 070	141	654	78	9 189
1995	6 644	100	884	90	2 149	1 364	223	740	107	10 748
1996	7 706	123	998	101	2 523	1 598	334	866	150	12 577
1997	9 068	146	1 250	115	3 180	1 988	533	1 137	227	15 394
1998	11 020	181	1 550	114	3 782	2 393	589	1 343	308	18 592
1999	13 058	211	1 926	151	4 623	2 948	504	1 569	372	22 052
2000	15 297	253	2 377	204	5 638	3 480	704	1 861	472	26 348
2001	16 980	274	2 837	296	6 809	3 880	640	2 179	503	29 948
2002	18 612	287	3 884	654	7 477	4 122	584	2 540	555	33 651
2003	22 155	340	3 729	382	9 286	4 918	641	2 833	627	39 271
2004	24 979	372	4 155	563	10 795	5 801	654	3 240	757	44 591
2005	27 648	414	5 413	1 113	12 302	6 651	741	3 602	845	50 562
2006	30 484	476	6 283	1 129	14 168	7 717	803	4 581	1 053	57 383
2007	33 569	529	8 297	1 951	16 498	8 299	1 151	4 574	1 261	65 352
2008	36 509	561	9 066	2 363	16 829	8 476	860	4 585	1 587	69 436
2009	36 702	560	11 862	3 037	17 563	8 177	832	4 517	1 648	73 125
2010	37 499	586	12 312	2 958	17 827	8 554	803	5 009	1 810	75 258
2011	38 898	579	15 470	3 016	19 686	9 213	721	5 177	2 041	82 003
2012	39 197	546	15 311	2 426	17 851	9 019	701	5 307	1 986	80 369
2013	40 042	496	15 283	2 273	18 746	9 333	690	6 071	1 896	82 739
2014	42 030	546	16 332	2 144	20 670	9 883	1 166	6 454	1 955	88 606
2015	43 406	512	16 053	3 316	25 221	10 229	980	7 170	1 850	94 668
2016	45 384	681	17 089	2 953	23 155	10 078	1 099	8 178	1 833	96 689
2017	48 267	809	15 651	4 177	24 702	11 213	912	9 384	1 851	100 763

Source: MNB, corporate database for statistics. Between 1989 and 1991 it was compiled from consolidated data. It contains estimates.

Table 3.1.3
Balance sheet of non-financial corporations for statistical purposes, liabilities, HUF billions

Year	Corrected equity	of which: State-owned assets*	of which: Earning after taxes**	Gross provisions	Long-term liabilities	Short-term liabilities	of which: Trade accounts payable	Accrued expenses and deferred income	of which: Deferred income	Net sales revenues
1989	3 116	-	130	-	295	1 341	471	30	0	5 121
1990	3 443	-	140	-	350	1 643	613	40	0	5 792
1991	3 921	-	42	-	379	1 819	717	50	0	5 504
1992	4 487	-	-248	51	454	1 965	738	100	10	5 818
1993	4 915	-	-110	71	704	2 294	879	124	10	6 632
1994	5 263	-	-33	83	962	2 723	1 020	158	25	8 742
1995	5 688	-	49	96	1 307	3 466	1 332	191	10	11 420
1996	6 423	-	183	128	1 610	4 163	1 587	254	20	14 675
1997	7 717	-	629	161	2 104	5 026	1 940	386	50	18 710
1998	9 030	-	791	241	2 794	5 984	2 324	543	80	23 470
1999	10 388	-	916	304	3 325	7 333	2 975	703	100	27 226
2000	12 169	-	992	366	4 084	8 828	3 511	900	150	32 795
2001	13 977	650	1 143	440	4 200	10 119	3 672	1 212	340	38 217
2002	16 628	675	1 519	521	4 256	10 684	3 866	1 562	580	39 855
2003	18 579	712	2 003	589	5 871	12 736	4 527	1 495	552	43 988
2004	20 839	711	2 127	621	6 906	14 486	5 384	1 739	612	50 654
2005	22 930	728	2 755	710	8 328	16 663	6 076	1 932	692	55 495
2006	25 704	552	3 009	849	9 673	18 821	6 645	2 335	804	64 562
2007	28 549	569	3 662	982	12 669	20 554	7 215	2 598	708	69 379
2008	29 374	585	2 064	1 131	14 924	21 005	7 072	3 003	757	74 747
2009	30 204	589	1 348	1 195	17 021	21 661	6 854	3 046	894	67 087
2010	31 822	627	1 640	1 358	16 614	22 200	7 244	3 273	965	68 640
2011	35 774	605	1 584	1 673	16 716	24 358	7 641	3 467	1 067	74 376
2012	36 174	616	2 263	1 589	15 917	23 166	7 342	3 520	1 207	74 952
2013	37 269	922	1 975	1 495	15 622	24 695	7 636	3 677	1 332	77 234
2014	40 272	1 191	3 122	1 549	16 368	26 392	7 965	4 031	1 465	82 229
2015	45 906	1 368	6 803	1 706	14 679	27 945	7 960	4 450	1 799	86 122
2016	47 017	1 536	4 676	1 779	14 439	28 689	8 344	4 745	1 874	86 790
2017	49 173	1 525	4 737	1 803	14 956	30 039	9 347	4 786	1 916	94 436

** State property is the value of state or local government assets taken for asset management, stated from 2001 as long-term liability for accounting purposes. For statistical purposes it forms part of shareholders' equity (equity).*

*** The adjusted equity includes the profit and loss also containing the declared dividends, before 2016 as well.*

Source: MNB, corporate database for statistics. Between 1989 and 1991 it was compiled from consolidated data. It contains estimates.

3.2 ADAPTATION OF CORPORATE MICRO DATA TO MACRO STATISTICS

The financial accounts statistics is built from almost one hundred various data sources, based on fixed data source hierarchy.[26] All utilised data are included in the statistics at two places; the asset side of a sector and at the same time the liability side of a sector (which may be the same sector). The data may be added to the sectors from data sources varying by instruments, which thus do not necessarily come from the respective sector. As a result of this, the stock data included in the financial accounts may differ from data included in the aggregated accounting balance sheet of the respective sector. In the case of the non-financial corporations, the differences are negligible on the whole, and thus the corporate micro data are suitable for detailing the macro statistics. The key data sources of the financial accounts applicable to non-financial corporations are summarised by Table 3.2.1 by instruments.

Table 3.2.1
Key data sources of the non-financial corporations' instruments in the financial accounts

Instruments	Data sources				
Financial assets	**Corporate balance sheet**	**Balance of payments statistics**	**Monetary Statistics**	**Securities statistics**	**General goverment data**
Currency (cash holdings)	x	x			
Deposits		x	x		
Debt securities		x		x	
Loans	x	x	x		
Listed shares		x		x	
Unlisted shares	x	x			
Other equity	x	x			
Investment fund shares		x		x	
Insurance technical reserves			x		
Financial derivatives		x	x		
Trade credits and advances	x	x			x
Other other accounts receivable	x	x	x		x
Liabilities					
Debt securities		x		x	
Loans	x	x	x		x
Listed shares		x		x	
Unlisted shares	x	x	x		
Other equity	x	x	x		
Financial derivatives		x	x		
Trade credits and advances	x	x			x
Other other accounts payable	x	x	x		x

The micro data from the non-financial corporations (accounting balance sheets) contribute primarily to the compilation of the currency (AF.21), loans (AF.4), shares and equity (AF.51), trade credits and advances (AF.81) and other receivable (AF.89) on the asset side, and of the loans (AF.4), shares and equity (AF.51), trade credits and advances (AF.81) and other liabilities (AF.89) on the liability side. However, due to the annual frequency and the production time of 7-8 months of the corporate balance sheet and profit and loss account database described in the previous point, estimates must be also applied when compiling the statistics. These estimates apply to the conversion of the annual data into quarterly data and

[26] The balance of payments statistics and the securities statistics are on the top of the hierarchy, followed by the MNB's statistical balance sheet and the credit institutions' balance sheet. For more details see the methodological publication entitled Hungary's financial accounts 2014.

to the forecast of the data applicable to the period not yet covered.[27] In addition, the items in the accounting balance sheet must be mapped with the standard instruments of the financial accounts. In respect of the non-financial assets, HCSO obtains the stock data of inventories from the accounting balance sheet, and the stocks of fixed assets by carrying further the stock assessed at the end of 1999 (by repricing and taking into consideration the changes). At present, the stock of non-produced assets, not forming part of tangible assets (natural assets) is not observed in Hungarian statistics. We summarise the content of the corporate data related to the individual instruments below.

The year-end **currency** holding (AF.21) of non-financial corporations is defined on the basis of the liquid assets reported in the accounting balance sheet, and particularly on the basis of the cash-in-hand balance sheet item. In the balance sheet of corporations preparing detailed annual accounts, the value of cash-in-hand is stated separately, but this covers only a fraction of the sector's cash holdings. The balance sheet of the corporate tax return includes the same liquid assets detail for all taxpayer corporations as of 2008, which made it possible to use it directly in the financial accounts. The reported values are supplemented with the estimate related to the cash holding of condominiums, housing associations and small businesses, not subject to corporate income tax. The statistics receives year-end figures from the corporate database, and the quarterly data distributed proportionately between the households and corporations are amended in the knowledge of that. Cash may be forint receivable from the central bank (MNB) and foreign currency receivable from non-residents. These are separated by estimation.

The **transferable** (AF.22) **and other** (AF.29) **deposits** of non-financial corporations are compiled in the financial accounts from the data reported by domestic credit institutions by counterparty sector and from the data reported by corporations having bank accounts and bank deposits abroad for the balance of payments. The data compiled from these two sources should, in theory, correspond to the deposit data stated in the corporate balance sheets under bank deposits and financial investments, including the accrued interest as well.[28]

Table 3.2.2
Cash and deposits of corporations in the business accounting balance sheet and in the financial accounts, HUF billion

Stock of cash and deposits	1995	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017
Cash and short-term deposits	740	1 861	3 602	5 009	5 177	5 307	6 071	6 454	7 170	8 178	9 384
Long-term deposits	6	5	26	54	53	53	77	70	75	78	100
Cash, deposits, corporate balance sheet	746	1 866	3 627	5 063	5 230	5 360	6 148	6 524	7 245	8 256	9 484
Cash, deposits, financial accounts	801	1 788	3 632	4 864	5 151	5 126	5 891	6 213	6 992	8 157	9 411
Currency	62	135	348	387	433	515	577	684	794	917	1 037
Deposits	740	1 653	3 284	4 477	4 718	4 611	5 314	5 529	6 198	7 240	8 374

Source: MNB, financial accounts (non-consolidated receivables and payables) and corporate balance sheet database for statistics.

The data source of the **debt securities** (AF.3) held by non-financial corporations in the financial accounts is the securities statistics, or – in the case of foreign bills – the balance of payments statistics data reported by the corporations. The data of the bonds and bills appear independently only in the balance sheet of the corporations that prepare detailed annual accounts; in the case of the other companies these items cannot be segregated within the financial investments and securities (current assets), and thus the accounting and statistical categories cannot be compared accurately. The same applies to the debt securities (bonds) stated among the liabilities of the non-financial corporations, both in terms of the data sources and comparability.

The data of **loans** (AF.4) stated among the assets of non-financial corporations are received by the financial accounts from a variety of data sources, since in theory any economic agent may grant a loan to any other economic agent. At

[27] In this publication we primarily deal with annual, and year-end data, since the availability and linking of the micro and macro data facilitates this.
[28] As of 2001, the long-term bank deposits are no longer separated within the financial investments in the accounting balance sheet, but they rather form part of the long-term loans granted balance sheet item. Of the non-financial corporations, primarily the housing associations and the condominiums have long-term deposits at the building societies. According to the Hungarian accounting rules, the interest receivable or payable must be accrued, while in the financial accounts these must be added to the value of the interest-bearing instrument.

the same time, non-financial corporations do not pursue lending as a business, and thus they grant loans primarily to other companies in the group, to the owners and employees.[29] The data of the loans granted to the non-resident sector are received from the corporate reports of the balance of payments statistics, while the data of the loans granted to the resident sector originate from the financial corporations' reports broken down by counterparty sectors and from the balance sheets of the non-financial corporations. On the asset side, the year-end balance of the domestic intercompany loans is calculated at residual amount in the financial accounts statistics, and thus it should correspond to the estimated balance of the loans stated in the aggregated accounting balance sheet. The value of loans can be segregated in the accounting balance sheet within the financial investments and receivables only by estimations, particularly in the case of the companies preparing simplified financial statements. There may be larger differences on the liability side between the outstanding loans in the aggregated accounting balance sheet and the financial accounts, since in the statistics the information related to borrowing from the financial corporations sector and the general government mostly come from external data sources, the balance of payments, and furthermore, the intercompany loans come from the asset side of the balance sheet. Only the (shareholder's) loans granted by households to corporations are estimated on the basis of liability side accounting data. The comparison is made uncertain by the fact that estimates are also needed on the liability side of the accounting balance sheet to segregate loans from other debt instruments. The breakdown of loans by maturity shows more distinct differences than the aggregate data, since the accounting presentation classifies the instruments as long-term and short-term based on the residual maturity, while the financial accounts statistics does so based on the original maturity (Table 3.2.3).[30]

Table 3.2.3
Loans as assets and liabilities of corporations in business accounts and in financial accounts, HUF billions

Stock of corporate loans	1995	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017
Assets											
Long-term loans	90	204	1 113	2 958	3 016	2 426	2 273	2 144	3 316	2 953	4 177
Short-term loans	282	933	3 296	5 886	6 782	5 216	5 689	6 799	10 732	8 726	8 965
Loans granted, corporate balance sheet	372	1 138	4 409	8 818	9 774	7 617	7 939	8 921	14 026	11 668	13 132
Loans granted, financial accounts	413	1 233	4 422	8 816	9 710	7 529	7 939	8 921	14 865	11 668	13 132
Short-term loans	290	735	2 638	3 567	3 691	4 278	4 101	5 284	5 209	6 431	6 900
Long-term loans	123	498	1 784	5 249	6 019	3 250	3 838	3 637	9 655	5 237	6 232
Liabilities											
Long-term loans	1 167	3 992	8 075	16 069	16 064	15 342	14 881	16 012	14 319	14 021	14 465
Short-term loans	1 380	3 198	5 860	7 488	7 999	7 372	8 330	8 479	7 974	7 698	7 783
Loan debts, corporate balance sheet	2 572	7 229	13 991	23 650	24 155	22 809	23 292	24 559	22 350	21 767	22 295
Loan debts, financial accounts	2 052	7 024	14 097	23 391	24 935	23 740	23 755	25 421	25 446	24 831	25 134
Short-term loans	928	2 394	4 522	5 983	6 720	6 991	6 370	7 227	6 690	7 716	8 319
Long-term loans	1 124	4 631	9 575	17 408	18 215	16 749	17 384	18 194	18 756	17 116	16 815

Source: MNB, financial accounts (non-consolidated receivables and payables) and corporate balance sheet database for statistics.

As regards **equity and investment fund shares** (AF.5) the non-financial corporations' data related to listed shares and mutual fund shares are received in the financial accounts statistics based on the information in the securities statistics. The data of unlisted shares and other equity (business shares) are based on the accounting balance sheet items, and received in the financial accounts directly from the corporate balance sheet database (resident ownerships relations) or indirectly, from the balance of payments statistics (non-resident ownership relations). In respect of the shares issued by corporations, the breakdown of the adjusted accounting equity (also containing the dividends declared) between the general government, households, non-profit institutions serving household and the non-financial corporations, as owner

[29] For statistical purposes, loans include, among other things, employer loans, receivables and payables from deferred payment or instalments, the deposits (collaterals place with non-credit institutions), receivables and payables arising from repurchase agreements, the intercompany account balances (cash pool) and the declared dividends left by the owner in the company.

[30] In addition, the financial accounts statistics (in line with the balance of payments) classifies the outstanding borrowing of corporations stated among direct investments, without maturity breakdown, as long-term, part of which may also be short-term.

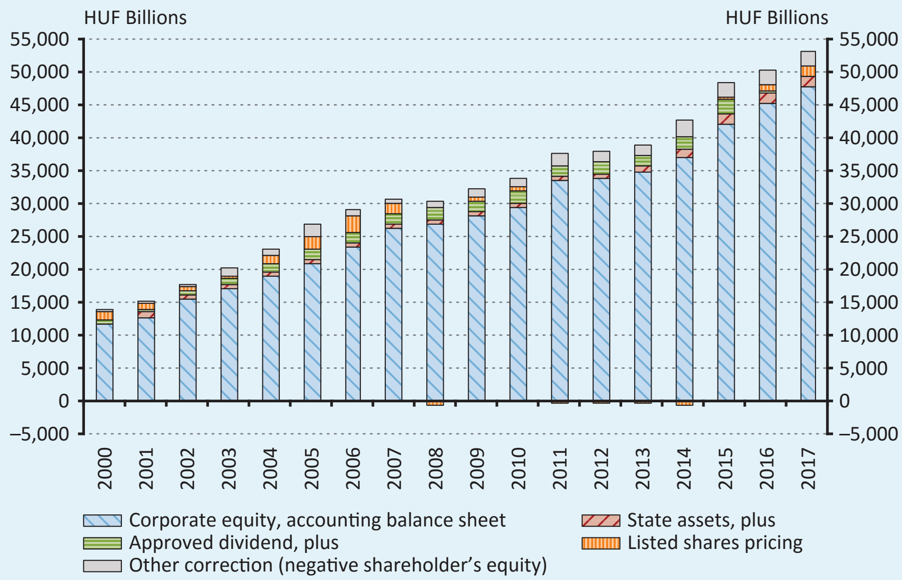
sectors, is supported by the breakdown of the subscribed capital in the balance sheet by owner sectors. These data are available in comprehensive form only annually, for the year-end. The quarterly values are calculated by linear distribution, and until the receipt of the actual data related to the respective period linear advance estimation is required. The financial accounts statistics substitutes the negative equity of limited companies and limited liability companies with negative shareholder's equity with zero, unlike the balance of payments, where the negative value stated in the accounts is not adjusted. However, due to taking over the data related to the non-resident sector from the balance of payments, the adjustment of the equity of companies with negative shareholder's equity is applied in the financial accounts statistics only to resident holder sectors.[31] As mentioned in the previous sections, in the case of state-owned and local government companies, the book value of shareholders' equity is augmented with the value of state or local government assets taken for asset management, which as of 2001, is stated in the corporations' accounting balance sheet among other long-term liabilities rather than in equity.

Table 3.2.4
Calculation of equity liabilities of corporations starting from the business accounting balance sheet value, HUF billions

Stock of equity	1995	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017
Equity, accounting balance sheet	5 594	11 727	20 732	29 481	33 375	33 890	34 650	37 048	42 097	45 245	47 647
Plus: State assets transferred	0	0	728	627	605	616	922	1 191	1 368	1 536	1 525
Plus: Approved dividends	93	442	1 470	1 715	1 794	1 668	1 697	2 033	2 441	236	1
Plus: Listed share pricing	20	1 282	2 107	622	-227	-353	-276	-734	288	1 106	1 581
Other correction (negative equity)	9	204	1 794	1 230	1 741	1 731	1 676	2 320	2 107	2 115	2 281
Equity, financial accounts	5 716	13 655	26 831	33 674	37 288	37 551	38 669	41 858	48 301	50 238	53 035

Source: MNB, financial accounts (non-consolidated equity payables) and corporate balance sheet database for statistics.

Chart 3.2.1
Components of equity liabilities of non-financial corporations (transition from business accounts to financial accounts), HUF billions



Source: HCSO.

The **trade credits and advances** (AF.81) statistical instrument contains the receivables and payables related to supply of goods and services (trade accounts receivable and payable), as well as the advances given and received for this purpose. In addition to the named customers and suppliers, these types of receivables and payables vis-à-vis related companies and

[31] It also causes a minor difference compared to the book value of equity that the data source of the non-financial corporations equities held by financial corporations is the data reporting by the financial corporations.

other participations, as well accruals must be taken into consideration. Advances include on the asset side the advances on intangible assets, investments and inventories, while on the liability side the advances received from customers, which in part is obtained by estimation in respect of the corporations without detailed annual accounts.[32] The vast majority of the trade credits and advances are intercompany receivables, while a smaller part thereof are vis-à-vis non-resident suppliers; in addition, the payables of the general government and the households to corporations may be also segregated. Trade credits and advances taken from the accounting balance sheet are divided between receivables from non-residents and residents based on the annual net sales revenue (breakdown by export and import). At the same time, the financial accounts statistics replaces the non-resident part with the corporate data taken from the balance of payments, which has a reducing effect on the balances. The year-end balance of intercompany receivables is obtained by deducting the liabilities of the general government, the households and financial corporations from the resident part, which also appears on the liability side in the financial accounts. While in the financial accounts the asset side mostly contains the balances from the corporate balance sheets (directly or from the balance of payments), the liability side does not use the corporate balance sheets' liability side items at all, and thus the harmony of the liabilities with the accounting balance sheet may be weaker.

Table 3.2.5
Trade credits and advances of corporations in business accounts and in financial accounts, HUF billions

Stock of trade credits and advances	1995	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017
Assets											
Trade accounts receivable, total	1 364	3 480	6 651	8 554	9 213	9 019	9 333	9 883	10 229	10 078	11 213
Advances paid	100	253	414	586	579	546	496	546	512	681	809
Prepaid expenses and accrued income	87	395	754	1 665	1 813	1 803	1 688	1 742	1 648	1 655	1 739
Trade credits and advances, corporate balance sheet	1 551	4 564	7 818	10 805	11 605	11 368	11 517	12 171	12 389	12 414	13 761
Trade credits and advances, financial accounts	1 547	4 096	7 514	10 235	10 992	10 645	10 719	11 425	11 481	11 931	13 070
Liabilities											
Trade accounts payable, total	1 262	3 511	6 076	7 244	7 641	7 342	7 636	7 965	7 960	8 344	9 347
Advances received from clients	117	264	411	479	652	486	579	681	843	834	951
Accrued expenses and deferred income	156	711	1 183	2 215	2 308	2 218	2 265	2 499	2 593	2 822	2 823
Trade credits and advances, corporate balance sheet	1 535	4 486	7 670	9 938	10 600	10 046	10 479	11 145	11 395	12 001	13 120
Trade credits and advances, financial accounts	1 526	4 220	6 984	9 637	10 190	9 608	9 757	10 527	10 479	11 018	12 511

Source: MNB, financial accounts (non-consolidated receivables and payables) and corporate balance sheet database for statistics.

The **other receivables and payables** (AF.89) of non-financial corporations are such short-term financial instruments of technical nature, which bridge the time differences between the economic transaction and the related payments. In the case of corporations, these items may primarily relate to tax payments, wages, EU transfers and various subsidies. In the accounting balance sheets they form part of the receivables and short-term liabilities, usually inseparably from the other items, and thus their volume may only be defined by estimation, in line with the estimation of loans and trade credits. In the financial accounts, by deducting the counterparty sectors' (financial corporations, general government, households, non-profit institution, non-resident sector) payables to corporations from the estimated total value of the corporate accounting other receivables, we obtain the intercompany receivables, which also represents the intercompany part of the corporations' other liabilities. Thus the statistical value of other liabilities comes not from the corporate balances sheets, and thus larger differences may occur here as well, similarly to the asset side data.

[32] The financial accounts statistics contains the gross value (not reduced by impairment) of receivables, because this corresponds to the agreement between the debtor and the lender, and to the way the debts are recorded. This differs from the accounting presentation, which – following the principle of prudence – contains the net value of the receivables. In this compilation the accounting data are also increased by impairment.

Summarising the foregoing, the stock and flow data of the unlisted shares (equities, business shares) are defined in the financial accounts from the liability side of the corporate accounting balance sheets, and the data of the loans taken from the households (shareholder's loans) are also generated on the basis of the liability side of the balance sheet. The corporate data source of all other financial instruments (cash, loan, trade credit, other receivables) is the asset side of the accounting balance sheet. Table 3.2.6 illustrates which balance sheet items of the corporate accounting balance sheets are used for the generation of the year-end balances of the intercompany receivables (and payables) in the financial accounts statistics. The mapping relies on the balance sheets of the domestic detailed accounting reports, which cover hardly 5 percent of the enterprises, and a good half of the sector's balance sheet total. In the corporate database for statistics, these necessary detailed items are also generated at company level for the rest of the corporations, based on the corporate tax returns, the additional data included in the corporations' notes to financial statements and on estimations.

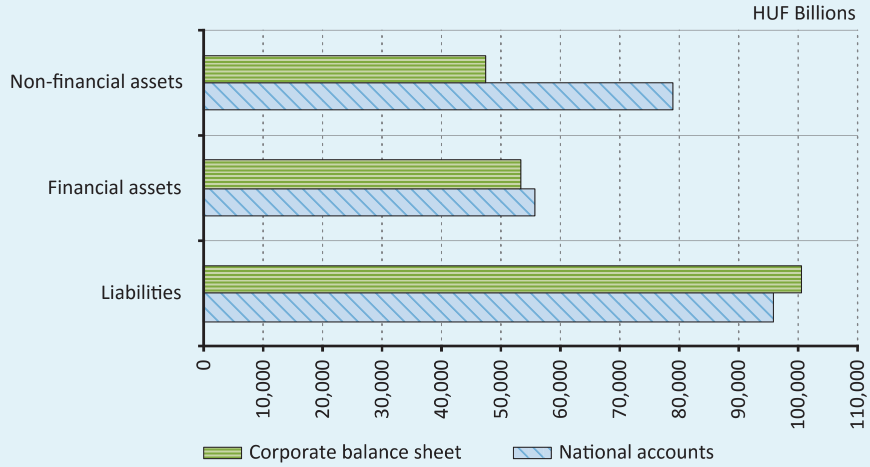
Table 3.2.6
Compilation of financial accounts intercompany instruments from business accounts balance sheet items

Financial accounts	Corporate balance sheet (annual report)
Short-term loans	Receivables from entities in group undertakings: loans granted
	Receivables from other affiliated entities: loans granted
	Other receivables: loans granted
Long-term loans	Long-terms loans to entities in group undertakings
	Long-term loans to other affiliated entities
	Other long-term loans
Trade credits and advances	Advance payments for intangible assets
	Advances for assets under construction
	Prepayments on inventories
	Trade accounts receivable
	Receivables from entities in group undertakings: trade accounts receivable
	Receivables from other affiliated entities: trade accounts receivable
	Accrued income and deferred expenditure: trade accounts receivable
Other receivables	Receivables from entities in group undertakings: other receivables
	Receivables from other affiliated entities: other receivables
	Other receivables: advances paid

Breakdown of the national accounts' stock data with the use of the corporate micro data

The described aggregated accounting balances cover the macro statistical stocks presented in the national accounts (financial and non-financial accounts) in 60, 96 and 105 percent in the area of non-financial assets, financial assets and liabilities, respectively (see Chart 3.2.2). In the case of non-financial assets, the valuation differences cause major discrepancy, while the financial assets and liabilities may be easily mapped on the whole. In terms of instruments, the valuation differences are smaller at the financial assets (receivables, equities, securities) and liabilities (equities), and there are a few special assets and liabilities that do not exist or cannot be construed in either of the datasets. Provisions and deferred income (part of accruals) cannot be construed in financial accounts, and thus these accounting balance sheet items are left out of the macro statistics. The observation of financial derivatives (AF.7) is fractional in the accounting balance sheet, and the insurance premium reserves (insurance technical reserves, AF.6) do not appear either with the same content and in a separable form, on the corporate balance sheet's asset side, and thus these instruments essentially appear as surplus in the balance sheet of the financial accounts. Owing to their negligible amount, these instruments – stated differently in the micro and macro statistics – essentially do not influence the joint use of the two datasets, but the analysis of these specific instruments must be omitted.

Chart 3.2.2
Assets and liabilities of non-financial corporations in the corporate balance sheet and in national accounts, end of 2017, HUF billions



Source: HCSO.

Hereinafter we use the data of the corporate database prepared for statistical purposes (for the compilation of the financial accounts) as micro data for detailing the attributes of the corporate sector. These data are adapted to the stock data of the financial accounts only in respect of certain instruments. In the case of the non-financial assets, and upon the presentation of the full balance sheets, we perform no adaptation, because the major differences appearing at the non-financial assets cannot be bridged between the micro and macro statistical data at enterprise level.

Table 3.2.7
Comparison of stocks in national accounts and business accounts balance sheet by instrument, 2017, HUF billions

Instruments	Assets		Liabilities	
	National accounts	Business accounting balance sheet	National accounts	Business accounting balance sheet
Financial assets	9 411	9 484	-	-
Debt securities	526	526	591	566
Loans	13 132	13 132	25 134	22 295
Equity	15 001	11 005	53 035	49 179
Insurance technical reserves	154	-	-	-
Financial derivatives	103	-	249	-
Other accounts receivable/payable	17 620	18 264	17 245	25 004
of which: trade credits and advances	13 070	13 761	12 511	13 120
Non-financial assets	79 044	48 267	-	-
Provisions	-	-	-	1 803
Accrued income/expenses*	-	85	-	1 917
Total assets	134 990	100 763	96 254	100 763

**Deferred expenditure and deferred revenue*

Source: MNB, financial accounts, and corporate balance sheet database for statistics. It contains estimates for non-financial assets.

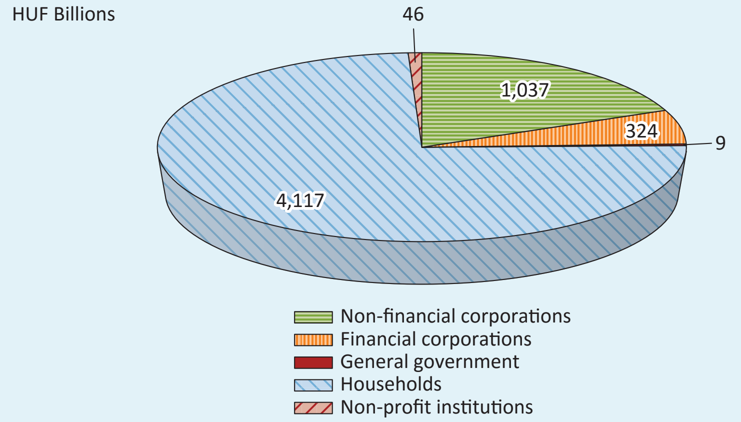
3.3 OCCURRENCE OF VARIOUS ASSETS AND LIABILITIES IN THE NON-FINANCIAL CORPORATIONS SECTOR

In this section, we present detailed information on certain financial assets and liabilities of the non-financial corporations, by linking the presented micro and macro data. We set out, in each case, from the stock data of the respective financial instrument (asset or liability) presented in the financial accounts, which we detail relying on the balance sheet data included in the corporate database for statistics and on the MNB's other statistical data sources (balance of payments statistics, securities statistics). The availability of these data sources and their harmony with the financial accounts determines the length of the period in respect of which the occurrence of an instrument and its role in the financing of the corporations can be examined retrospectively.

Characteristics of corporate currency holdings

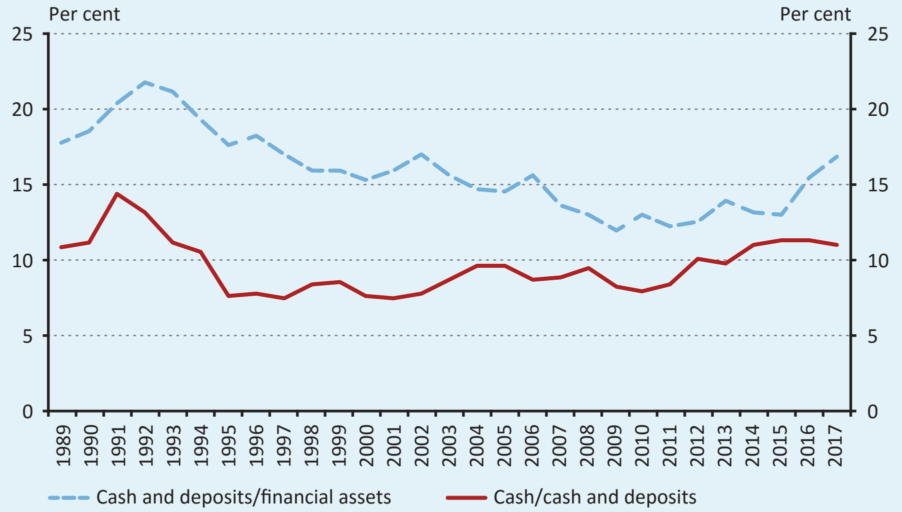
The non-financial corporations sector is the Hungarian economy's second largest currency holder sector after the households (Chart 3.3.1). Within the corporate liquid assets (i.e. cash and bank deposits) the ratio of cash is continuously increasing since the early 2000s, and stands at around 11 percent since 2014 (Chart 3.3.2). Meanwhile, the weight of liquid assets within the corporations' financial assets drastically declined until 2009, and shows an increasing trend since then. The cash holding of corporations rose at a faster rate in recent years than that of other sectors. Between 2010 and 2017, the holding rose 2.7 times, and thus the share of corporations in the total volume of the national economy cash holding rose from 14 percent to 19 percent according to the data of the financial accounts.

Chart 3.3.1
Distribution of cash holdings among economic sectors, at the end of 2017, HUF billions



Source: MNB, financial accounts (non-consolidated assets).

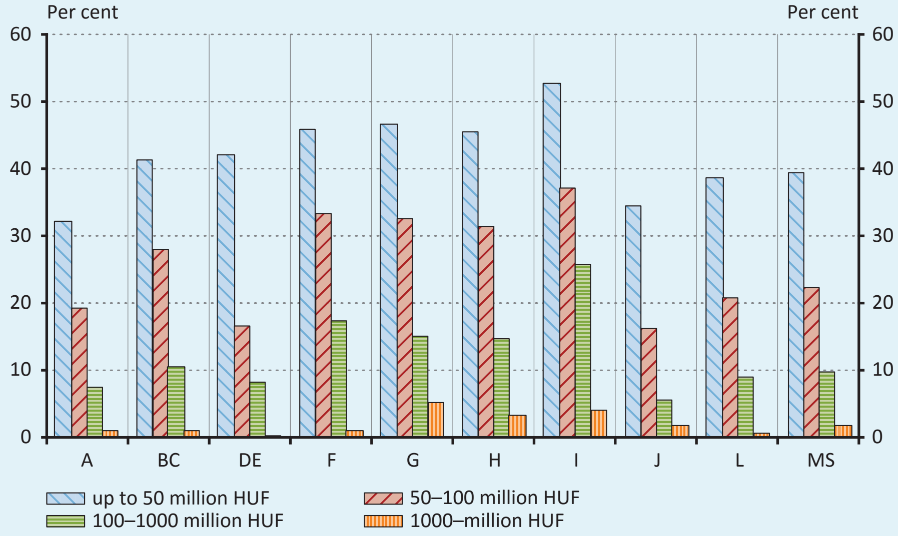
Chart 3.3.2
Cash and deposits and cash holding of non-financial corporations within the non-consolidated financial assets and financial instruments, per cent



Source: MNB, financial accounts (non-consolidated assets). Liquid assets include cash and deposits together.

The largest cash holder is the Hungarian Post, but usually the large trading companies and store chains also have cash holdings of some billions of forint. On the whole, the companies pursuing trading activity (G) have the highest cash ratio within their liquid assets, but the transportation companies (I) and the construction companies (F) also operate with significant cash ratio (see Chart 3.3.3).[33] The weight of cash within liquid assets increases in parallel with the decrease in the enterprise size, i.e. the ratio of bank account and bank deposits declines. The smallest companies hold cash on average in the same value as their bank deposits. One third of the corporations have no reported cash; these include both small and large companies. The liquid assets of further one quarter of the corporations include only cash; however, these are small enterprises, with average balance sheet total of HUF 50 million.

Chart 3.3.3
Share of cash holdings in cash and deposits of corporations by size and activity, per cent



Code:	A	BC	DE	F	G	H	I	J	L	MS
Short name:	*Agriculture*	*Manufacturing*	*Energy*	*Construction*	*Trade*	*Transportation*	*Accommodation*	*Information*	*Real estate*	*Other*

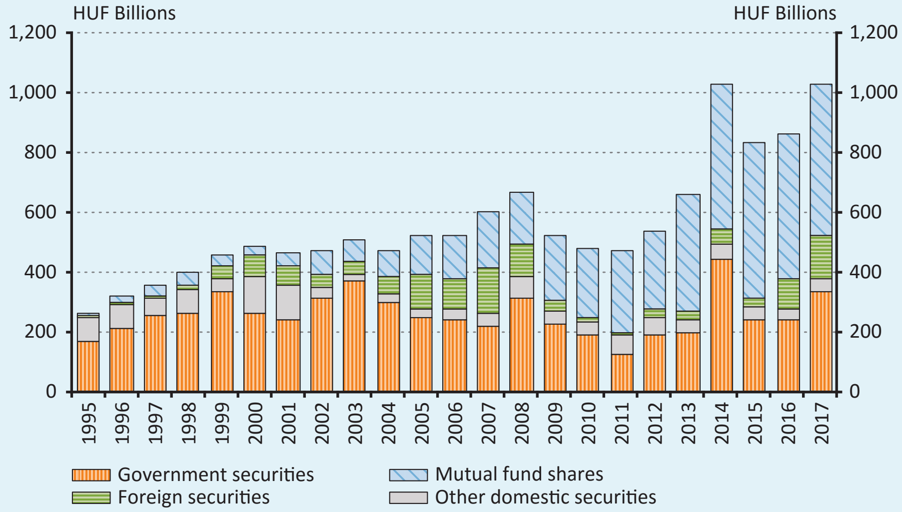
Source: MNB, corporate database for statistics. The designation of the national economy branches are included in sections 1 and 3.4.

Securities holder and issuer corporations

According to the financial accounts data, at the end of 2017, non-financial corporations held debt securities and mutual fund shares in the amount of HUF 526 billion and HUF 503 billion, respectively (Chart 3.3.4). 64 percent (HUF 335 billion) of the debt securities were domestic government papers and 28 percent (HUF 147 billion) foreign securities. Corporations hold negligible amounts of securities of resident sectors other than the general government. A dominant part of the value of the possessed mutual fund shares comprises of the securities of resident mutual funds; the value of mutual funds issued abroad hardly exceeded 2 percent.

[33] Section 1 and subsection 3.4 deal in more detail with the data broken down by sector.

Chart 3.3.4
Stocks of different debt securities and investment fund shares held by non-financial corporations at the end of year, HUF billions



Source: MNB, financial accounts (non-consolidated assets).

Based on the corporate balance sheet information related to the end of 2017, roughly 8,000 non-financial corporations (1.5 percent of the corporations) held securities (bonds, mutual fund shares)[34]. Detailed by enterprise size, almost 79 percent of the securities holding was possessed by corporations the balance sheet total of which exceeds HUF 1 billion. Securities accounted for 6 percent of the aggregated assets (balance sheet total) of the respective 873 corporations. The ratio of corporations holding securities is declining in parallel with the decrease in the enterprise size; on the other hand, securities appear with increasing weight in the balance sheet of the respective companies (Table 3.3.1).

Table 3.3.1
Main features of security holder non-financial corporations, at the end of 2017, per cent

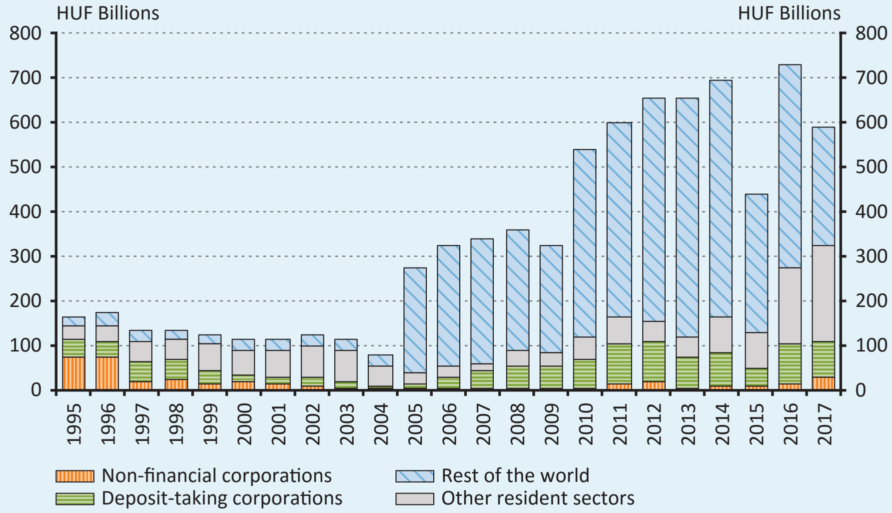
Size categories (total assets)	Ratio of security holder corporations, %	Share of securities in total assets, %	Distribution of securities among categories, %
HUF 1000 million -	8,9	6,0	78,8
HUF 100 - 1000 million	5,8	13,2	15,6
up to HUF 100 million	0,9	17,9	5,6
Corporations, total	1,5	6,8	100,0

Source: Corporate database for statistics Contains estimates. Securities: bonds and mutual fund shares.

According to the financial accounts data, the non-financial corporations' non-consolidated liabilities included issued debt securities in the amount of HUF 591 billion at the end of 2017, of which bonds amounted to HUF 555 billion and bills payable to HUF 36 billion. Around the time of the political transition, bills accounted for a dominant part of the substantial volume of intercompany securities receivables. Later on the role of bills decreased, and the papers of the few bond issuer companies were also purchased primarily by the financial corporations (insurers, funds, other financial intermediaries) and households. The holding of bonds started to increase as of 2005, when non-resident holding became determinant among the securities issued by the corporations (Chart 3.3.5).

[34] In the accounting balance sheets the individual types of securities cannot be segregated, and thus they can be analysed only together. In recent years roughly 50 corporations had bills receivable; the total value of the receivables was around HUF 10-15 billion. In the macro statistics only the bill receivables and bill payables vis-à-vis the non-resident sector are recorded as securities; the domestic bill relations that may arise in negligible amounts are stated among the loans. This is due to the fact that these special securities cannot be observed in the securities statistics system.

Chart 3.3.5
Stocks of securities issued by non-financial corporations broken down by main holder sectors, at the end of year, HUF billions



Source: MNB, financial accounts (non-consolidated data).

In recent years, the number of bond issuer companies continuously rose, while the number of large corporations issuing and holding bills both decreased to a minor degree, according to the annual accounts (Chart 3.3.2). The majority of the bond issuer corporations are large corporations with balance sheet total of several billion forint, the securities holding account for, on average, 10-15 percent of the total liabilities (balance sheet total) of the respective corporations.

Table 3.3.2
Stocks of debt securities (bonds and bills) issued by non-financial corporations and features of corporations concerned, HUF billions

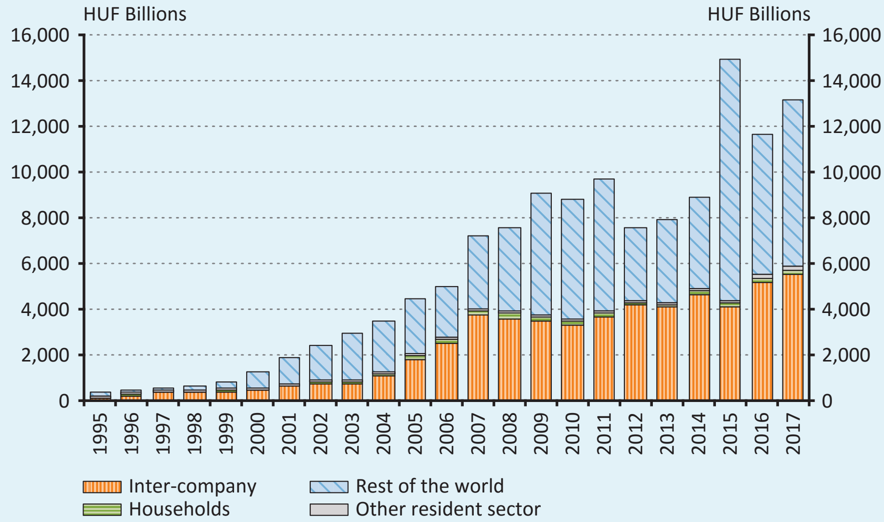
Securities issued	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Bonds, nominal value	300,0	288,0	527,0	617,9	573,7	598,3	630,2	379,9	664,3	529,6
Bonds, market value	329,2	293,5	510,8	572,9	623,6	619,9	653,8	397,2	684,9	555,2
Bills of exchange abroad	29,8	29,4	29,4	27,9	33,6	32,9	38,7	44,4	43,9	36,3
Number of corporations issued bonds	*24*	*24*	*34*	*41*	*48*	*42*	*51*	*50*	*62*	*68*
Total assets of corporations	*2 824*	*2 976*	*4 005*	*4 400*	*4 263*	*4 350*	*4 773*	*3 265*	*4 525*	*5 861*
Number of corporations issued bill of exchange			*54*	*54*	*72*	*44*	*47*	*33*	*34*	*37*

Source: MNB financial accounts, securities statistics, balance of payments statistics, corporate database for statistics.

Role of bank loan and intercompany loans in the financing of corporations

The non-financial corporations typically grant loans to other companies within the group or to private individuals (employees, owners). Corporate lending outside the group primarily means the placement of collaterals and deposits. Domestic intercompany lending soared in the mid-2000s; as of 2007 the outstanding borrowing stabilised around HUF 4,000 billion, while in recent years it fluctuated between HUF 4,500 and 5,000 billion (Chart 3.3.6). The remaining part of the domestic loans are employer loans granted to households, or owners loan or owner credit granted to financial intermediaries belonging to the interests of the corporations. The outstanding corporate loans granted to the non-resident sector comprise of direct investment in full, i.e. receivables outstanding within the group. The outliers in foreign loan receivables between 2009 and 2011, and as of 2015 were attributable to the major capital transactions of a few foreign groups across Hungary.

Chart 3.3.6
Stocks of loans granted by non-financial corporations, broken down by main debtor sectors, at the end of year, HUF billions



Source: MNB, financial accounts (non-consolidated assets).

The lending activity of non-financial corporations is typically a phenomenon related to large corporations. Permanent, long-term loans are granted by a good one thousand corporations to related companies or other participations (i.e. intra-group) and the balance sheet total of every tenth affected company exceeds HUF 1 billion (Table 3.3.3). The dominant part of the outstanding lending belongs to these large corporations.[35] Other long-term loans typically include the loans granted to employees, but the security deposits or collaterals placed with private individuals or other companies, and instalment receivables may also belong to this category. The balance sheet total of 5 percent of the affected roughly 3,000 companies exceeds HUF 1 billion. The balance of the outstanding short-term loans is fully obtained through estimation at company level. Roughly 70-80,000 corporations (15 percent of the non-financial corporations) may be involved in granting short-term loans, which may also include dividend receivables or cash pool receivables. More than half of the corporations are involved in granting loans below HUF 10 million and about 5 percent of the lender companies had assets over HUF 1 billion at the end of 2017. These companies possessed almost 90 percent of the value of loan receivables.

Table 3.3.3
Number of corporations granting loans and stock of loans granted, HUF billions

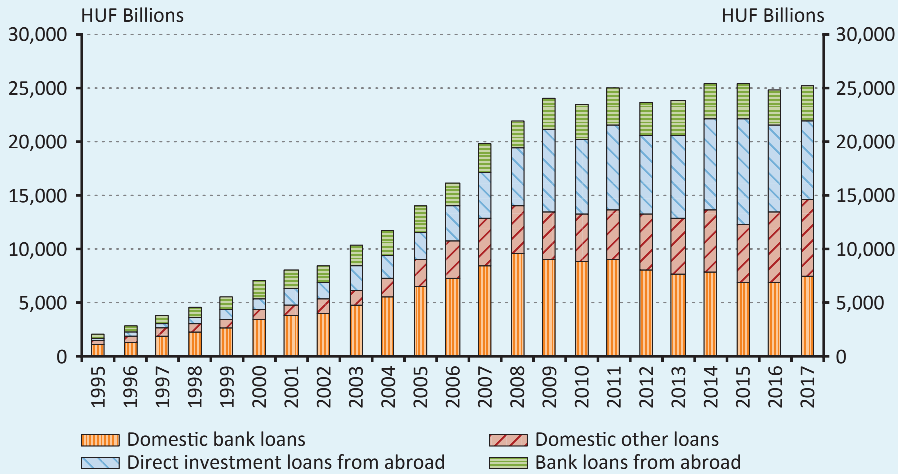
Stock of loans granted by non-financial corporations	2000	2003	2007	2010	2014	2015	2016	2017
Number of corporations with long-term intercompany loans	*1 100*	*1 142*	*1 558*	*1 260*	*1 118*	*1 116*	*1 239*	*1 323*
Stock of loans, HUF billions	104	312	1 797	2 832	1 990	3 154	2 742	3 974
Number of corporations with long-term loans over HUF 1 billion		*34*	*118*	*148*	*150*	*158*	*189*	*201*
Stock of loans, HUF billions		242	1 677	2 712	1 853	3 001	2 570	3 774
Number of corporations with other long-term loans	*4 800*	*2 832*	*3 193*	*2 228*	*1 818*	*1 730*	*1 762*	*1 756*
Stock of loans, HUF billions	100	90	166	146	154	162	211	214
Number of corporations with short-term loans		*30 353*	*45 367*	*75 799*	*74 464*	*74 625*	*78 062*	*79 154*
Stock of loans, HUF billions	933	2 528	5 248	5 886	6 799	10 732	8 726	8 965

Source: MNB, corporate database for statistics. The data of the corporations with balance sheet total exceeding HUF 1 billion are highlighted. It contains estimation, because the level of details in the accounting balance sheets changed and it also varies by enterprise size.

[35] We had the last comprehensive observation on 2007, when the balance sheets attached to the corporate tax returns included the breakdown of financial investments by instruments. In the years thereafter, the number of pieces signals that we have no full coverage in respect of the detailed items; however, this has negligible effect on the stock data on the whole.

A dominant part of the non-financial corporations' debt is loan debt; according to the non-consolidated balance sheet of the financial accounts, the share of the instrument at the end of 1989, 2009 and 2017 was 16 percent, almost 35 percent and 26 percent, respectively. At the beginning of the period, the loans taken from financial institutions accounted for three-quarters of the outstanding borrowing, while the remaining part mostly comprised of domestic owner (intercompany, household, government) loans. The aggregate weight of foreign and domestic bank loans gradually declined close to 40 percent; in parallel with this the role of both the domestic and foreign other (owner, intercompany) loans strengthened in the financing of the non-financial corporations sector (Chart 3.3.7). In the following, based on the corporate micro data we examine the type of corporations reached by the individual loan categories.

Chart 3.3.7
Stocks of loan liabilities of non-financial corporations broken down by main creditors, HUF billions



Source: MNB, financial accounts, balance of payments. Bank loan means a loan taken from financial institutions.

According to the corporate micro data adapted to the financial accounts, at the end of 2017, almost 67,000 non-financial corporations had loans from financial institutions (bank loan). At the same time, more than 90,000 corporations may have had loan debt to owner (member loan, debt from unpaid dividend). More than 140,000 corporations, i.e. roughly 28 percent of the corporations belonging to the sector, had any type of outstanding loan at the end of the year (see table 3.3.4). Among the large corporations it is more common to finance the activity by loan; 80 percent of the corporations with balance sheet total exceeding HUF 1 billion had some kind of loan debt at the end of 2017, and 78 percent of the outstanding borrowing belonged to this range of companies. 55 percent of the large corporations stated bank loan in their balance sheet. Among the liabilities of the borrower large corporations, loan debts accounted for 32 percent, while the adjusted shareholders' equity amounted to 46 percent on average. At the same time, the ratio of the shareholders' equity of large corporations with no loan debt was substantially higher, i.e. 63 percent in the balance sheet. Similar ratios can be observed in the entire corporate sector as well.

Table 3.3.4
Composition of loan liabilities of non-financial corporations broken down by corporation size categories and type of loans, at the end of 2017, pcs and HUF billions

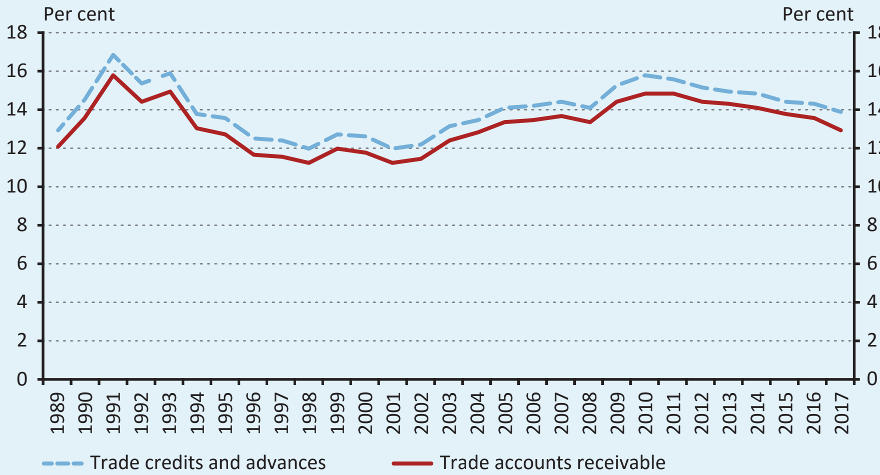
Size categories (total assets)	Corporations, total		Have any loans		Have bank loans		Have loans from owners	
	pieces	total assets	pieces	stock of loans	pieces	stock of loans	pieces	stock of loans
HUF 1000 million -	9 806	79 487	7 911	19 688	5 424	8 447	4 123	6 570
HUF 100 - 1000 million	48 294	14 384	34 887	3 573	22 024	1 553	17 251	1 280
HUF 50 - 100 million	33 827	2 408	20 284	673	11 642	294	10 725	258
up to HUF 50 million	428 040	4 484	80 500	1 200	27 800	400	60 327	564
Corporations, total	519 967	100 763	143 582	25 134	66 890	10 694	92 426	8 672

Balance sheet total: the adjusted balance sheet total of corporations (HUF billion). Bank loan: loan taken from financial institutions.
The other columns include the number of corporations and the loan amount (HUF billion).
Source: MNB, financial accounts, and corporate balance sheet database for statistics. Data adapted to the financial accounts.

Trade credit receivables and advances at the corporations

Receivables from supply of goods and services, i.e. trade credits and advances, represent a clearly identifiable, dominant part of the statistical other receivables. In the past decades, gross trade credits and advances accounted for 13-16 percent of the non-financial corporations' aggregated balance sheet total and 12-17 percent of their aggregated net sales (Chart 3.3.8). Within that, trade credits (balance of trade accounts receivable at year-end) included sales revenues of 1.4-1.7 months on average. The corporate balance sheets reflected distinctly high trade credit balances in the early 1990s and in the period of the financial crisis.

Chart 3.3.8
Stocks of trade credits and advances (gross claims of corporations) as a percentage of the annual sales revenue



Source: MNB, corporate database for statistics.

The majority of the corporations have receivables arising from trade credits or advances. Based on the accounting balance sheets, such type of receivables could be identified at almost half of the enterprises at the end of 2017, while in the case of the larger corporations with more detailed data this ratio was 96 percent (Table 3.3.5). Within the trade credits and advances, the number of corporations with named trade account receivables is lower, since many corporations had balance sheet stock only from advances, or intra-group receivables or accruals. Two-thirds of the non-financial corporations (three-quarters without the condominiums) realised sales revenue in 2017 (roughly 350,000 corporations). Substantially fewer corporations had receivables or trade credits in their balance sheet at year-end (roughly 250,000 corporations). That is, at part of the corporations the sales revenue was realised already during the year and was not carried forward to 2018. The respective corporations realised less than one percent of the sector's sales revenue, i.e. they are distinctly small enterprises.

Table 3.3.5
Trade credits and advances as claims of non-financial corporations, at the end of 2017 (data of corporations having trade credits broken down by corporation size categories), pcs and HUF billions

<table>
<tr><th rowspan="2">Size categories (total assets)</th><th colspan="3">Corporations, total</th><th colspan="2">Trade credits and advances</th><th>Trade accounts receivable</th><th colspan="2">Corporations with trade credits</th></tr>
<tr><th>pieces</th><th>total assets</th><th>net sales revenue</th><th>pieces</th><th>HUF billions</th><th>pieces</th><th>total assets</th><th>net sales revenue</th></tr>
<tr><td>HUF 1000 million -</td><td>9 806</td><td>79 487</td><td>68 451</td><td>9 450</td><td>9 690</td><td>8 336</td><td>77 794</td><td>68 524</td></tr>
<tr><td>HUF 100 - 1000 million</td><td>48 294</td><td>14 384</td><td>15 888</td><td>47 028</td><td>2 648</td><td>36 929</td><td>13 906</td><td>15 836</td></tr>
<tr><td>HUF 50 - 100 million</td><td>33 827</td><td>2 408</td><td>3 366</td><td>31 746</td><td>450</td><td>23 416</td><td>2 300</td><td>3 345</td></tr>
<tr><td>up to HUF 50 million</td><td>428 040</td><td>4 484</td><td>6 731</td><td>155 173</td><td>973</td><td>113 289</td><td>1 848</td><td>4 807</td></tr>
<tr><td>Corporations, total</td><td>519 967</td><td>100 763</td><td>94 436</td><td>243 397</td><td>13 761</td><td>181 970</td><td>95 848</td><td>92 512</td></tr>
</table>

Source: MNB, corporate database for statistics. It contains estimates. Balance sheet total: the adjusted balance sheet total of corporations (HUF billion).

3.4 MAIN CHARACTERISTICS OF NON-FINANCIAL CORPORATIONS BY INDUSTRY, 2017

In this section, we detail the macro statistical indicators of non-financial corporations by different criteria, relying on the adjusted individual accounting reports. We usually do not adapt the presented accounting data to the macro statistical indicators, but in some cases we note the potential effect of the adaptation on the stocks and the distribution of those under review. The stock data of the financial accounts can be easily mapped with the aggregated accounting balance sheets, serving as data source, and thus their separate adaptation is not necessarily needed. However, the macro statistical values of the non-financial assets substantially differ from the book value (the estimated market value of fixed assets is almost twice as high as the book value). In view of the fact that the statistical presentation of the real assets and financial instrument (primarily equity) at present is not consistent, the adaptation of the accounting data to those would not yield a satisfactory result either.

The core activity of non-financial corporations, as economic organisations, is the production (output) of products (goods) and non-financial services, the consideration for which for accounting purposes is the net sales. As regards the sector as a whole, the size of net sales is similar to the balance sheet total in any period, i.e. at any time roughly one unit of corporate asset value belongs to one unit of production value. If the corporate sector is broken down to parts, this close relationship between the consideration for production and the size of assets ceases. This is due to the fact that the production of the various products and services require different volume of expenditure, and the asset-intensiveness of the various activities also vary. Corporations producing with major infrastructure or inventories and passive asset holders, or companies operating with negligible physical presence can all be found in the sector. Even the sales revenue characterises the economic performance to a varying degree by activity (measured by value added in statistics) due to, apart from the above, the presence of mediated services and accounting recognition on gross basis. Accordingly, the grouping of non-financial corporations by core activity and the breakdown of corporate data by industry contribute to the identification of the differences behind the average values of the sector and to the capturing of the corporate patterns belonging to the various activities.

Main characteristics of non-financial corporations by industry

In this publication, for the classification of the corporations by core activity, we use the Standard Classification of All Economic Activities (TEÁOR) valid from 2008 and we also classify the retrospective data in accordance with this. In order to ensure transparency, we break down the sector into 10 industry groups; the code and designation of these are summarised in Table 3.4.1.[36]

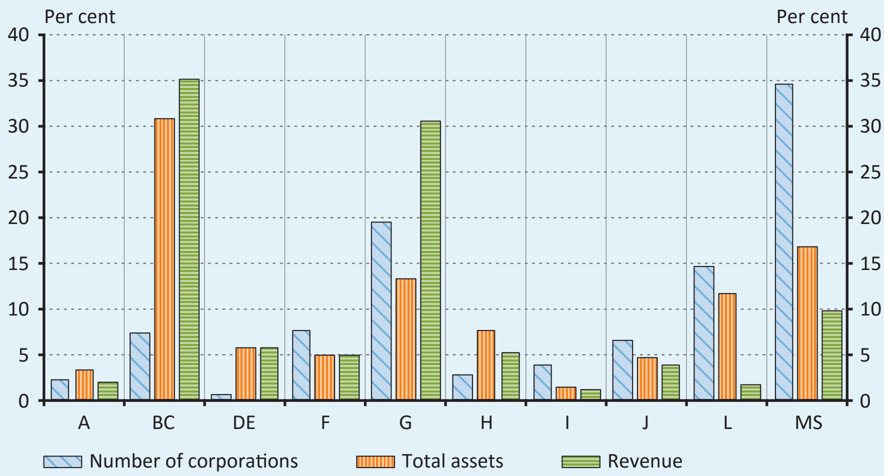
Table 3.4.1
Classification of non-financial corporations by main activity (industry) in this publication

Code	Short-name	Long-name
A	Agriculture	Agriculture, forestry, fishing
BC	Manufacturing	Mining, manufacturing
DE	Energy	Electricity, gas, steam and water supply, sewage and waste management
F	Construction	Construction
G	Trade	Wholesale and retail trade, repair of motor vehicles
H	Transportation	Transportation, storage
I	Accommodation	Accommodation services, catering
J	Information	Information, communication
L	Real estateügyek	Real estate activities
MS	Other	Professional, scientific, technical, administrative, public administration, education, health, culture

[36] See Section 1 for more details.

2.3 percent of the 520,000 non-financial corporations in operation in 2017 pursued agricultural, 7.4 percent industrial, 7.6 percent construction, 19.5 percent trade and 2.8 percent transportation activity. The numerical ratio of these companies, pursuing traditional activity, has continuously declined in the past decades, while the range of corporations engaged in information services, property transactions or other services expanded. Of these, the number of information companies and property service companies represented 6.6 and 15.3 percent, respectively, at the end of 2017. The largest average enterprise size characterises the energy production (DE) and industrial (BC) companies, measured either by sales revenue or the asset size. As a result of this, industrial corporations account for 31 percent of the book value of the non-financial corporations sector's assets (balance sheet total) and 35 percent of their annual net sales, according to the 2017 data (see Chart 3.4.1). The smallest average enterprise size characterises the accommodation providers (I) and other service providers (MS), but usually the IT and communication (J), property (L) and construction (F) companies also belong to the smaller enterprises. In the case of corporations pursuing trading activity (G), the substantial sales revenue are accompanied by moderate assets, due to the intermediary nature of the activity. On the other hand, compared to the sales revenues the volume of assets is high at the agricultural (A), transportation (H) companies and at the corporations engaged in property transactions (L) and rendering other services (MS). Of these, the low sale revenue of real estate companies is particularly striking, which implies the presence of passive asset holder (investor) corporations. Accordingly, the sales revenue, as a generally used turnover type size indicator, does not always provide guidance with regard to the economic performance or the size of wealth.

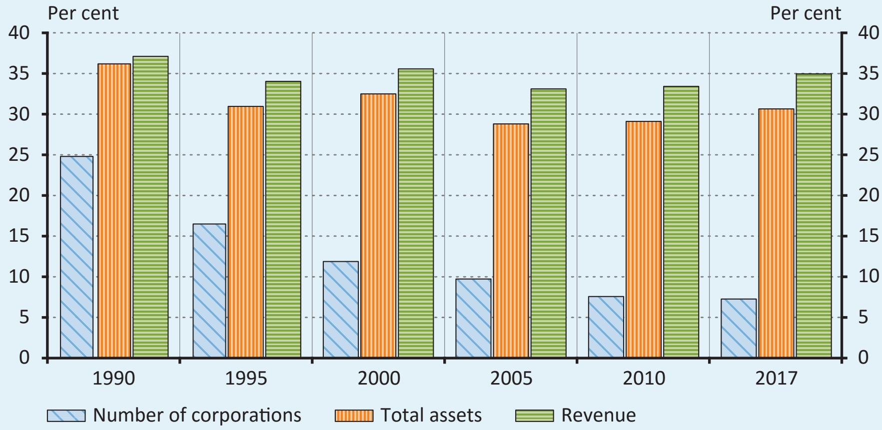
Chart 3.4.1
Distribution of number, total assets and sales revenue of non-financial corporations by industry, 2017, per cent



Source: MNB, corporate database for statistics.

The numerical ratio of the industrial corporations (BC), representing the highest weight within the non-financial corporations sector, has been continuously declining until recent years, and since the political transition the share of the industry in the sector's assets and sales revenues also somewhat decreased. However, in recent years these processes stopped, and turned both in terms of the balance sheet total and sales revenues of the industry (Chart 3.4.2).

Chart 3.4.2
Number, total assets and sales revenue of manufacturing corporations relative to the non-financial corporations sector as a whole, per cent



Source: MNB, corporate database for statistics.

Main statistical indicators of the non-financial corporations by industry

If we break down the categories used in the national accounts by national economy branches, the individual enterprise groups obtain somewhat different weight compared to the accounting presentation. The two key macro statistical indicators examined are the gross value added and gross assets (market value of the non-financial and financial assets). The gross value added is available both in sector and industry breakdown (HCSO); in the case of gross assets, in the absence of such breakdown, we use the accounting information presented beforehand for the breakdown of the statistical data. The estimated values of the corporate gross value added by national economy branches are presented in Table 3.4.2, while the values of gross assets are shown in Table 3.4.3 for the end of 2017.

Table 3.4.2
Non-financial corporation's revenue, material expenditures and gross value added per industry, 2017, HUF billions

Activity code	A	BC	DE	F	G	H	I	J	L	MS	Total
Sales revenue	1 951	33 152	5 444	4 615	28 839	4 888	1 132	3 559	1 735	9 123	94 436
Material costs	1 625	23 955	4 525	3 656	25 274	3 261	768	1 949	1 084	4 819	70 916
Difference	326	9 197	919	959	3 565	1 627	364	1 610	651	4 304	23 520
Gross value added	552	7 418	831	976	2 972	1 692	421	1 503	601	3 057	20 022

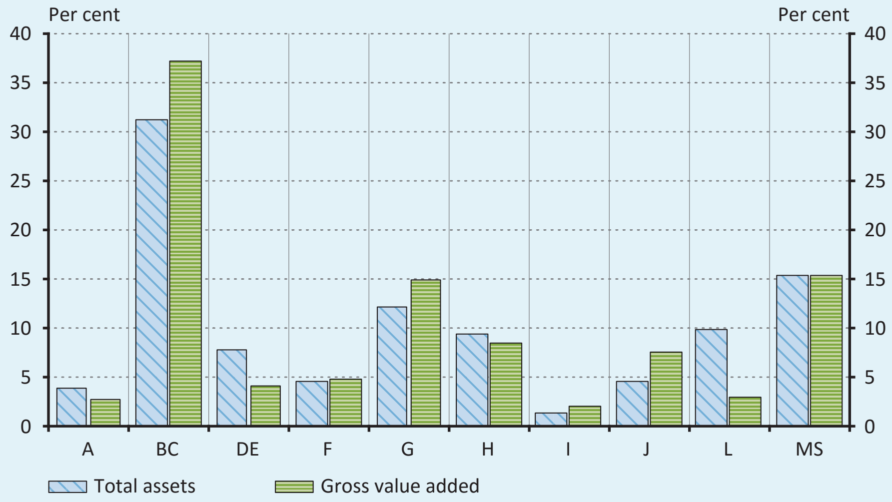
Source: HCSO, national accounts, and MNB, corporate database for statistics.

Table 3.4.3
Real assets and financial assets of non-financial corporations at book value and market value, by industry, at the end of 2017, HUF billions

Activity code	A	BC	DE	F	G	H	I	J	L	MS	Total
Real assets*	2 074	15 079	3 274	1 641	6 467	5 200	1 007	2 225	6 846	3 639	47 453
Financial assets*	1 226	15 802	2 471	3 364	6 860	2 427	465	2 573	4 777	13 345	53 310
Real assets**	4 020	25 500	7 900	2 710	9 300	10 100	1 250	3 530	8 204	6 530	79 044
Financial assets**	1 260	16 750	2 580	3 426	7 000	2 496	481	2 669	5 087	14 198	55 947

** accounting (balance sheet) value, ** market value (adjusted for the national accounts). It contains estimates.*
Source: HCSO, national accounts, and MNB, corporate database for statistics.

Chart 3.4.3
Distribution of total assets and gross value added of non-financial corporations by industry, 2017, per cent



Source: MNB, corporate database for statistical purposes, and HCSO, national accounts.

According to the corporate data adapted to the national accounts, the distribution of the gross wealth (assets) among the industries does not differ significantly from the distribution of accounting value of wealth (balance sheet total) (cf. Charts 3.4.1 and 3.4.3). The revaluation of the non-financial assets somewhat increased the share of the industries operating with significant volume of assets (agriculture, energy, transportation) within the assets of the sector. On the other hand, the introduction of the gross value added, as a performance indicator, instead of the accounting net sales, reorganised the industries to a larger degree. The traditional national economy branches usually contribute to the value added of the corporate sector to a smaller degree than to the sales revenue thereof. (An exception to this is the industry, which accounts for a good 37 percent of the sector's gross value added, and the agriculture, which contributed 2.8 percent in 2017). The largest difference can be observed at the trading companies, which produced 15 percent of the sector's gross value added, while they realised more than 30 percent of the sales revenue in 2017. The service sectors gaining increasing weight (accommodation service, information and communication activity, real property transactions, other services) usually recognise low material expenditures compared to the sales revenue, and thus the gross value added represents a higher ratio within the sector than the sales revenue.

Coming back to the question of the size of the corporate wealth (assets) belonging to one unit of sales revenue, it can be established that, measured at market value, it is 1.4 units on average, and to one unit of gross value added it is 6.7 units on average. The industry differences are illustrated by Table 3.4.4.

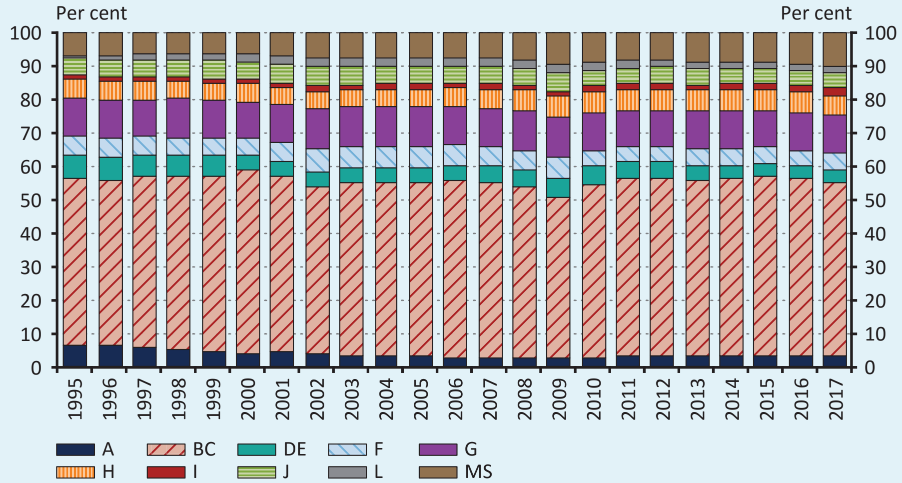
Table 3.4.4
Corporate assets assigned to unit sales or unit value added in different branches, 2017, per cent

Activity code	A	BC	DE	F	G	H	I	J	L	MS	Total
Revenue	2,7	1,3	1,9	1,3	0,6	2,6	1,5	1,7	7,7	2,3	1,4
Value added	9,6	5,7	12,6	6,3	5,5	7,4	4,1	4,1	22,1	6,8	6,7

Source: MNB, corporate database for statistical purposes, and HCSO, national accounts.

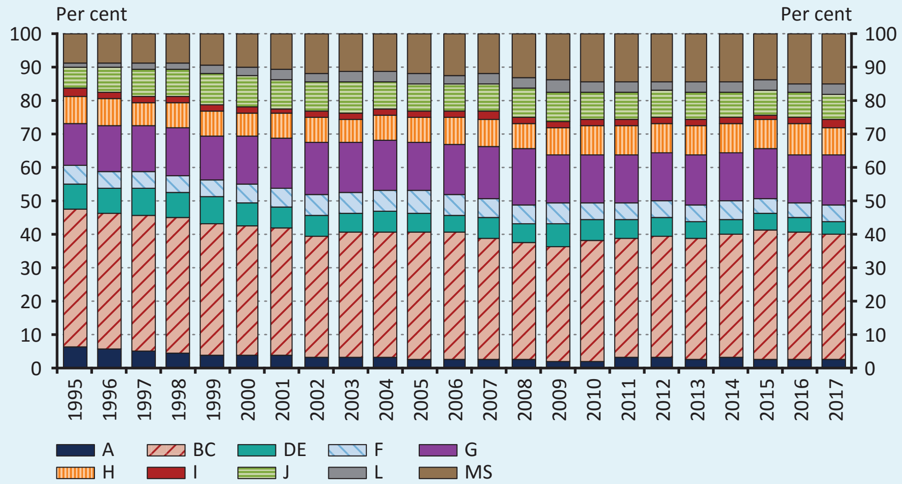
The data of the non-financial corporations' output and gross value added, broken down by industry, in line with the national accounts, are available retrospectively back to 1995 (Charts 3.4.4 and 3.4.5). Before we saw that in the past good 20 years, the industrial companies (BC) generated roughly 35 percent of the sector's aggregated sales revenues and 30 percent of the aggregated balance sheet total. The time series of the industries' gross output also reflect similarly stable ratio, where the industry represented throughout the period 51-53 percent, while the output of the agricultural (A) and energy provider (DE) corporations both shrank from 7 to 3 percent. On the other hand, in the 22 years under review, the weight of the industrial companies in the corporate sector's gross value added dropped from 41 to 37 percent, and the ratio of the corporations rendering other services (MS) continuously increased, from 9 to 18 percent.

Chart 3.4.4
Activity breakdown of gross output of non-financial corporations, per cent



Source: HCSO, national accounts.

Chart 3.4.5
Activity breakdown of gross value added of non-financial corporations, per cent

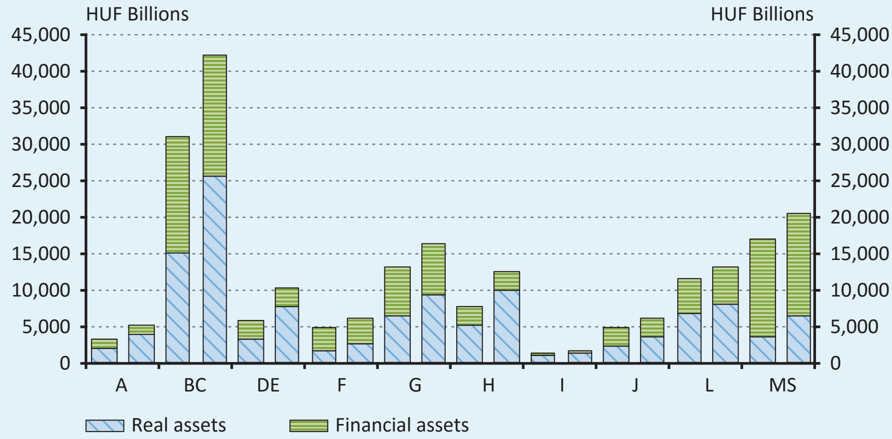


Source: HCSO, national accounts.

Composition of the balance sheet of corporations pursuing various activities

Below we explain in more detail the accounting and statistical presentation of gross wealth (assets) broken down by industry. On the whole, non-financial assets account for 47 percent at book value and roughly for 58 percent at market value of the non-financial corporations' non-consolidated assets (see Table 3.4.3 and for more details subsection 2.2). The composition of the wealth of the industrial, trading and infocommunication companies by main asset types is close to these average values (Chart 3.4.6). Naturally, in a more in-depth breakdown, there are differences in the asset composition here as well at the level of the individual asset types. (For example, within the non-financial assets the ratio of inventories is high in the trading sector, average in the industrial sector and low at the communication companies). Irrespective of the valuation, non-financial assets dominate the balance sheet of the agricultural, energy provider, transportation, accommodation and real property companies. By contrast, financial assets prevail in the balance sheet of construction and other service provider companies, due to the receivables at the first, and mostly as a result of the high stock of financial investment at the latter.

Chart 3.4.6
Components of non-financial corporations assets at accounting (book) and statistical (market) value, by industry, at the end of 2017, HUF billions



Source: MNB, corporate database for statistical purposes, and HCSO, national accounts. It contains estimates.

When examining the ratio of certain key balance sheet items on the asset side by industry, it can be established that in 2017 the ratio of tangible assets was materially higher than the average at the accommodation provider (65 percent) and the transportation companies (63 percent), while the construction and trade (23 percent) and the other category (17 percent) can be regarded as the least tangible asset-intensive industries. The larger inventory holding was typical for trade (25 percent) and agriculture (16 percent). Inventories occur the least in the industries dominated by services, i.e. at the transportation and other service provider, and the accommodation provider companies, where the ratio of inventories is 1.1, 2.5 and 3.2 percent, respectively.

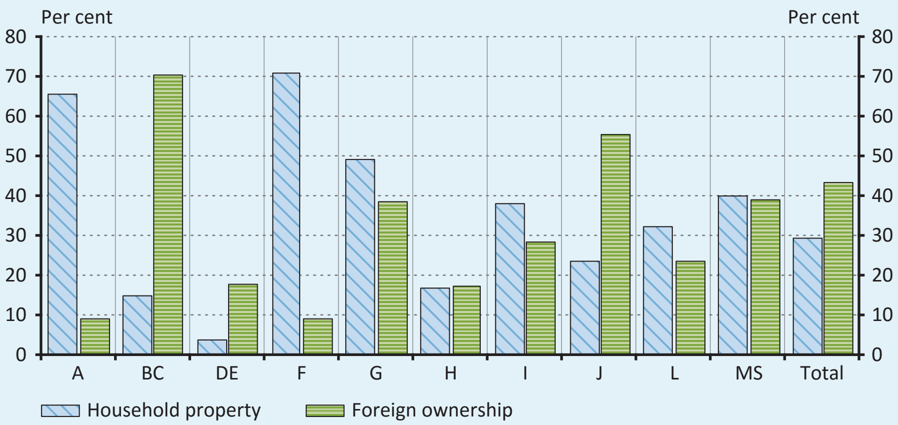
As regards the financial investments, the corporations belonging to the other services industry substantially outstrip the others; in 2017, 31 percent of their assets could be classified as financial investments; the industrial companies, following them, had an average value of 18 percent. The lowest ratio can be observed at the transportation, agricultural and construction companies; in these industries the value of this indicator in 2017 was 2.2, 4.9 and 5.1 percent, respectively. Here the intercompany equity relations are less common that in the national economy branches mentioned first. In 2017, construction had the largest receivables, accounting for 38 percent of the accounting balance sheet, followed by the trading and industrial companies, with 32 and 25 percent, respectively. The ratio of receivables is the smallest at the accommodation provider (12 percent), real property trading and transportation corporations (13 percent). In the case of the liquid assets, construction outstrips the other industries with its value of 19 percent; the energy sector and industry have the lowest volume of liquid assets, where this instrument accounts for 6 percent of the balance sheet total.

When examining the balance sheet item on the liability side it can be established that in 2017, the ratio of equity to the balance sheet total was the highest (66 percent) in agriculture, followed by, with practically identical values, the energy companies and the industry (55 percent). Construction (35 percent) and accommodation providers (39 percent) had the lowest equity ratio. Of the non-financial corporations, mostly the companies engaged in real property transactions and accommodation services had long-term liabilities; their ratio compared to the balance sheet total was 32 and 30 percent, respectively, at the end of 2017. By contrast, as it follows from the nature of the activity, trade is characterised by short-term financing, and thus the ratio of long-term liabilities is rather low, i.e. 8.5 percent. At the same time, the lowest value, 4 percent, is recorded by the energy sector, where the investment and developments are funded primarily by the high equity ratio rather than by the long-term liabilities.

The distribution of the key balance sheet items, characterising the individual industries, was relatively stable between 1990 and 2017 (see Charts 3.4.8). An exception to this is the major decline in the tangible assets in the energy sector and in parallel with that the growth in the ratio of financial investments, between 2005 and 2010. This is attributable to the fact that due to legislative changes, in 2007 the energy supplier companies had to divide their distribution network and sales activity; they transferred the tangible assets necessary for the distribution network function to their subsidiaries, and in their balance sheets these were replaced by their equity holdings in the subsidiaries.

In addition to the difference in the composition of the corporate balance sheets broken down by core activity, it is also worth examining the difference in the corporations' ownership structure. Domestic private ownership is dominant at the agricultural and construction companies, while in industry more than 70 percent of the corporations' aggregated equity is held by non-residents (Chart 3.4.7). Non-residents' share exceeds 50 percent also in the companies pursuing infocommunication activity. On the other hand, the state has majority interest in the energy sector and the transportation companies.

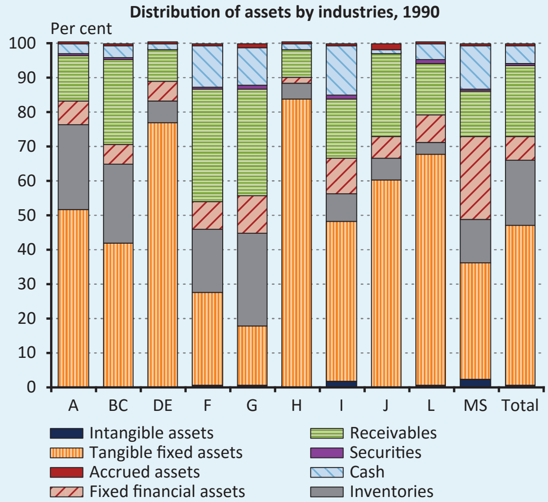
Chart 3.4.7
Share of household and foreign ownership in the equity of non-financial corporations, by activity, at the end of 2017, per cent



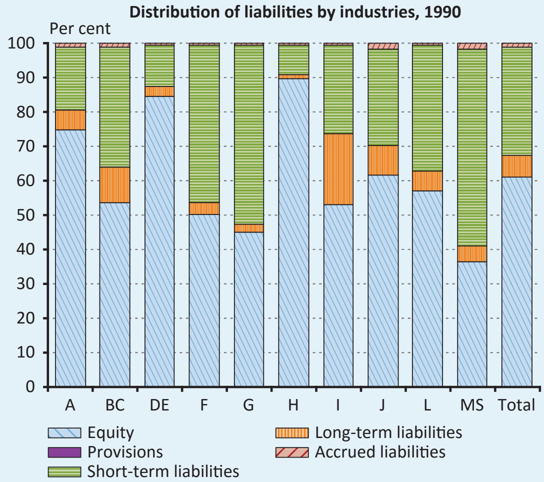
Source: MNB, corporate database for statistics. Measured based on direct ownership.

Charts 3.4.8 (1)
Composition of assets and liabilities of non-financial corporations at the end of each period by industries, per cent

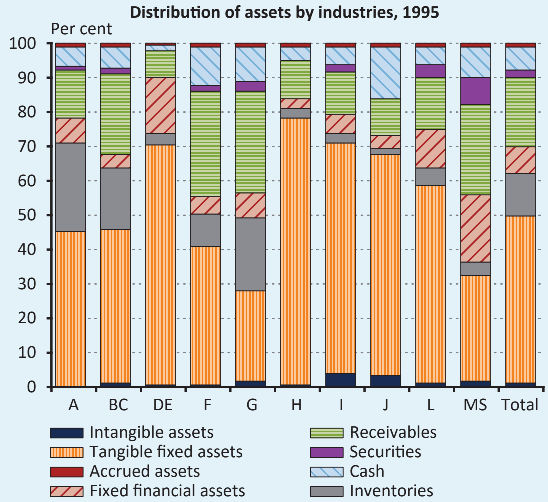
Distribution of assets by industries, 1990



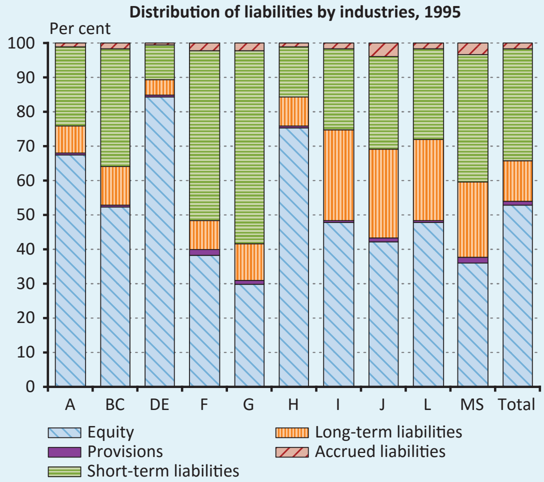
Distribution of liabilities by industries, 1990



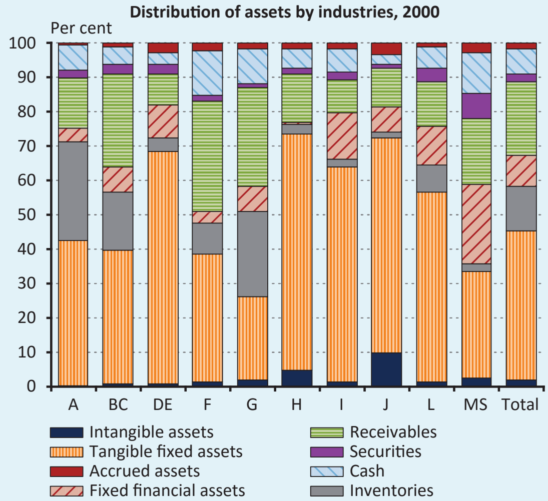
Distribution of assets by industries, 1995



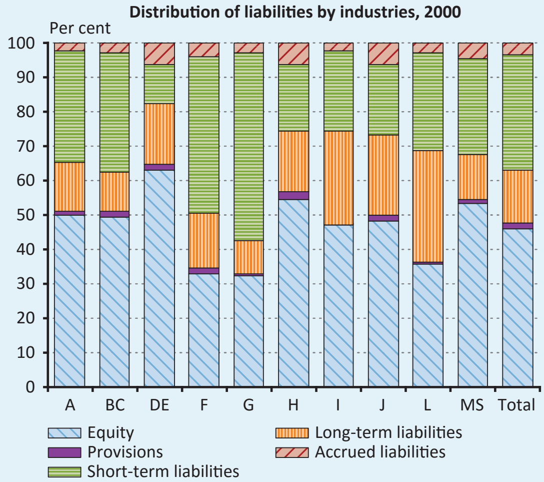
Distribution of liabilities by industries, 1995



Distribution of assets by industries, 2000



Distribution of liabilities by industries, 2000

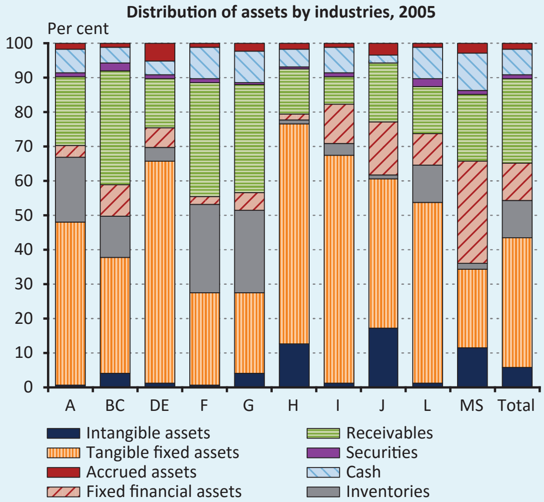


Code:	*A*	*BC*	*DE*	*F*	*G*	*H*	*I*	*J*	*L*	*MS*
Short name:	*Agriculture*	*Manufacturing*	*Energy*	*Construction*	*Trade*	*Transportation*	*Accommodation*	*Information*	*Real estate*	*Other*

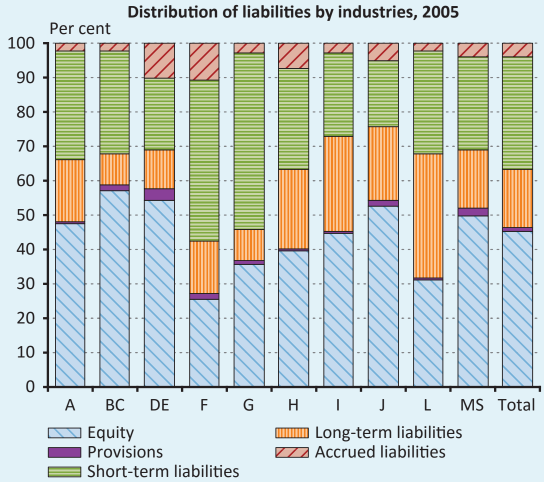
Source: MNB, corporate database for statistics, between 1990 and 2000 calculated from aggregated data.

Charts 3.4.8 (2)
Composition of assets and liabilities of non-financial corporations at the end of each period by industries, per cent

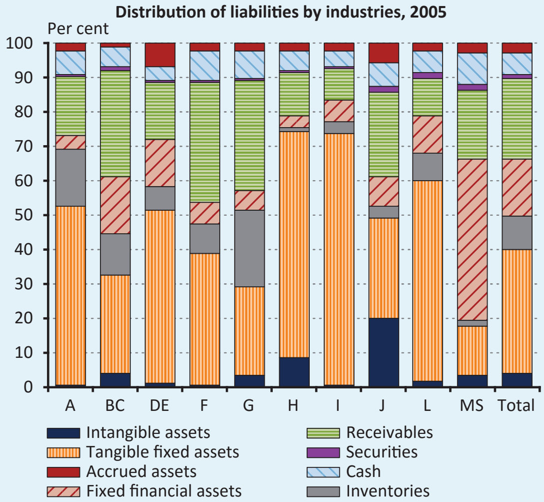
Distribution of assets by industries, 2005



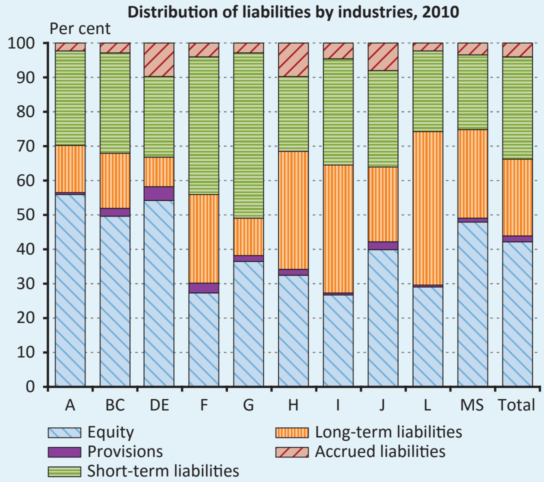
Distribution of liabilities by industries, 2005



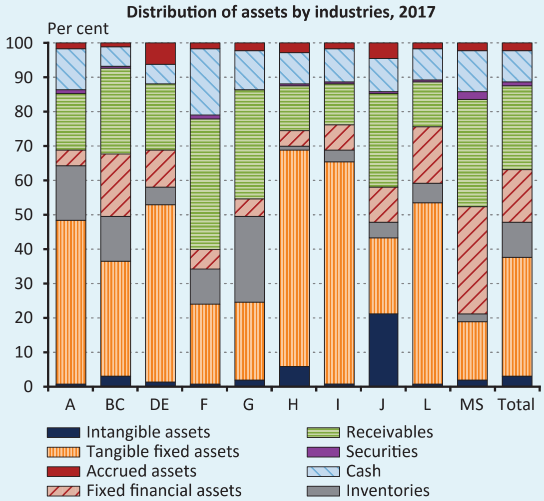
Distribution of liabilities by industries, 2005



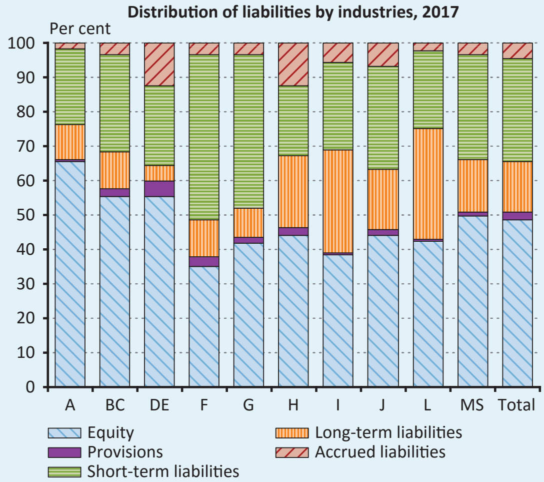
Distribution of liabilities by industries, 2010



Distribution of assets by industries, 2017



Distribution of liabilities by industries, 2017



Code:	*A*	*BC*	*DE*	*F*	*G*	*H*	*I*	*J*	*L*	*MS*
Short name:	*Agriculture*	*Manufacturing*	*Energy*	*Construction*	*Trade*	*Transportation*	*Accommodation*	*Information*	*Real estate*	*Other*

Source: MNB, corporate database for statistics, between 1990 and 2000 calculated from aggregated data.

3.5 MAIN CHARACTERISTICS OF NON-FINANCIAL CORPORATIONS BY ENTERPRISE SIZE

Most of the financial characteristics of the non-financial corporations change in proportion to the enterprise size, whether we measure the enterprise size by the wealth (balance sheet total) or the sales revenue. However, there are certain characteristics that primarily occur at the larger enterprises , such as e.g. lending and borrowing, or the holding and issuing of securities. The ratio of non-resident and public (state, local government) ownership is also higher among the larger corporations, while the smaller corporations tend to be owned by households. Usually, in parallel with the decrease in the enterprise size, the weight of liquid assets increases in the balance sheet, and the use of cash prevails over bank accounts and bank deposits. Assets are financed by equity and trade credits rather than by loans, and the intercompany (intra-group) relations are also less intensive in the case of smaller enterprises. Even the two aforementioned size characteristics do not necessarily accompany each other; corporations with high wealth may operate with low revenue (and headcount), while at the smaller corporations the annual value of sales usually exceeds the balance sheet total. This may be partly attributable to the fact that the wealth of many corporations recorded at historic value is further reduced by impairment. In this subsection we examine these formerly discussed correlations in more detail.

Main characteristics of non-financial corporations in a breakdown by balance sheet size

We present the non-financial corporations sector broken down to four categories according to the size of the balance sheet total (Table 3.5.1). Companies with assets exceeding HUF 1 billion account for hardly 2 percent of all companies belonging to the sector; however, they account for almost 79 percent of the total assets and 72 percent of sales. Companies with a balance sheet total exceeding HUF 100 million (11 percent of all companies) together cover a good 93 percent of the assets and almost 90 percent of the sales of the sector. At the same time, 80 percent of liquid assets, 73 percent of employees and the 34 percent of the corporate cash holdings belong only to this circle of companies. 24 percent of the households' corporate equity holdings existed in enterprises with balance sheet total below HUF 100 million at the end of 2017. 93 percent of the shares and other equity issued by these corporations were possessed by resident households. If we wish to examine the wealth position, ownership relations and economic performance of the non-financial corporations in detail, it is essential to know the data of the enterprises with lower balance sheet total.

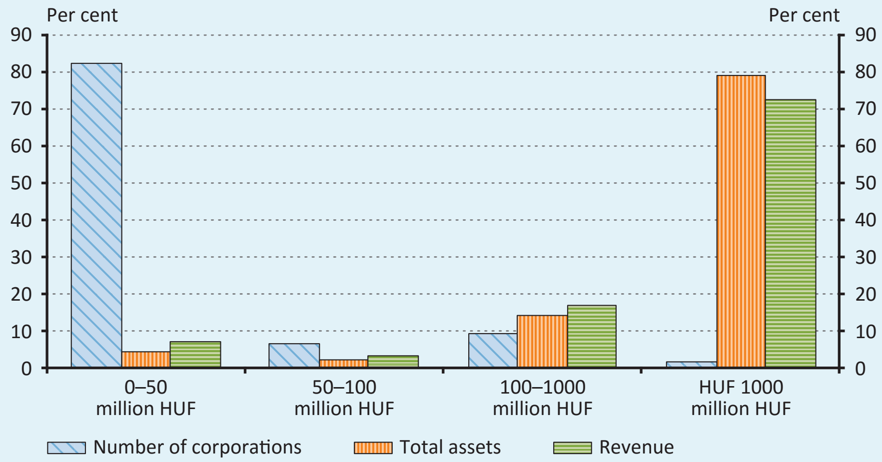
Table 3.5.1
Main characteristics of non-financial corporations by size of corporation, 2017

Corporate features	Balance sheet total assets categories, million HUF				
	0-50 million HUF	51-100 million HUF	101-1000 million HUF	Over 1000 million HUF	Total
Total assets, billion HUF	4 484	2 408	14 384	79 487	100 763
Sales revenue, billion HUF	6 731	3 366	15 888	68 451	94 436
Employees, thousand persons	485	144	549	1 134	2 312
Profit after tax, billion HUF	420	192	1 074	3 366	5 052
Dividend to be paid, billion HUF	288	71	439	1 830	2 628
Number of corporations	428 040	33 827	48 294	9 806	519 967

Source: MNB, corporate database for statistics.

33,827 corporations (6.5 percent of the non-financial corporations, including the housing associations) had balance sheet total between HUF 50 and 100 million at the end of 2017; their share in the sector's adjusted balance sheet total was 2.4 percent. The number of enterprises with balance sheet total below HUF 50 million (including the partnerships opting for simplified taxation and condominiums) was 428,040 (82.3 percent) with a weight of 4.5 percent in the sector's balance sheet total (Chart 3.5.1). In this size category, the enterprises preparing corporate tax return contributed to the balance sheet total by HUF 3,363 billion, those opting for simplified taxation (EVA, KATA, KIVA) by HUF 931 billion and condominiums by HUF 190 billion (see subsection 3.1). Since for the purpose of the financial accounts estimations are prepared for this latter enterprise groups, it is not possible to provide further breakdowns for the smallest enterprise size category.[37]

Chart 3.5.1
Distribution of number, total assets and sales revenue of non-financial corporations by total assets category, at the end of 2017, per cent



Source: MNB, corporate database for statistics.

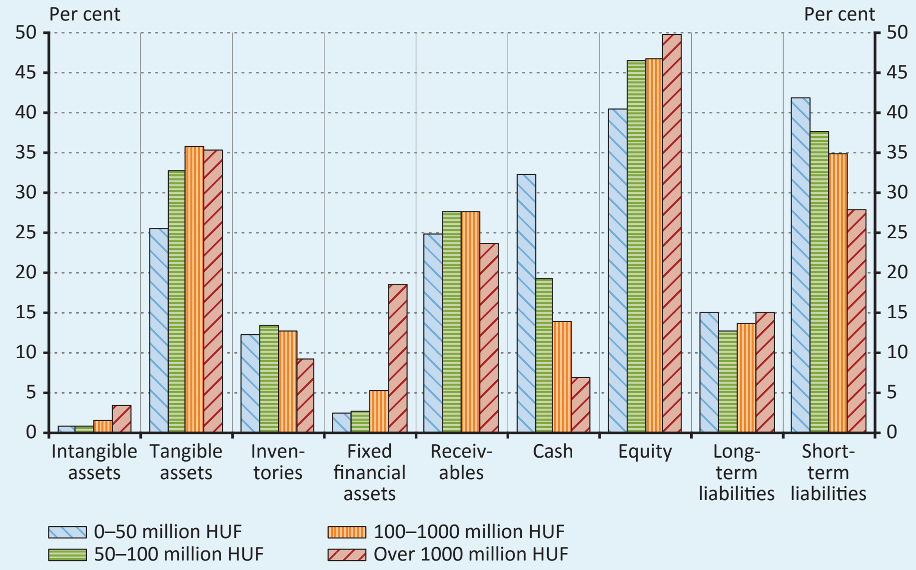
As regards the composition of the corporate balance sheet and the size of the key balance sheet items compared to the adjusted balance sheet total, the following conclusions can be drawn in the individual enterprise size categories. On the asset side, intangible assets have negligible weight in all groups; their ratio is the highest in the largest (over HUF 1 billion) category, but even there it amounts to only 3.5 percent, while in the two lower categories remains below 1 percent. The ratio of tangible assets also gradually increases in parallel with the balance sheet total; the first group has 26.8 percent on average, while the relevant value of the last two groups is slightly above 35 percent. In the case of inventories, the distribution is much more even; here, in the first three categories their ratio within the balance sheet is almost identical (12.2-13.5 percent); it only differs from this at the largest corporations, where it falls to 9.2 percent. The share of financial investments rises in parallel with the enterprise size, and in the largest category it reaches a significant ratio (compared to 5.3 percent measured in the third group, in the fourth one this value is already 15.5 percent). There is hardly any difference in receivables; the weight of this balance sheet item is around 25 percent in all categories. By contrast, there are distinct differences at liquid assets, since the ratio of these types of assets is still substantial at the smallest companies (32.2 percent), while in parallel with the rise in the balance sheet total this ratio steadily decreases and in the fourth group it is already below 7 percent.

Moving further to the liability side balance sheet items, the ratio of equity among the groups rises in parallel with the enterprise size, and fluctuates between 40 and 50 percent. Long-term liabilities are distributed relatively evenly (between 13 and 15 percent), without any obvious connection between the ratio of these and the enterprise size. The same cannot be said about current liabilities, since in their case, the larger an enterprise is, the smaller is its liability of this type: in the first group it still amounts to 42 percent, while in the fourth one only 28 percent.

According to the comparison based on balance sheet item, it can be established that there is essentially direct proportion in respect of the intangible assets, tangible assets and financial investments, while there is an inverse proportion in respect of the liquid assets and short-term liabilities between the ratio of these items within the balance sheet and the enterprise size. The most straightforward relation can be observed at the liquid assets, i.e. the enterprise size determines primarily the volume of those; the second strongest relation of this nature characterises the financial investments. Later on we deal separately with the asset management companies, involved the most in the intercompany equity relations, being more common among the larger corporations.

[37] The presence of impairment and negative equity also complicates the analysis of the enterprises with the smallest wealth.

Chart 3.5.2
Proportion of the main balance sheet items relative to the total assets, broken down by size categories, per cent

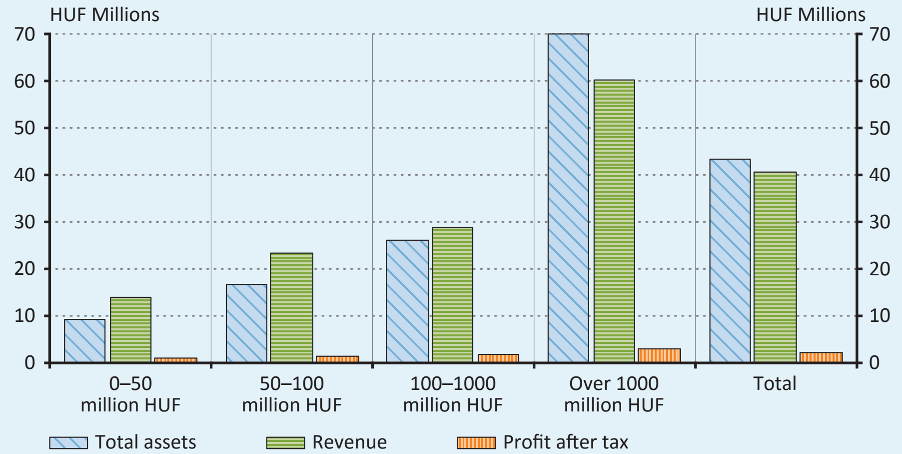


Source: MNB, corporate database for statistics.

Corporate asset and sales revenue per employee, by size categories

In 2017, the non-financial corporations employed slightly more than 2.3 million employees (Table 3.5.1). Corporations with assets below HUF 50 million employed 21 percent of the employees, while those with balance sheet total between HUF 50 and 100 million, employed further 6.2 percent. Corporate assets of slightly less than HUF 10 million and HUF 14 million annual sales revenue per employee was registered in the smallest enterprise category, but these ratios substantially increase in parallel with the growth in enterprise size (Chart 3.5.3). The profit after tax per employee rises similarly, being slightly less than HUF 1 million in the smallest category and almost HUF 3 million in the largest one.

Chart 3.5.3
Amount of total assets, sales and earnings per employee in the size classes of total assets, HUF millions

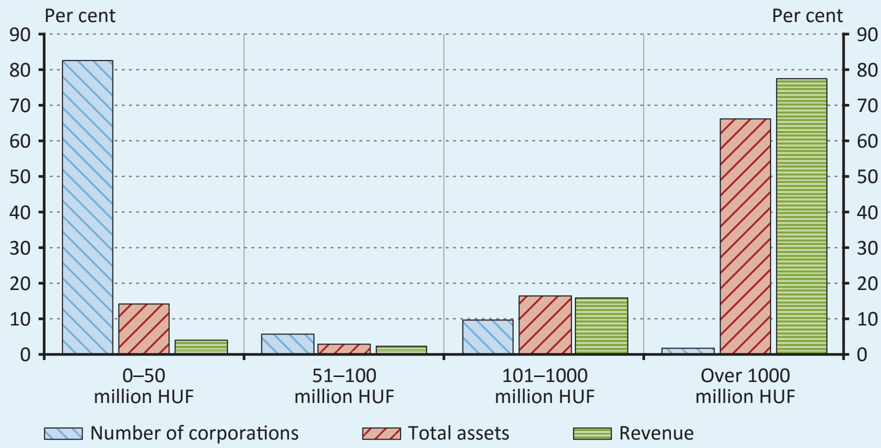


Source: the data of Table 3.5.1.

Main characteristics of non-financial corporations in a breakdown by the volume of sales revenues

Since there is no perfect correlation between the corporate size characteristics, it is also worth categorising the corporations by the volume of sales revenue. Similarly to the classification based on the size of the balance sheet total, we created four categories, with the same limits. The first group, i.e. the category up to HUF 50 million, includes 82.5 percent of the corporations – also including the condominiums – which, however, claim hardly 4.1 percent of the sales revenue of the entire sector. The second group includes the corporations with sales revenues between HUF 50 and 100 million; the numerical ratio of these is 6.1 percent, while their share in the sales revenue is 2.3 percent. The number of corporations with sales revenue between HUF 100 million and 1 billion accounts for almost one tenth (9.6 percent) of the sector, and 15.4 percent of the sales revenue. The last category includes the corporations with turnover exceeding HUF 1 billion, which generate 78.3 percent of the sector's sales revenue, while their numerical ratio is merely 1.8 percent (Chart 3.5.4).

Chart 3.5.4
Distribution of number of corporations, total assets and sales revenue of corporations by sales revenue categories, per cent

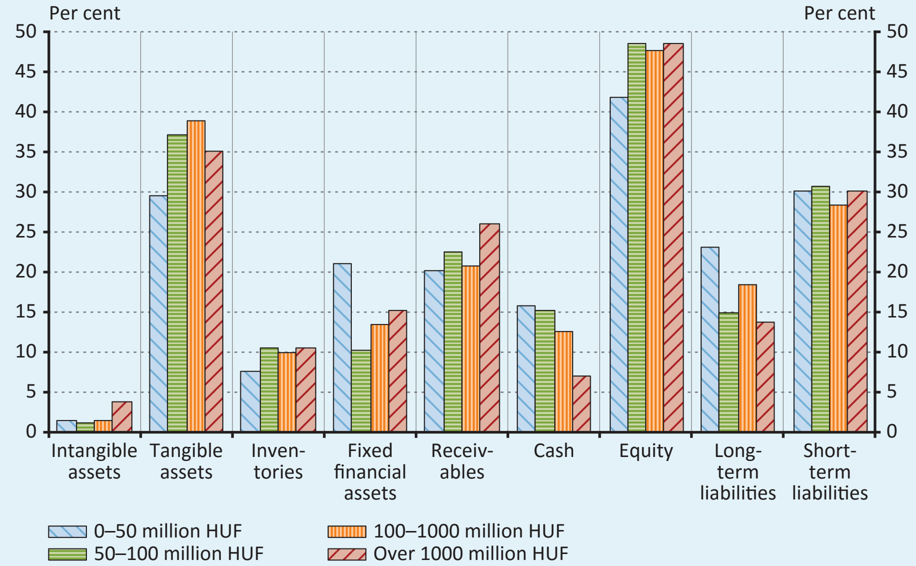


Source: MNB, corporate database for statistics.

Of the individual balance sheet items on the asset side the ratio of the intangible assets – with exception of group four, where it is 3.8 percent – is practically everywhere 1-1.5 percent. The weight of tangible assets is the largest within the assets; this is 30 percent in group one, 38 percent in group two, 39 percent in group three and in the last one, somewhat declining, 35 percent. The ratio of inventories fluctuates between 7.6 percent and 10.5 percent. Financial investments are the most typical at the corporations with the lowest sales revenue (21.2 percent), while in the second category their share is roughly half of that, and then it once again starts to rise in parallel with the sales revenue and in the last group it amounts to 14.8 percent. On the other hand, the outstanding receivables are steadily around 20-22 percent; exceptions to this are only the companies with the highest sales revenue, where it rises to 26 percent. The share of liquid assets is around 12.6-15.8 percent, and more significant departure from that can be experienced only in the last category, where the average ratio of liquid assets is only 7.9 percent.

When examining the shareholders' equity on the liability side, the ratio of that at the smallest companies is 42 percent, while in the rest of the categories it hardly deviates from 48-49 percent. In the area of long-term liabilities the largest weight (23.1 percent) can be once again observed at the first group; the average value of the other groups is between 13.5 and 18.5 percent. The distribution of current liabilities is very even; the largest deviation from the typical ratio of 30 percent is represented by the 28.5 percent measured in the third category (Chart 3.5.5).

Chart 3.5.5
Proportion of main balance sheet items relative to the total assets, broken down by sales revenue categories, per cent



Source: MNB, corporate database for statistics. Data from end of 2017.

Direct proportion between the volume of net sales and the weight of any of the aforementioned balance sheet item does not exist at any balance sheet item, while inverse proportion can be observed at the liquid assets. At the same time, the stock of current liabilities can be deemed independent of the sales revenue. The comparison of the classification by sales revenue and balance sheet total shows that, on the one hand, the larger the enterprise size is – based on either criterion – the smaller is the weight of liquid assets within the balance sheet, and on the other hand, the classification by balance sheet total apparently defines the ratio of the individual balance sheet item better than the grouping by sales revenue.

Presence of passive large corporations in the sector

The close relationship between the corporate assets and the volume of sales revenue is broken primarily by the presence of the passive asset manager or asset holder companies. These companies, regarded as operating, are passive owners of non-financial assets (real properties) or financial assets (equity, loans granted), i.e. they realise no major sales revenue on the consumption or utilisation of the assets. This group primarily includes real property investment project companies, real property management, asset management or group financing companies, accounting for roughly one seventh of the number of larger corporations (Table 3.5.2). Within the smaller companies, it is more difficult to separate the normal producing (active) and the passives asset holder companies, as the value data are smaller and it is more difficult to determine the minimum value of the sales revenue, below which a company can be classified as passive. However, it may be assumed that in parallel with the decline in enterprise size the ratio of the passive asset holder companies decreases, or instead of the passive financial asset holders this group comprises of passive real property holder companies. Among the corporations with balance sheet total exceeding HUF 1 billion, the number of the passive financial asset holder companies is twice as high as of the real property holders, while their assets are 2.6-times larger according to the end of 2017 data. In the category of HUF 100 million to HUF 1 billion the number and the assets of the two types of passive corporate groups are almost identical. In terms of industry classification, the passive real property holders belong to the "real property transaction" (L) national economy branch by definition, while the passive financial asset holders belong to the "other service" providers (MS). It is attributable to these corporations that in these national economy branches the corporations' aggregated balance sheet total substantially exceeds the value of the aggregated annual sales revenue (see also subsection 3.4). If the enterprise size is characterised by the volume of sales revenues, these corporations are usually classified as "small", this is why the companies with large balance sheet total appear in the lower sales revenue categories. Since these passive corporations form part of the resident producer groups, they cannot be eliminated from the non-financial corporations sector; at the same time, when analysing the corporate wealth, special attention should be paid to the special characteristics of these enterprises.

Table 3.5.2
Presence of passive corporations among large non-financial corporations, at the end of 2017, HUF billions

Corporate features	Balance sheet total size categories, million HUF					
	100 - 1000 million HUF			Over 1000 million HUF		
	Normal	Passive	Total	Normal	Passive	Total
Total assets	12 445	1 940	14 384	73 520	5 967	79 487
Non-financial assets	6 286	889	7 176	36 629	1 588	38 217
Fixed financial assets	371	389	760	11 993	2 728	14 721
Equity (adjusted)	6 060	659	6 719	36 646	2 878	39 524
Number of corporations	42 126	6 168	48 294	8 400	1 406	9 806

Source: MNB, corporate database for statistics. Passive corporation: the annual sales revenue is less than 5 percent of the balance sheet total or HUF 100 million.

3.6 MAIN CHARACTERISTICS OF NON-FINANCIAL CORPORATIONS BY OWNER

In this subsection – considering the methodological recommendation of the national accounts and the content of subsection 2.5 – we break down the non-financial corporations sector into three sub-sectors based on the sector of the ultimate owner (controlling) organisation or person. Accordingly, we separate the state-owned and local government companies, i.e. in public ownership; companies in non-resident ownership; and companies in resident private ownership, owned by households and non-profit institutions.[38] The classification of the corporations by ultimate owner requires a relationship register, which contains the ownership chain of all companies. We have no such relationship register, and thus we performed the classification in two steps. The three ultimate owner sectors include, on the one hand, the corporations under their direct control, and on the other hand, the subsidiaries of those, i.e. the corporations under indirect control. The key data of the non-financial corporations classified by the sector of the direct owner are summarised in Table 3.6.1. This includes the number and adjusted balance sheet total of those companies in which the general government, households or the non-resident sector has any equity holdings, highlighting within those that part of the corporations in which the aforementioned sector has majority interest.

Table 3.6.1
Number and adjusted total assets of non-financial corporations in main ownership categories (direct ownership), HUF billions

Breakdown by direct ownership	2003	2005	2010	2011	2012	2013	2014	2015	2016	2017
Corporations owned by state and local governments										
Number of entities	2 020	2 130	2 230	2 230	2 300	2 206	2 116	2 119	2 135	1 963
of which: controlled by government owners	1 453	1 500	1 605	1 650	1 667	1 673	1 642	1 653	1 663	1 555
Total assets	7 802	8 050	9 400	10 000	10 400	12 100	12 852	12 933	13 145	13 300
of which: controlled by public owners	3 881	3 900	4 250	4 271	4 427	5 074	5 798	5 959	6 488	6 609
Corporations owned by domestic households										
Number of entities	308 672	344 615	423 878	447 517	442 532	446 017	443 847	438 745	438 793	444 595
of which: controlled by domestic households	265 452	333 739	414 295	438 206	433 777	437 543	435 476	430 524	430 671	436 630
Total assets	16 399	21 957	28 830	30 073	29 789	31 856	34 661	34 040	34 833	37 880
of which: controlled by domestic households	8 775	11 917	15 973	16 573	17 037	18 389	21 269	22 405	24 276	27 083
Corporations in direct foreign ownership										
Number of entities	23 240	23 233	23 813	22 980	21 259	20 333	21 375	22 114	22 926	23 181
of which: controlled by foreign owners	21 474	22 078	22 864	22 071	20 450	19 585	20 643	21 381	22 208	22 473
Total assets	21 223	26 184	40 217	43 927	43 249	40 784	43 035	46 422	44 818	46 595
of which: controlled by foreign owners	19 105	23 775	38 156	41 677	41 199	39 720	41 974	45 482	40 844	42 753

Source: MNB, corporate database for statistics. It contains estimates.

[38] In the case of the corporations owned by non-residents, this approach those not provide a fully accurate result, since the ultimate owner may also be a resident household, which owns resident corporations through non-resident companies.

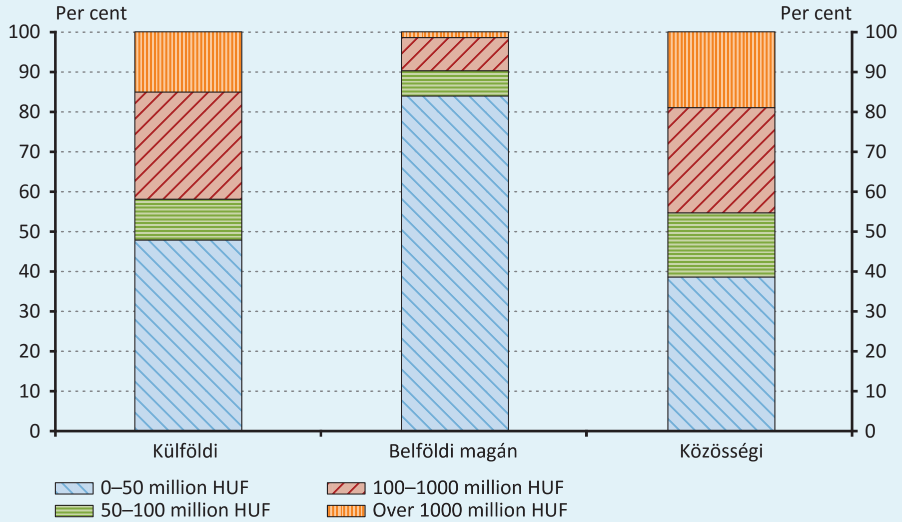
The comprehensive survey of the subsidiaries is performed only in the case of corporations under public (state, local government) control within the framework of the financial accounts statistics, as of 2010. In addition, for the purpose of compiling this publication, we also collected the subsidiaries of the corporations operating under the direct control of non-residents, for the end of 2017. The group of the corporations in resident private ownership was obtained based on the "residual principle", by deducting the appropriate data of the corporations in public and non-resident ownership from the data of the entire corporate sector. Accordingly, hereinafter we can primarily perform cross-sectional analysis relying on the 2017 data.

Main characteristics of the corporations in public, resident private and non-resident ownership

At the end of 2017, roughly 95 percent of the non-financial corporations (almost 494,000 corporations) were in resident private ownership (in the direct and indirect ownership of households and non-profit institution serving households); the ratio of corporations in non-resident ownership was around 4.6 percent (a good 24,000 companies), while the number of corporations in public ownership was less than 0.5 percent of the number of non-financial corporations. Although based on the distribution of the number of corporations, resident private ownership prevails, this prevalence in terms of number is not reflected by the other corporate indicators.

As regards the aggregated balance sheet total of the non-financial corporations, slightly more than half of the corporate wealth was in non-resident ownership at the end of 2017. The state and the local governments possessed almost 10 percent of corporate assets, while the households held roughly 40 percent thereof, directly or indirectly. The low share – compared to the number of companies – of the resident corporations owned by households in the corporate wealth is attributable to the fact that the distribution of the corporations by size substantially varies depending on the ultimate owner. While the balance sheet total of 84 percent of companies owned by households, i.e. some 416,000 companies, did not reach HUF 50 million, and the ratio of companies with a balance sheet total over HUF 1 billion only slightly exceeded one percent, in the case of corporations in public and non-resident ownership the ratio of the latter was 15 and 20 percent, respectively, and less than half of these companies had a balance sheet total below HUF 50 million (see Chart 3.6.1).

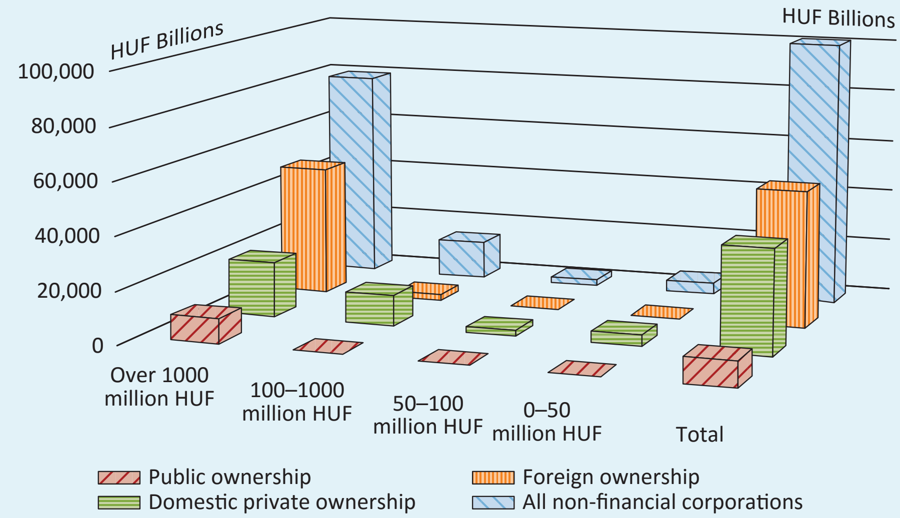
Chart 3.6.1
Distribution of corporations by size categories (total assets) in different ownership categories, per cent



Source: MNB, corporate database for statistics. Corporate data allocated to ultimate owners at the end of 2017.

The picture is further qualified, if we only examine the data of corporations with balance sheet total over HUF 1 billion, since then it is obvious that both within corporations owned by non-residents and the public corporation, this group is extremely dominant; within the companies of both owner groups roughly 95 percent of the corporate wealth is held by these large corporations, while in the case of corporations owned by households this ratio is only around 50 percent.

Chart 3.6.2
Distribution of total assets of non-financial corporations by size (total asset category) and ownership, HUF billions



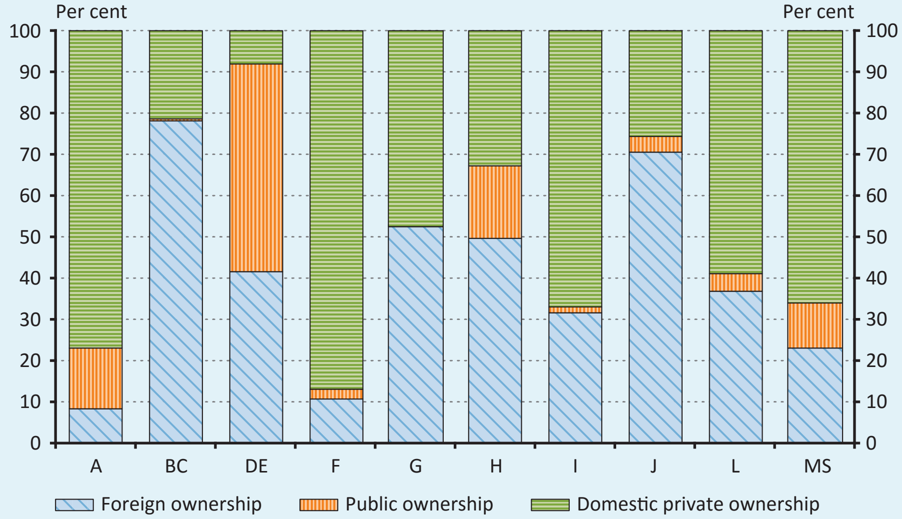
Source: MNB, corporate database for statistics. Corporate data allocated to ultimate owners at the end of 2017.

It is also due to this fact that in the case of corporations in public and non-resident ownership, the average balance sheet total per company is substantially higher. At the end of 2017, in the case of public corporations it was around HUF 5 billion (in the case of those with balance sheet total over HUF 1 billion more than HUF 20 billion), in the case of non-resident ownership it was more than 2 billion, while in the case of resident private ownership it was merely around HUF 80 million. Only 10 percent of the largest corporations, with balance sheet total over HUF 100 billion, are in resident private ownership; the respective corporations are mostly in direct or indirect non-resident or general government ownership (control).

The distribution of net sales by ultimate owner shows a similar picture as that of corporate assets. In 2017, 52 percent of the non-financial corporations sector's non-consolidated net sales was realised by corporations in non-resident ownership, 42 percent by those in resident private ownership, while the public corporations had slightly lower share in sales revenue, i.e. 6 percent, than their share in the balance sheet total. The share of public corporations in the sales revenue falls short of their share in corporate assets slightly, because compared to the other two sub-sectors they have larger volume of non-financial assets and, on the other hand, their sales revenue is partly realised under regulated market conditions. The share of the individual groups in value added was similar to the distribution of sales revenue.

Roughly two-thirds of the corporations in non-resident ownership were active in the trade (G), real property transactions (L) and other services (MS) sectors in 2017; however, these held only roughly one-third of the assets of non-financial corporations under non-resident control, while their share in the value added of the corporations in non-resident ownership did not exceed 25 percent. In the case of corporations in non-resident ownership, those pursuing industrial activity (BC) prevailed in terms of assets, sales revenue and value added: this group generates 30 percent of the value added created by the entirety of non-financial corporations, and 80 percent of the industry value added. These are essentially large corporations; more than half of the corporations in non-resident ownership with balance sheet total exceeding HUF 100 billion are active in this sector. The share of non-resident companies in the sales revenue is also significant, over 40 percent, at the energy suppliers (DE), in the trade, transportation (H) and infocommunication (J) sectors.

Chart 3.6.3
Distribution of gross value added by ultimate owner, in different branches, per cent



Code:	A	BC	DE	F	G	H	I	J	L	MS
Short name:	Agriculture	Manufacturing	Energy	Construction	Trade	Transportation	Accommodation	Information	Real estate	Other

Source: MNB, corporate database for statistics. It contains estimates. Data from 2017.

The majority of the public corporations are active in energy supply (DE) and in other services (MS); most of the corporations established in recent years, pursuing asset management, also belong to this category; however, these have no significant corporate assets. On the other hand, in addition to the energy producer and supplier companies, the public corporations in the transportation sector also had outstanding real assets; the public corporations belonging to these two sectors possessed roughly two-thirds of the public corporations' assets at the end of 2017. The corporations engaged in energy supply realise more than half of the public corporations' sales revenue, while the transport companies realise only 15 percent thereof.

Roughly 35 percent of the corporations in resident private ownership are engaged in other services (MS); these are typically small enterprises employing only a few persons. The number of corporations engaged in trade and real property transactions is around 15-20 percent (the latter category also includes the roughly 40,000 condominiums). Almost 70 percent of the corporate assets in resident ownership is concentrated in four sectors; in addition to the aforementioned ones, there are substantial resident corporate assets in industry.

The industry in which they are engaged, fundamentally determines the corporations' profitability (see section 3.4), but minor differences also appear depending on the owner.

Table 3.6.2
Gross value added, total assets, wages and salaries and number of employees relative to sales revenue, 2017

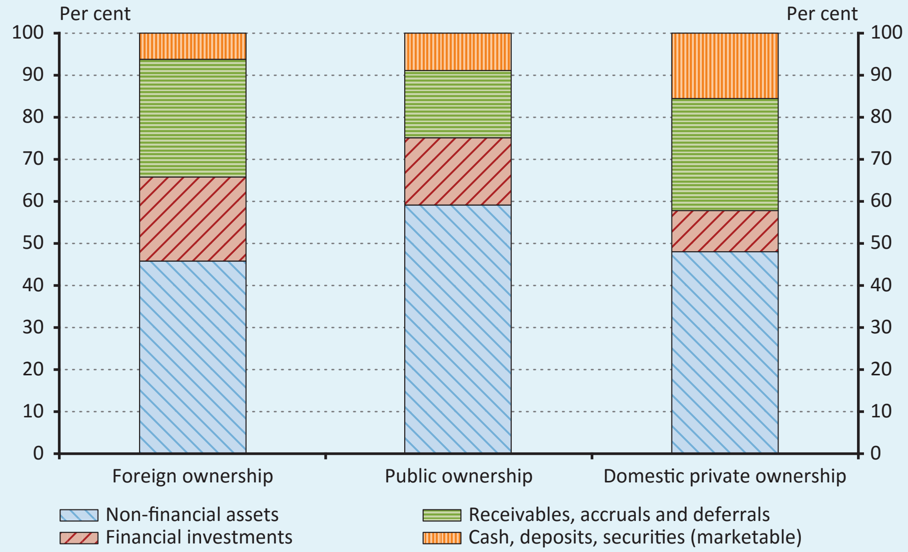
Main features of corporations according to ownership	All non-financial corporations	Foreign ownership	Public ownership	Domestic private ownership
Value added/net sales revenue (%)	24,9	25,9	27,1	23,3
Total assets/net sales revenue (%)	106,7	104,5	180,7	99,6
Wages and salaries/net sales revenue (%)	10,8	9,6	18,9	11,3
Number of employees/net sales revenue (billion HUF per capita)	24,6	14,4	35,5	36,0

Source: MNB, corporate database for statistics. Corporate data allocated to ultimate owners.

In the case of the size of value added compared to sales there is no significant deviation, therefore in this regard public corporations have similar profitability as those in the private sector. However, it must also be noted that the statistical approach eliminates the loss-making public corporations from the corporate sector and allocates them to the general government, and thus public corporations remaining in the non-financial corporations sector do not differ from the entire sector in this regard. However, there is a significant difference if the assets are compared to the sales revenues, since due to the nature of their activity and the state assets taken over, the ratio of non-financial assets within the assets of public corporations is extremely high. Corporations in resident ownership generate one unit of sales revenues by more than twice as many employees as those in non-resident ownership; however, this is reflected in the personnel expenditures only in the case of public corporations. In the case of the corporations in resident private ownership the ratio of personnel expenditures compared to the headcount substantially falls short of that observed at the other two owner types.

There are also differences in the composition of corporate wealth depending on the owner. The accounting balance sheets also reflect the public corporations' substantial non-financial assets, accounting for roughly 60 percent of the balance sheet total, while in the case of the other two owner sectors this ratio is only 40-50 percent.

Chart 3.6.4
Composition of corporate assets in different ownership groups, at the end of 2017, per cent



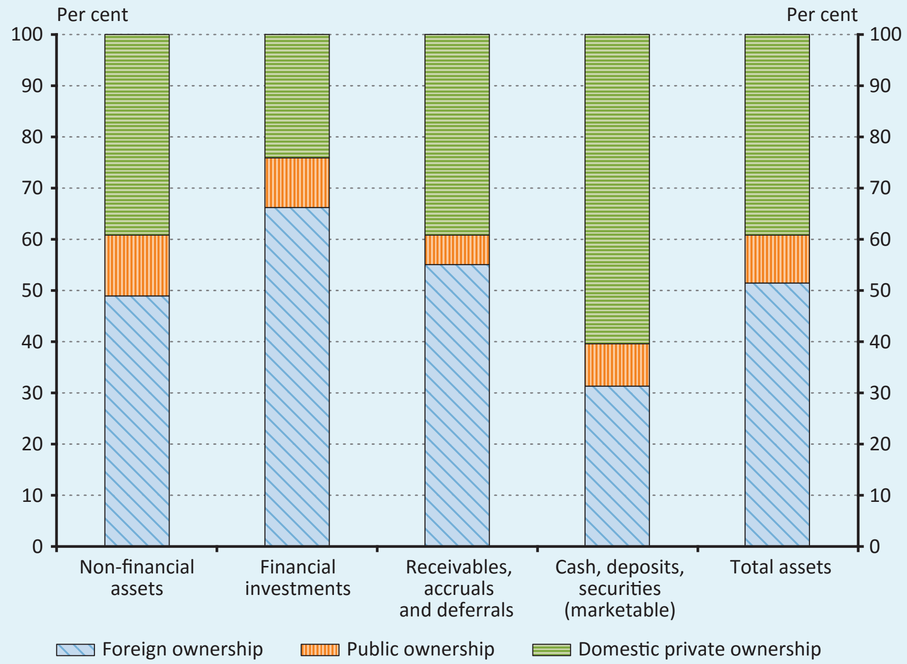
Source: MNB, corporate database for statistics. Accounting data increased by impairment. Non-financial asset are net of advances, as those were transferred to receivables.

There are also major differences in the ratio of financial investments: in the case of corporations in resident private ownership, the ratio of these financial instruments is less than 10 percent of the aggregated balance sheet total, while in the case of non-resident or public ownership this ratio is 15-20 percent. Within financial investments, the ratio of shares is outstandingly high in the case of public corporations, exceeding 90 percent, while it is around 60 percent at the other two sectors. Loans granted account for roughly one-third of the financial investments of corporations in non-resident ownership, while the ratio of those is 15 percent and around 5 percent in the case of corporations in resident private and public ownership, respectively. It should be noted that in the case of corporations in non-resident private and public ownership, more than 90 percent of the financial investments remain within the group of related companies, while in the case of corporations in resident private ownership this ratio is below 70 percent.

The ratio of receivables within the assets of public corporations is substantially lower than in the case of the other two owner sectors; while one-quarter of the assets of corporations in non-resident and resident private ownership are of receivable type, this ratio is merely around 10 percent at the public corporations. Almost two-thirds of the receivables of corporations in non-resident ownership are receivables from related companies, and within that the vast majority are intercompany loans, while more than half of the receivables of corporations in resident private ownership are trade receivables outside the related companies. Within the receivables of the public corporations, the receivables from customers and related companies are around 40 percent each, and the ratio of receivables from the general government is relatively high, around 10 percent. Liquid assets (cash and deposit) account for more than 15 percent of the assets and roughly 30 percent of the financial assets of the corporations in resident private ownership; this ratio in the case of public corporations is slightly more than 10 percent of the assets and 8 percent in the case of those in non-resident ownership.

On the whole, it can be stated that within the non-consolidated non-financial corporations' assets non-residents hold two-thirds of the financial investments and roughly half of the receivables and non-financial assets. Within the assets of non-financial corporations, only the liquid assets are owned by residents to a higher degree. The share of public corporations in the non-financial corporations' assets is around 10 percent at all key balance sheet items.

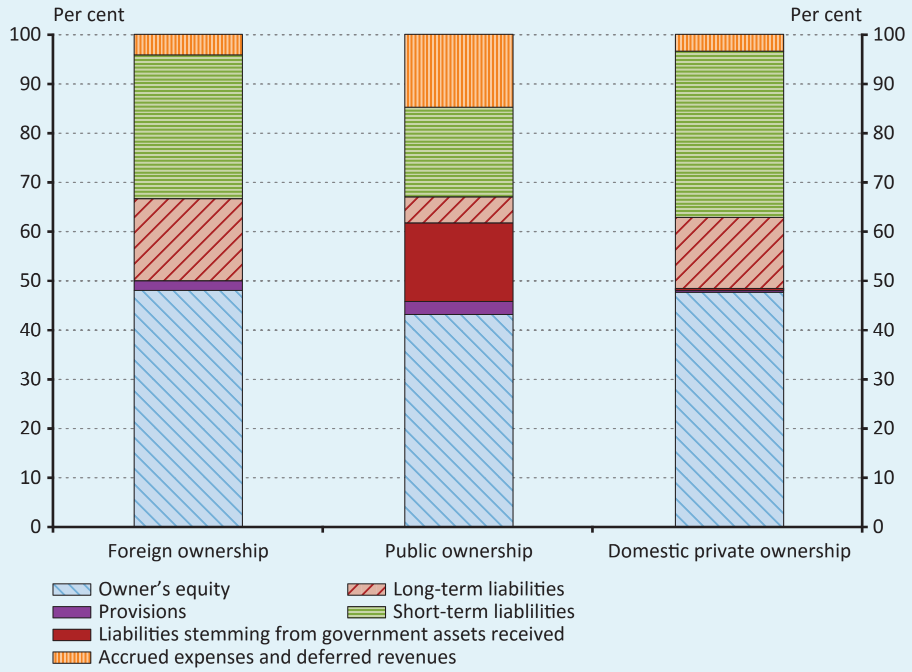
Chart 3.6.5
Distribution of main corporate assets according to ownership groups, per cent



Source: MNB, corporate database for statistics. Accounting data increased by impairment, for end of 2017.

Shareholders' equity is a determinant financing element in all three segments, which in the case of corporations in non-resident and resident private ownership account for almost 50 percent of liabilities. In the case of public corporations this ratio approximates 60 percent, if we state the government and local government assets taken over as part of the equity rather than among the liabilities. Credits and loans have a key role in the financing of corporations in non-resident and resident private ownership, accounting for roughly two-thirds of the liabilities, while in the case of public corporations only 15 percent of the funding come from loans. In the case of non-resident and public corporations, intra-group and owner financing is substantial; roughly two-thirds of the outstanding borrowing comes from this source. Trade accounts payable, as source of finance, reach 10 percent of the balance sheet total only in the case of corporations in resident private ownership, and it is much lower than that in the case of the other two owner types. In the case of public corporations, accruals and deferred income have high weight on the liability side, the vast majority of which are deferred incomes, i.e. the accrual of received subsidies.

Chart 3.6.6
Composition of corporate liabilities in different ownership groups, at the end of 2017, per cent

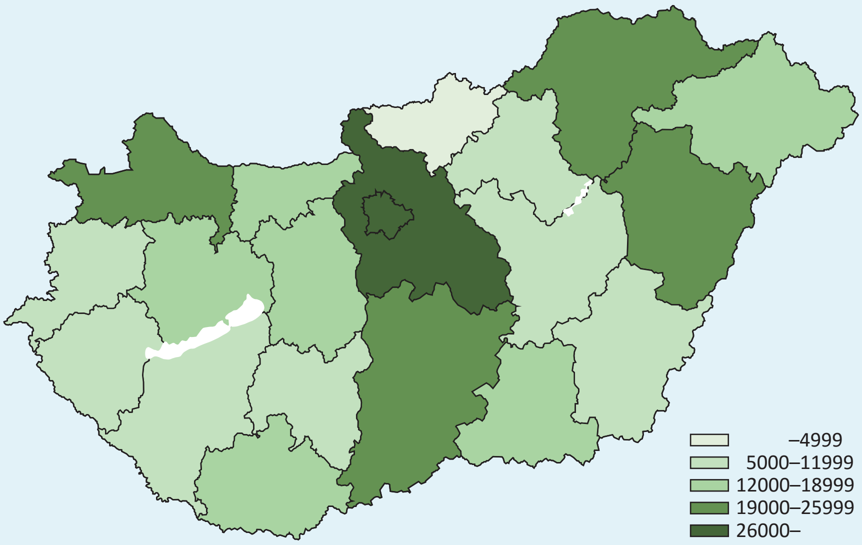


Source: MNB, corporate database for statistics. Data for end of 2017.

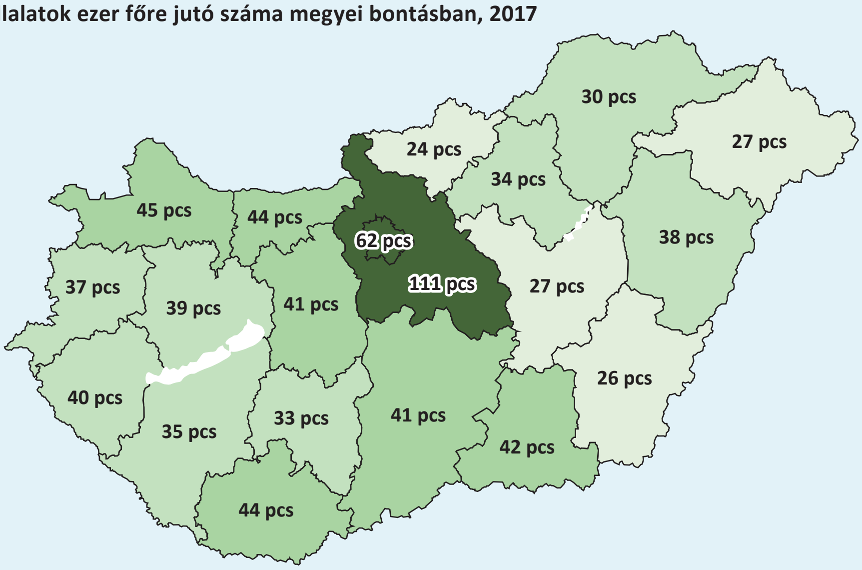
Appendix

1. FEATURES OF NON-FINANCIAL CORPORATIONS BY COUNTY

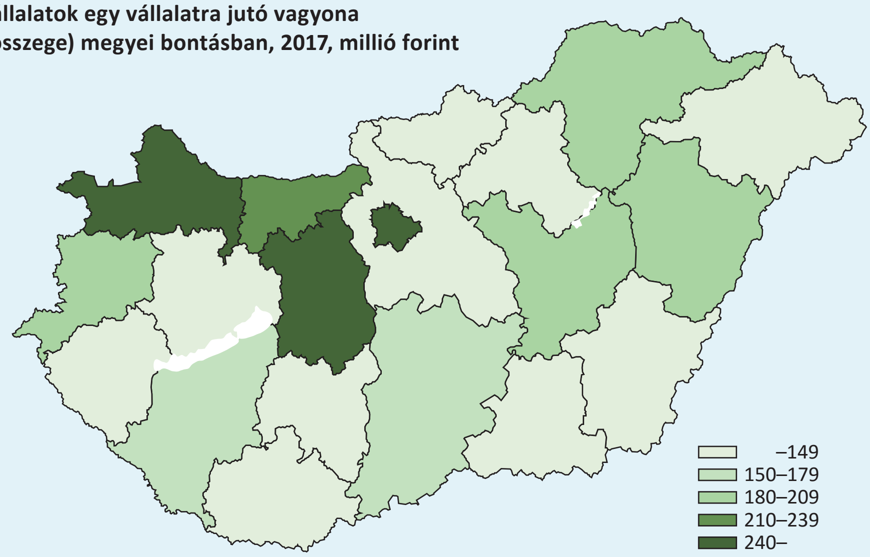
A nem pénzügyi vállalatok száma megyei bontásban, 2017



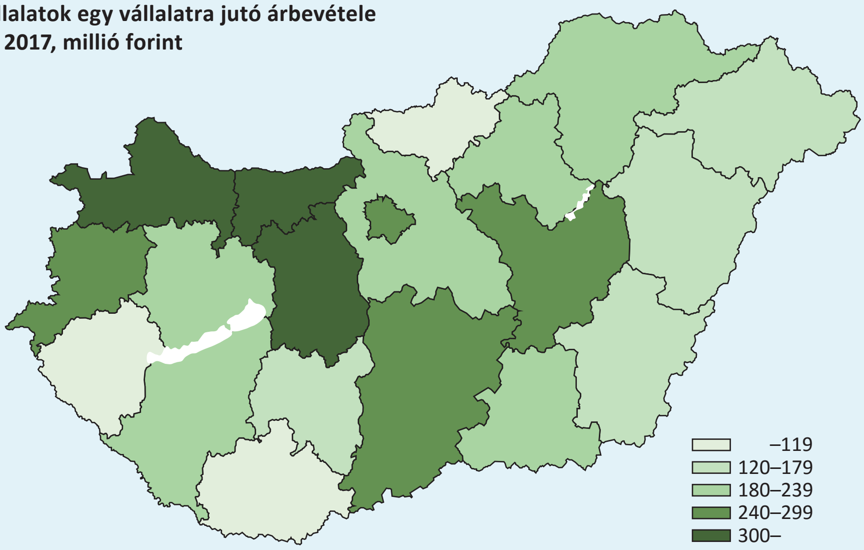
A nem pénzügyi vállalatok ezer főre jutó száma megyei bontásban, 2017



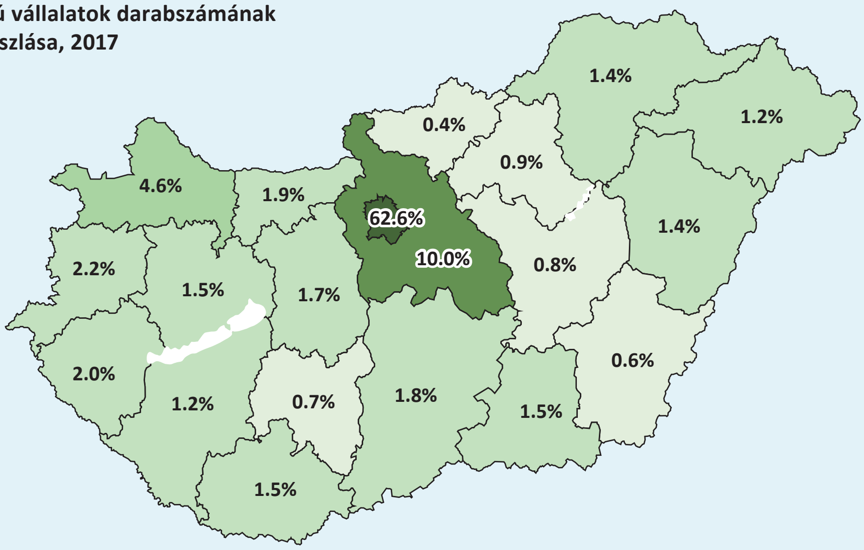
A nem pénzügyi vállalatok egy vállalatra jutó vagyona (átlagos mérlegfőösszege) megyei bontásban, 2017, millió forint



A nem pénzügyi vállalatok egy vállalatra jutó árbevétele megyei bontásban, 2017, millió forint



A külföldi tulajdonú vállalatok darabszámának megyénkénti megoszlása, 2017



2. ADJUSTED BUSINESS ACCOUNTING BALANCE SHEET OF NON-FINANCIAL CORPORATIONS, 1989-2017, HUF BILLION

Assets and liabilities	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Intangible assets	11,7	22,8	42,2	83,3	112,3	117,0	129,5	157,4	203,4	282,3	489,7	554,6	670,6	1 108,3
Tangible fixed assets	2 407,8	2 568,5	2 948,5	3 679,2	4 177,8	4 664,0	5 200,6	5 944,2	6 913,3	8 306,9	9 769,0	11 324,5	12 662,9	13 840,2
Fixed financial assets	291,5	393,8	515,0	723,4	768,8	843,2	884,3	998,3	1 250,1	1 550,0	1 926,0	2 376,7	2 836,7	3 883,7
Equity	204,9	296,6	410,2	605,0	648,6	695,7	695,2	784,1	1 008,9	1 312,4	1 664,1	2 094,8	2 493,0	3 167,1
Debt securities	14,0	20,0	22,0	40,1	39,4	62,6	93,3	108,8	120,6	117,8	104,8	72,4	29,5	35,4
Long-term loans and deposits	72,6	77,2	82,8	78,3	80,8	84,8	95,7	105,5	120,7	119,8	157,2	209,6	314,2	681,2
Inventories	946,8	1 027,1	1 035,9	755,9	860,3	1 000,0	1 314,1	1 604,4	1 950,9	2 430,6	2 799,5	3 418,0	3 646,6	3 663,1
Receivables (gross)	904,6	1 124,7	1 237,0	1 243,8	1 452,6	1 692,6	2 149,2	2 522,9	3 180,4	3 782,4	4 623,0	5 638,0	6 808,8	7 477,2
Trade accounts receivable	598,3	761,7	837,7	798,9	939,2	1 070,2	1 364,2	1 598,0	1 988,1	2 392,8	2 948,0	3 479,5	3 880,2	4 122,5
Securities (current assets)	16,9	25,8	31,5	52,0	115,1	141,0	222,8	334,3	532,5	589,2	504,1	703,8	639,6	584,0
Cash and deposits	182,3	287,7	327,9	474,4	562,5	653,8	740,3	865,7	1 136,7	1 342,8	1 569,4	1 860,7	2 179,4	2 539,7
Accrued revenues and deferred expenses	20,0	26,0	30,0	45,0	60,0	77,6	107,1	150,1	227,0	308,3	371,7	471,5	502,9	554,5
Accruals from trade relations	20,0	26,0	30,0	37,0	54,0	65,1	87,1	111,6	177,0	250,8	309,2	394,5	409,3	457,0
Deferred expenses	0,0	0,0	0,0	0,0	0,0	5,0	8,0	25,0	35,0	40,0	45,0	60,0	75,0	76,0
Accrued interests	0,0	0,0	0,0	8,0	6,0	7,5	12,0	13,5	15,0	17,5	17,5	17,0	18,6	21,5
Total assets	4 781,5	5 476,5	6 168,0	7 057,2	8 109,3	9 189,1	10 748,0	12 577,3	15 394,2	18 592,4	22 052,3	26 347,9	29 947,7	33 650,7
Equity (corrected)	3 116,0	3 442,8	3 920,6	4 487,4	4 915,2	5 263,1	5 687,6	6 422,9	7 717,0	9 030,5	10 388,1	12 169,3	13 976,9	16 627,9
Subscribed capital	2 189,5	2 460,1	2 816,8	3 739,7	4 000,0	4 180,4	4 434,0	4 792,7	5 416,1	5 873,2	6 209,8	6 649,7	6 848,6	7 656,3
Balance sheet profit (income after tax)	130,3	139,6	41,8	-247,8	-109,9	-33,0	48,8	182,8	629,4	790,7	916,3	991,8	1 143,1	1 519,2
Provisions (with depreciation)	0,0	0,0	0,0	50,8	71,5	82,9	95,9	127,6	160,9	240,8	303,7	366,1	439,9	520,8
Long-term liabilities	294,7	350,4	378,8	453,6	704,3	962,4	1 307,2	1 610,5	2 103,6	2 794,4	3 324,8	4 084,1	4 200,2	4 256,2
Short-term liabilities	1 340,8	1 643,2	1 818,6	1 964,9	2 293,9	2 722,6	3 466,2	4 162,6	5 026,5	5 983,7	7 333,2	8 828,4	10 118,8	10 683,8
Advance payments received from customers	41,8	52,2	58,3	60,5	71,0	91,4	117,1	142,5	167,8	191,2	233,7	264,2	271,9	279,5
Trade accounts payable	470,7	612,9	716,9	747,7	889,0	1 040,0	1 352,1	1 617,3	1 960,1	2 333,6	2 985,2	3 510,7	3 672,2	3 865,9
Accrued expenses and deferred income	30,0	40,0	50,0	100,4	124,4	158,2	191,0	253,8	386,2	543,0	702,6	899,9	1 211,9	1 562,1
Accruals from trade relations	30,0	40,0	50,0	72,2	96,1	114,5	155,6	207,8	306,8	427,2	566,0	711,4	830,9	942,2
Deferred income	0,0	0,0	0,0	10,0	10,0	25,0	10,0	20,0	50,0	80,0	100,0	150,0	340,0	580,0
Accrued interests	0,0	0,0	0,0	18,2	18,3	18,7	25,4	26,0	29,5	35,8	36,5	38,6	41,0	39,9

Assets and liabilities	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Intangible assets	2 210,0	2 402,3	2 823,4	3 019,8	3 185,3	3 309,3	3 110,8	3 068,2	2 943,3	3 023,4	3 122,8	3 385,3	3 365,2	3 210,9	3 078,3
Tangible fixed assets	15 623,8	17 360,9	19 076,7	20 845,5	23 132,9	25 646,6	26 627,3	27 200,3	28 191,2	28 435,0	29 243,7	30 544,5	31 732,0	33 132,5	35 150,0
Fixed financial assets	3 728,7	4 155,2	5 412,7	6 282,6	8 296,5	9 066,3	11 861,8	12 312,3	15 470,3	15 310,8	15 282,6	16 332,0	16 053,1	17 089,4	15 651,4
Equity	3 259,6	3 495,4	4 203,0	5 053,4	6 210,8	6 545,1	8 715,7	9 190,0	12 284,2	12 710,8	12 860,5	14 037,4	12 567,1	13 945,0	11 106,3
Debt securities	49,4	59,2	71,0	70,1	107,6	111,8	60,9	110,1	117,3	121,0	72,5	80,7	94,8	113,0	267,9
Long-term loans and deposits	419,8	600,6	1 138,7	1 159,1	1 978,1	2 409,4	3 085,2	3 012,2	3 068,8	2 479,0	2 349,6	2 213,9	3 391,2	3 031,4	4 277,2
Inventories	4 320,9	5 215,7	5 748,3	6 619,1	7 251,2	7 553,4	6 964,3	7 230,2	7 763,3	7 738,2	7 675,8	8 100,3	8 308,9	9 040,2	10 038,6
Receivables (gross)	9 285,7	10 794,6	12 302,4	14 168,3	16 497,5	16 829,1	17 562,7	17 826,7	19 685,5	17 851,3	18 746,0	20 669,9	25 221,1	23 154,5	24 702,1
Trade accounts receivable	4 918,4	5 801,1	6 651,2	7 716,9	8 298,8	8 475,6	8 177,3	8 554,5	9 212,9	9 019,0	9 333,4	9 883,2	10 229,2	10 078,0	11 213,2
Securities (current assets)	640,8	653,9	740,6	802,6	1 150,9	859,7	832,3	803,4	721,2	700,8	690,3	1 165,5	979,8	1 098,6	911,9
Cash and deposits	2 832,9	3 239,5	3 601,5	4 580,5	4 574,0	4 584,7	4 517,4	5 008,7	5 177,4	5 306,8	6 070,9	6 454,3	7 169,9	8 178,1	9 384,3
Accrued revenues and deferred expenses	627,1	757,1	844,9	1 053,1	1 260,6	1 586,5	1 647,9	1 809,7	2 040,5	1 986,2	1 896,3	1 954,8	1 849,7	1 833,3	1 851,4
Accruals from trade relations	536,6	673,1	753,5	949,2	1 173,7	1 484,7	1 523,9	1 665,2	1 812,6	1 803,3	1 687,7	1 741,8	1 648,0	1 654,9	1 738,6
Deferred expenses	68,5	51,7	63,4	68,5	41,3	42,7	67,3	91,4	176,6	126,1	155,1	172,8	173,1	147,9	85,0
Accrued interests	22,0	32,3	28,0	35,4	45,6	59,1	56,7	53,1	51,3	56,8	53,5	40,2	28,6	30,5	27,8
Total assets	39 270,7	44 590,5	50 562,0	57 382,9	65 351,9	69 435,9	73 125,3	75 257,7	82 002,8	80 368,8	82 739,3	88 606,2	94 667,7	96 689,3	100 763,2
Equity (corrected)	18 578,8	20 838,5	22 929,6	25 703,6	28 549,4	29 373,8	30 203,7	31 821,9	35 774,4	36 173,7	37 268,5	40 272,4	45 905,5	47 017,0	49 172,8
Subscribed capital	7 457,2	7 946,4	7 923,7	8 909,1	9 379,6	9 784,9	10 112,0	10 677,0	11 693,9	12 233,5	9 995,5	10 108,7	10 087,5	10 267,5	10 221,9
Balance sheet profit (income after tax)	2 003,3	2 127,0	2 754,6	3 009,2	3 662,4	2 064,2	1 347,8	1 639,8	1 584,4	2 262,7	1 974,9	3 121,9	6 802,6	4 676,3	4 736,6
Provisions (with depreciation)	588,7	620,7	709,7	849,1	981,7	1 131,4	1 194,5	1 357,7	1 673,2	1 589,0	1 494,7	1 549,2	1 706,1	1 778,8	1 803,2
Long -term liabilities	5 871,3	6 906,4	8 328,1	9 672,7	12 668,6	14 924,0	17 021,1	16 613,6	16 715,5	15 916,8	15 621,7	16 368,4	14 678,5	14 439,1	14 956,0
Short-term liabilities	12 735,9	14 486,1	16 662,7	18 821,3	20 553,8	21 005,0	21 660,8	22 199,7	24 357,8	23 165,8	24 694,9	26 392,2	27 945,3	28 688,9	30 038,5
Advance payments received from customers	313,9	362,9	411,3	451,1	491,1	474,1	451,8	479,1	651,7	485,9	578,9	680,9	842,6	834,1	951,1
Trade accounts payable	4 527,5	5 384,1	6 076,1	6 644,6	7 215,0	7 072,4	6 853,9	7 243,8	7 641,0	7 341,6	7 635,9	7 965,0	7 959,6	8 344,0	9 346,6
Accrued expenses and deferred income	1 494,8	1 738,9	1 931,7	2 334,9	2 597,5	3 002,7	3 045,8	3 273,1	3 467,4	3 519,6	3 677,1	4 031,4	4 450,1	4 744,8	4 785,9
Accruals from trade relations	900,9	1 066,0	1 182,7	1 467,6	1 806,0	2 141,2	2 051,7	2 215,1	2 307,7	2 218,3	2 264,7	2 499,5	2 592,7	2 822,5	2 822,6
Deferred income	552,4	611,8	692,2	804,0	708,2	757,1	894,1	965,3	1 067,1	1 207,0	1 332,2	1 464,7	1 799,4	1 873,6	1 916,4
Accrued interests	41,5	61,1	56,8	63,3	83,4	104,4	100,0	92,7	92,6	94,3	80,3	67,2	58,0	48,8	46,9

3. ADJUSTED BUSINESS ACCOUNTING BALANCE SHEET OF NON-FINANCIAL CORPORATIONS BROKEN DOWN BY INDUSTRIES, 1990-2017, HUF BILLION

Balance sheet, 1990.	A	BC	DE	F	G	H	I	J	L	MS	Total
Intangible assets	0,4	7,0	0,0	1,2	6,4	0,3	2,0	0,0	0,9	4,6	22,8
Tangible fixed assets	378,8	836,7	343,1	56,6	150,9	476,4	45,0	87,1	130,5	63,4	2 568,5
Inventories	184,9	456,3	28,2	38,5	245,3	27,3	7,9	8,6	6,3	23,9	1 027,1
Fixed financial assets	47,4	116,1	27,0	16,4	93,3	11,4	10,5	9,6	15,9	46,2	393,8
Receivables	99,5	488,2	39,5	68,2	281,6	43,1	16,8	34,2	29,3	24,3	1 124,7
Securities	4,8	7,6	0,7	1,8	6,5	0,6	1,2	0,1	1,5	1,0	25,8
Cash and deposits	19,1	79,0	6,6	25,0	98,4	10,4	13,7	2,2	9,0	24,3	287,7
Accrued assets	1,2	6,8	1,0	1,0	11,2	0,5	0,7	2,3	0,4	0,9	26,0
Total assets	736,1	1 997,7	446,1	208,7	893,6	570,0	97,8	144,0	193,8	188,6	5 476,5
Equity (corrected)	551,1	1 075,9	377,0	105,2	401,3	510,9	52,1	88,7	110,3	68,4	3 340,8
Provisions	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Long-term liabilities	41,0	205,1	12,8	7,4	23,1	8,2	20,1	12,4	11,1	9,2	350,4
Short-term liabilities	137,9	696,9	55,1	95,1	464,6	48,8	25,5	40,8	72,0	108,5	1 745,2
Accrued liabilities	6,4	19,9	1,1	1,0	4,6	2,0	0,1	2,0	0,4	2,5	40,0
Sales revenue	588,2	2 156,8	315,1	295,5	1 826,3	200,8	78,5	46,6	66,2	217,6	5 791,6
Number of corporations (1000)	3,3	15,4	0,2	7,5	10,0	1,4	3,1	0,0	5,6	5,2	51,7
Activity code:	*A*	*BC*	*DE*	*F*	*G*	*H*	*I*	*J*	*L*	*MS*	
Short name:	*Agriculture*	*Manufacturing*	*Energy*	*Construction*	*Trade*	*Transportation*	*Accommodation*	*Information*	*Real estate*	*Other*	

Balance sheet, 1995.	A	BC	DE	F	G	H	I	J	L	MS	Total
Intangible assets	1,2	35,4	6,3	2,6	27,6	4,4	8,4	20,4	3,7	19,6	129,6
Tangible fixed assets	269,3	1 487,6	1 078,0	158,2	481,7	669,5	144,0	388,4	213,1	310,7	5 200,6
Inventories	154,9	595,5	44,5	35,9	383,5	24,1	5,9	10,9	18,0	41,0	1 314,2
Fixed financial assets	43,7	143,1	249,5	18,9	128,2	27,0	12,9	22,0	40,9	198,0	884,3
Receivables	83,3	777,2	119,3	121,0	539,1	93,9	25,3	64,4	55,3	270,3	2 149,2
Securities	9,2	48,5	6,4	6,1	52,1	2,7	5,6	1,3	15,3	75,7	222,8
Cash and deposits	32,8	212,2	23,1	43,7	185,0	32,4	11,0	88,1	18,9	93,2	740,3
Accrued assets	6,0	34,6	9,1	4,9	18,6	9,0	1,9	8,6	3,3	10,9	107,1
Total assets	600,4	3 334,1	1 536,0	391,5	1 815,8	863,0	215,2	604,2	368,6	1 019,5	10 748,1
Equity (corrected)	406,3	1 734,7	1 297,6	150,3	545,4	649,5	102,7	255,9	176,9	368,2	5 687,6
Provisions	3,3	34,4	7,1	5,2	18,8	7,1	1,0	4,3	1,8	13,1	95,9
Long-term liabilities	45,8	370,3	66,9	34,2	193,8	71,2	56,8	156,5	86,7	225,1	1 307,2
Short-term liabilities	138,9	1 141,7	155,8	193,6	1 021,4	125,1	51,0	163,4	96,7	378,7	3 466,2
Accrued liabilities	6,1	53,2	8,6	8,1	36,3	10,2	3,6	24,2	6,5	34,3	191,0
Sales revenue	533,2	3 900,5	705,2	615,9	3 868,6	524,1	132,4	253,4	98,8	787,6	11 419,8
Number of corporations (1000)	12,2	38,9	1,5	18,1	75,6	7,3	6,8	5,5	24,4	43,3	233,6

Activity code:	*A*	*BC*	*DE*	*F*	*G*	*H*	*I*	*J*	*L*	*MS*
Short name:	*Agriculture*	*Manufacturing*	*Energy*	*Construction*	*Trade*	*Transportation*	*Accommodation*	*Information*	*Real estate*	*Other*

Balance sheet, 2000.	A	BC	DE	F	G	H	I	J	L	MS	Total
Intangible assets	4,7	94,1	16,4	14,8	95,9	76,4	6,0	141,9	31,0	73,4	554,6
Tangible fixed assets	430,5	3 325,0	1 350,8	377,8	1 138,4	1 159,0	300,0	927,6	1 477,3	838,1	11 324,5
Inventories	292,3	1 451,8	83,5	89,5	1 154,8	40,6	11,0	23,0	209,8	61,7	3 418,0
Fixed financial assets	42,4	641,0	190,5	35,9	323,9	15,3	65,2	111,0	310,3	641,2	2 376,7
Receivables	151,2	2 307,1	185,7	326,5	1 360,0	237,8	45,3	168,7	330,8	524,9	5 638,0
Securities	23,5	228,6	50,2	16,4	36,5	28,9	12,8	9,0	105,4	192,5	703,8
Cash and deposits	72,8	431,6	68,6	132,9	490,8	88,1	31,5	44,0	168,2	332,2	1 860,7
Accrued assets	6,4	113,7	59,6	24,6	69,8	30,5	7,8	51,5	34,6	73,0	471,5
Total assets	1 023,8	8 592,9	2 005,3	1 018,4	4 670,1	1 676,6	479,6	1 476,7	2 667,4	2 737,1	26 347,9
Equity (corrected)	515,1	4 267,6	1 266,6	333,8	1 500,9	916,1	225,6	716,0	962,3	1 465,3	12 169,3
Provisions	9,5	155,3	33,4	21,5	46,6	34,5	2,0	22,0	11,9	29,5	366,1
Long-term liabilities	146,6	963,4	354,8	160,2	452,2	301,4	128,9	350,0	870,3	356,3	4 084,1
Short-term liabilities	333,3	2 995,8	231,0	462,6	2 539,9	322,5	113,6	298,7	756,8	774,2	8 828,4
Accrued liabilities	19,3	210,8	119,5	40,3	130,5	102,1	9,5	90,0	66,2	111,7	899,9
Sales revenue	930,8	11 709,1	1 615,2	1 619,5	11 021,3	2 314,6	288,7	927,0	630,0	1 739,2	32 795,4
Number of corporations (1000)	12,2	38,5	0,5	25,7	81,5	10,7	7,3	7,5	53,8	84,5	322,2
Activity code:	*A*	*BC*	*DE*	*F*	*G*	*H*	*I*	*J*	*L*	*MS*	
Short name:	*Agriculture*	*Manufacturing*	*Energy*	*Construction*	*Trade*	*Transportation*	*Accommodation*	*Information*	*Real estate*	*Other*	

Balance sheet, 2005.	A	BC	DE	F	G	H	I	J	L	MS	Total
Intangible assets	10,2	591,9	37,8	30,1	339,6	462,4	8,3	387,5	99,3	856,3	2 823,4
Tangible fixed assets	804,2	4 947,7	1 670,1	829,1	1 841,6	2 370,1	533,0	956,0	3 451,0	1 685,5	19 088,2
Inventories	319,0	1 746,6	99,2	776,9	1 898,8	37,8	23,6	23,8	707,6	115,1	5 748,3
Fixed financial assets	52,6	1 382,7	144,4	72,2	438,8	65,3	95,4	337,7	617,8	2 205,8	5 412,7
Receivables	338,7	4 836,6	372,4	1 032,4	2 465,8	472,9	61,7	380,8	888,7	1 452,2	12 302,4
Securities	17,3	331,9	29,5	25,1	57,3	24,1	10,8	10,3	166,4	67,9	740,6
Cash and deposits	121,3	663,6	108,8	280,8	744,8	184,3	58,2	50,3	582,6	806,8	3 601,5
Accrued assets	23,9	114,7	126,1	35,8	145,4	64,0	6,9	65,3	66,1	196,8	844,9
Total assets	1 687,1	14 615,8	2 588,2	3 082,3	7 931,9	3 681,0	797,8	2 211,6	6 579,4	7 386,9	50 562,0
Equity (corrected)	805,7	8 369,3	1 410,0	787,6	2 824,9	1 460,8	359,0	1 169,7	2 070,6	3 672,0	22 929,8
Provisions	6,1	211,1	81,2	49,6	90,4	31,8	2,2	38,4	34,7	164,1	709,7
Long-term liabilities	304,7	1 366,9	298,7	466,9	734,7	832,9	223,4	469,0	2 380,9	1 250,3	8 328,1
Short-term liabilities	532,0	4 366,5	534,5	1 458,4	4 080,6	1 094,0	190,2	431,3	1 965,9	2 009,2	16 662,7
Accrued liabilities	38,8	301,9	264,0	319,9	201,3	261,4	23,0	103,3	127,4	290,8	1 931,7
Sales revenue	1 280,2	18 463,7	2 743,2	3 552,9	18 044,7	2 445,9	512,8	1 409,7	1 598,9	5 442,8	55 494,9
Number of corporations (1000)	11,6	40,1	0,8	33,5	92,1	11,9	15,7	11,2	56,9	133,8	407,5
Activity code:	*A*	*BC*	*DE*	*F*	*G*	*H*	*I*	*J*	*L*	*MS*	
Short name:	*Agriculture*	*Manufacturing*	*Energy*	*Construction*	*Trade*	*Transportation*	*Accommodation*	*Information*	*Real estate*	*Other*	

Balance sheet, 2010.	A	BC	DE	F	G	H	I	J	L	MS	Total
Intangible assets	11,8	845,9	81,8	28,3	386,2	462,6	6,8	718,9	144,0	381,9	3 068,2
Tangible fixed assets	1 096,1	6 359,0	3 190,0	1 431,8	2 670,2	3 428,4	796,5	1 045,7	5 586,8	1 594,2	27 198,7
Inventories	358,2	2 603,5	419,0	335,8	2 311,0	57,6	32,8	107,8	783,9	220,6	7 230,2
Fixed financial assets	77,6	3 615,9	876,0	235,9	578,3	198,7	71,0	306,1	1 032,5	5 320,3	12 312,3
Receivables	358,2	6 897,0	1 044,7	1 302,1	3 322,0	665,3	100,0	875,4	1 050,3	2 211,7	17 826,7
Securities	17,5	226,0	16,4	26,5	85,2	11,4	4,0	63,3	147,6	205,5	803,4
Cash and deposits	148,5	1 225,0	259,3	315,9	820,2	295,3	47,9	258,1	603,3	1 035,1	5 008,6
Accrued assets	40,5	209,7	431,8	86,9	208,2	119,1	24,8	189,8	185,5	313,3	1 809,6
Total assets	2 108,4	21 982,0	6 319,0	3 763,2	10 381,4	5 238,4	1 083,7	3 565,3	9 534,0	11 282,3	75 257,7
Equity (corrected)	1 177,3	10 879,9	3 400,9	1 023,1	3 788,6	1 697,5	288,1	1 420,0	2 750,3	5 388,4	31 814,0
Provisions	11,8	444,7	257,5	101,0	174,9	100,8	4,3	76,9	68,7	117,1	1 357,7
Long-term liabilities	282,9	3 620,0	540,3	968,2	1 102,5	1 769,6	401,8	783,1	4 235,2	2 909,9	16 613,5
Short-term liabilities	583,9	6 389,9	1 491,7	1 520,5	5 000,6	1 156,3	337,2	994,6	2 244,2	2 480,4	22 199,4
Accrued liabilities	52,5	647,5	628,6	150,3	315,0	514,3	52,3	291,0	235,6	386,0	3 273,1
Sales revenue	1 333,4	23 093,5	6 772,3	3 383,5	20 034,6	3 296,3	666,2	2 775,6	1 692,9	5 592,1	68 640,4
Number of corporations (1000)	11,6	41,1	2,9	43,8	109,9	15,1	21,7	33,6	119,0	135,4	534,2
Activity code:	*A*	*BC*	*DE*	*F*	*G*	*H*	*I*	*J*	*L*	*MS*	
Short name:	*Agriculture*	*Manufacturing*	*Energy*	*Construction*	*Trade*	*Transportation*	*Accommodation*	*Information*	*Real estate*	*Other*	

Balance sheet, 2017.	A	BC	DE	F	G	H	I	J	L	MS	Total
Intangible assets	7,1	903,0	67,3	25,0	219,5	470,1	9,4	1 006,4	48,6	321,9	3 078,3
Tangible fixed assets	1 576,5	10 459,5	2 973,1	1 172,1	3 066,7	4 793,7	958,3	1 067,7	6 189,5	2 888,1	35 145,2
Inventories	515,4	3 969,3	297,3	507,4	3 299,4	85,7	47,2	223,8	665,0	428,1	10 038,6
Fixed financial assets	164,2	5 675,0	627,9	286,1	678,3	334,1	106,4	505,6	1 936,3	5 337,5	15 651,4
Receivables	526,4	7 711,4	1 101,1	1 907,3	4 241,7	1 013,9	179,7	1 304,2	1 467,1	5 249,3	24 702,1
Securities	45,2	142,0	10,8	62,6	68,3	30,0	8,1	32,9	104,7	407,3	911,9
Cash and deposits	383,3	1 754,0	323,7	969,1	1 500,8	717,4	140,6	454,3	1 060,1	2 081,0	9 384,3
Accrued assets	52,4	266,9	344,0	75,1	252,7	182,1	22,2	203,4	151,8	300,8	1 851,4
Total assets	3 300,5	30 881,1	5 745,2	5 004,7	13 327,4	7 627,0	1 471,9	4 798,3	11 623,1	16 984,0	100 763,2
Equity (corrected)	2 162,4	17 067,8	3 182,4	1 761,8	5 547,3	3 368,3	567,5	2 115,9	4 917,2	8 488,3	49 178,9
Provisions	14,0	737,2	262,2	127,3	231,6	152,6	5,5	77,5	73,9	121,4	1 803,2
Long-term liabilities	333,2	3 371,2	251,2	554,1	1 137,4	1 615,4	439,1	847,2	3 759,0	2 647,9	14 955,7
Short-term liabilities	730,8	8 602,0	1 340,4	2 397,3	5 949,0	1 531,5	378,7	1 416,1	2 594,6	5 099,1	30 039,5
Accrued liabilities	60,1	1 102,9	708,9	164,1	462,1	959,2	81,1	341,5	278,3	627,7	4 785,9
Sales revenue	1 950,6	33 151,8	5 444,2	4 614,8	28 838,9	4 887,6	1 132,1	3 558,9	1 734,9	9 122,5	94 436,3
Number of corporations (1000)	11,9	38,3	3,3	39,5	100,7	14,4	20,0	34,4	79,5	177,7	519,9
Activity code:	*A*	*BC*	*DE*	*F*	*G*	*H*	*I*	*J*	*L*	*MS*	
Short name:	*Agriculture*	*Manufacturing*	*Energy*	*Construction*	*Trade*	*Transportation*	*Accommodation*	*Information*	*Real estate*	*Other*	

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