



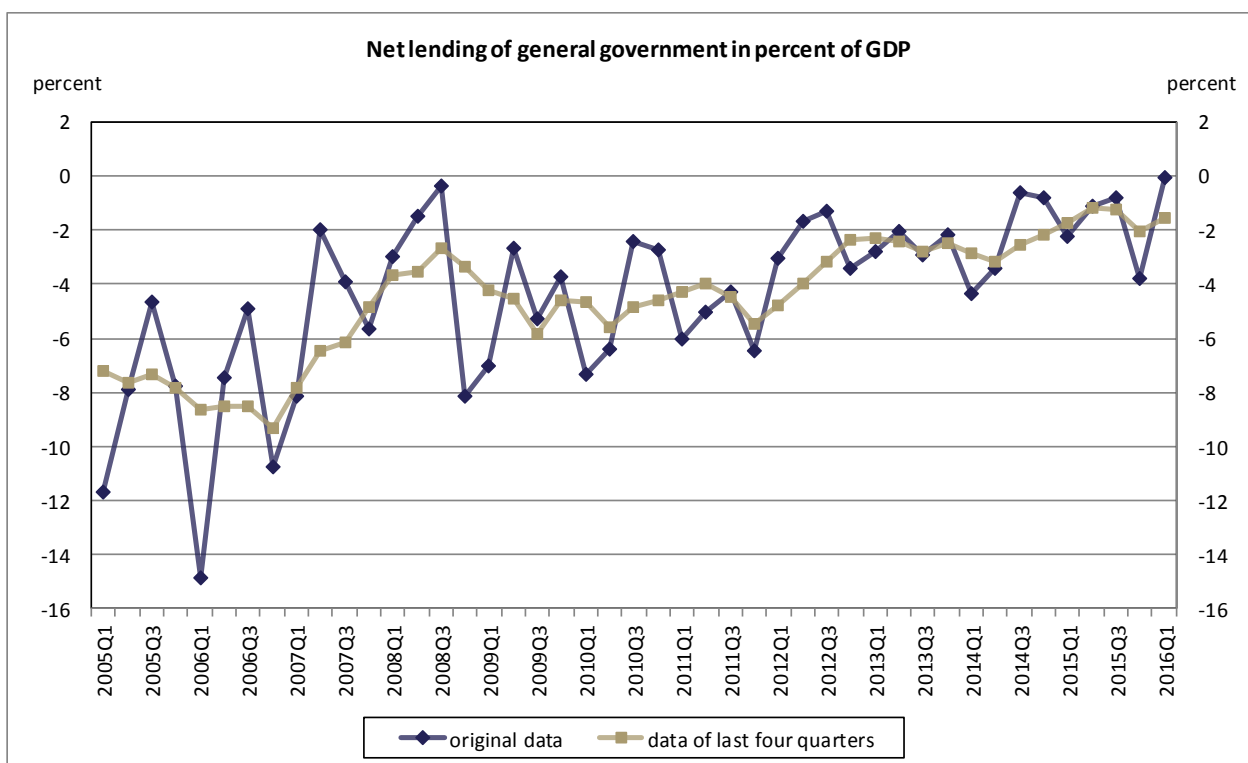
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PRESS RELEASE

Preliminary financial accounts for general government and households

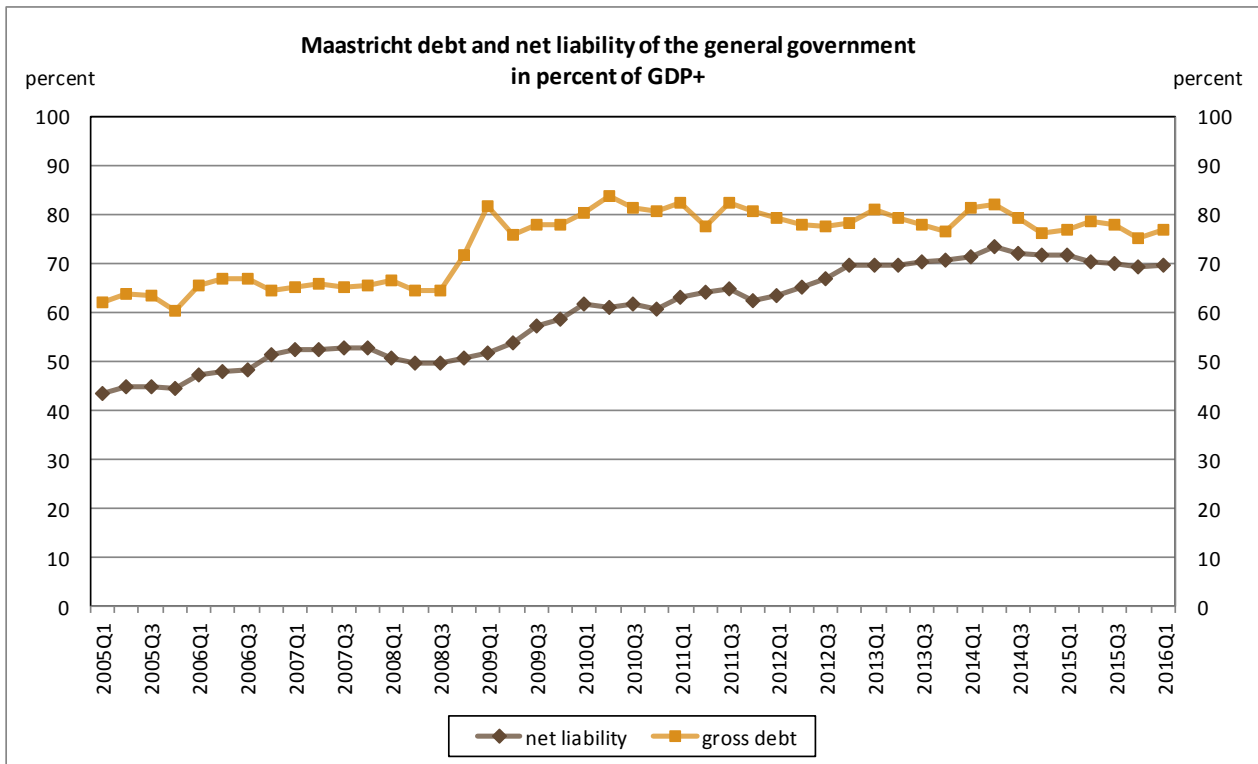
2016 Q1

According to preliminary financial accounts data, general government net lending was equal to -1.5 per cent of Hungary's GDP in the four quarters to 2016 Q1. General government consolidated gross debt at nominal value was 76.9 per cent of GDP at the end of 2016 Q1. According to preliminary financial accounts data, net lending of households was equivalent to 6.1 per cent of GDP in the four quarters to 2016 Q1.



2016 Q1 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -521 billion or -1.5 per cent of GDP in the four quarters to 2016 Q1. General government net lending calculated from the financing side (HUF -4 billion) was equal to -0.1 per cent of quarterly GDP in 2016 Q1. At the end of 2016 Q1, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 26,147 billion, equivalent to 76.9 per cent of GDP. Net borrowing was the primary contributor to the increase in debt, with the effect of revaluation being insignificant (HUF 2 billion). Net liabilities of general government amounted to HUF 23,690 billion or 69.7 per cent of GDP at the end of 2016 Q1.



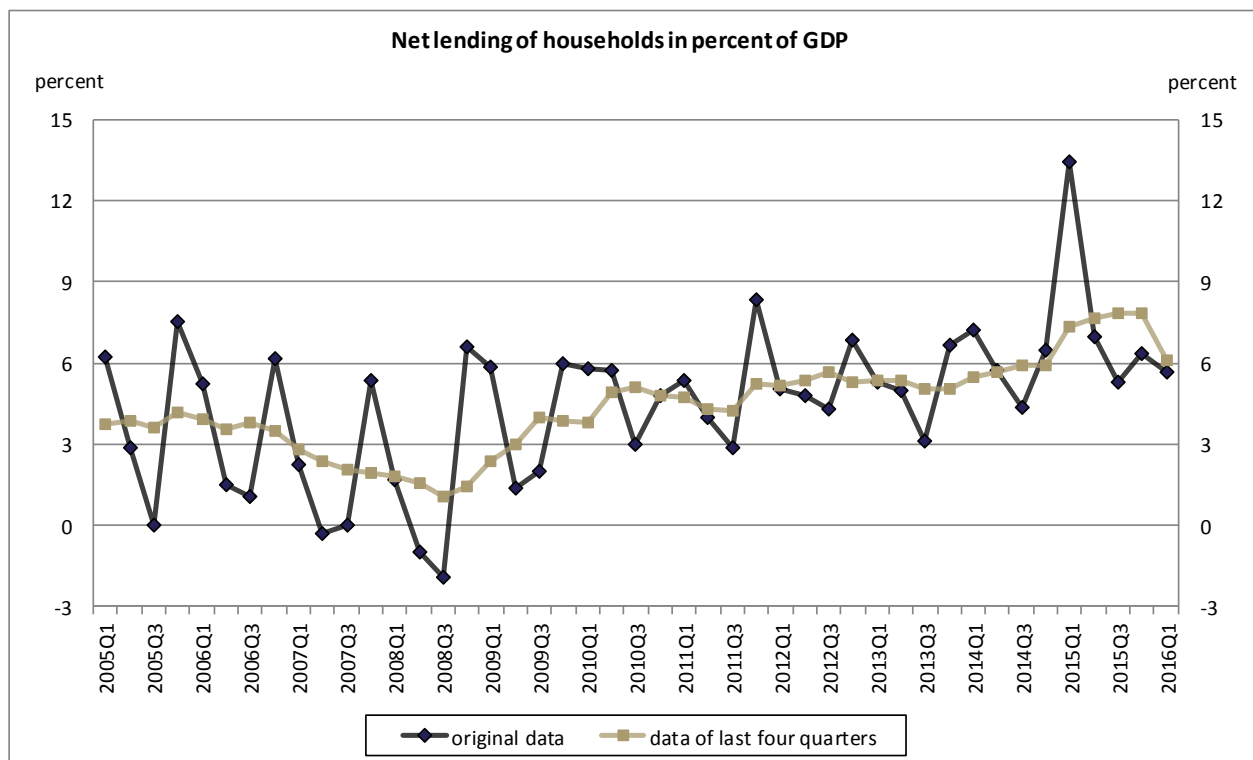
* The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.8). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite sign.

2016 Q1 data are based on the MNB's own GDP estimate.

In 2016 Q1, net borrowing of central government amounted to HUF 129 billion. On the assets side of the sub-sector's balance sheet, there was a sharp increase in deposits with the central bank and credit institutions. This partly reflected the fact that there were significant net issues of government securities and that the amount of transfers received from the European Union but not yet paid out increased considerably. Within other assets of central government, tax receivables from the corporate sector increased and those from the household sector fell. On the liabilities side, there were significant net issues of government securities, which affected the stocks of Treasury bills and government bonds. In both cases, the bulk of issues were purchased by financial corporations and households. In parallel, there were large redemptions of government securities, which was reflected in a decline in government bonds held by non-residents. Within loans, the sub-sector made significant long-term borrowing abroad, in contrast with previous quarters, while there were large net repayments of foreign short-term loans of similar magnitude. Within other liabilities, there was a sharp increase in liabilities due to EU transfers and tax liabilities fell slightly.

Net lending of local governments was HUF 102 billion in 2016 Q1. Within the sub-sector's financial assets, local government deposits with credit institutions rose significantly, as seen in the first quarter of previous years. Government securities held by local governments also increased, as there were significant purchases of Treasury bills in the quarter. Within liabilities, other payables to the corporate sector increased.

Net lending of the social security funds was HUF 23 billion in 2016 Q1. On the assets side of the sub-sector's balance sheet, contribution claims vis-à-vis the household sector fell. On the liabilities side, short-term loans granted by central government were repaid and trade payables to the corporate sector fell.



2016 Q1 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households (HUF 442 billion) was equivalent to 5.7 per cent of quarterly GDP in 2016 Q1. Within the sector's financial assets, households mainly increased their savings in government securities, with purchases of both short and long-term securities being significant. At the same time, they reduced their investments in several types of financial instruments. There was a sharp decline in the sector's currency and deposit holdings and there were net sales of bonds issued by credit institutions and foreign-issued bonds, quoted shares and mutual fund shares. Although the stock of non-money market fund shares increased due to transactions, investments in money market fund shares fell more strongly than the increase in the former. Insurance technical reserves increased in the period, which mainly affected non-life reserves. Household holdings of other equity also increased significantly. This reflected the fact that part of limited liability companies implemented their compulsory capital increase in 2016 Q1.

On the liabilities side, the decline in households' loan liabilities continued in 2016 Q1, with the sector being a net repayer of both real estate loans and consumption loans.

Detailed preliminary financial accounts data are available on the MNB's website at: Statistics/Statistical Data and Information/Statistical Time Series/XII. Financial Accounts/[Preliminary Financial Accounts of Households and General Government](#). The full set of financial accounts for the institutional sectors of the national economy for 2016 Q1 will be published on 30 June 2016.

Tables

Main data of the institutional sectors

	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1
Net lending, quarterly transactions, billion HUF													
General government (S.13)	-186	-152	-225	-177	-310	-269	-54	-72	-167	-93	-72	-352	-4
Households (S.14)	352	375	243	548	518	452	362	566	1 010	577	460	592	442
Net lending of last four quarters, billion HUF													
General government (S.13)	-666	-700	-829	-740	-864	-981	-809	-705	-562	-385	-404	-684	-521
Households (S.14)	1 540	1 575	1 503	1 518	1 684	1 761	1 879	1 898	2 391	2 515	2 613	2 638	2 070
Consolidated gross debt of the general government, billion HUF													
General government (S.13)	23 362	23 263	23 107	23 076	24 915	25 420	25 084	24 514	24 976	25 878	25 912	25 394	26 147
Quarterly changes in consolidated gross debt of the general government, billion HUF													
changes in debt	948	-99	-156	-31	1 839	505	-336	-570	462	902	34	-518	753
of which: transactions	471	217	-278	28	1 469	444	-338	-706	902	395	94	-606	751
revaluation	477	-315	122	-59	315	61	5	136	-440	507	-60	88	2
other changes in volume	0	0	0	0	54	0	-3	0	0	0	0	0	0
	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1
Net lending, quarterly transactions, percent of GDP													
General government (S.13)	-2,8	-2,0	-2,9	-2,2	-4,3	-3,4	-0,6	-0,8	-2,2	-1,1	-0,8	-3,8	-0,1
Households (S.14)	5,3	5,0	3,1	6,7	7,2	5,7	4,3	6,5	13,5	7,0	5,3	6,4	5,7
Net lending of last four quarters, percent of GDP													
General government (S.13)	-2,3	-2,4	-2,8	-2,5	-2,8	-3,2	-2,6	-2,2	-1,7	-1,2	-1,2	-2,0	-1,5
Households (S.14)	5,3	5,4	5,1	5,1	5,5	5,7	5,9	5,9	7,4	7,7	7,9	7,8	6,1
Consolidated gross debt of the general government, percent of GDP													
General government (S.13)	81,0	79,5	77,9	76,8	81,5	81,9	79,4	76,2	76,8	78,8	78,0	75,3	76,9

Methodological notes

1 Uncertainties related to the use of general government sector data

Balance sheets of the central government and local government sub-sectors for 2016 Q1 were not available at the time of compilation of the preliminary financial accounts. Therefore, other assets and liabilities as well as loans granted contain estimates. Furthermore, 2016 Q1 data on other assets and other liabilities related to transfers from the European Union are also based on preliminary estimates. These data, and consequently the sector's net lending, may change in later publications.

2 Uncertainties related to 2016 Q1 data for households

In compiling preliminary household sector data for 2016 Q1, estimates were used to calculate certain assets (primarily wage claims) and the sector's liabilities to the general government sector. Foreign financial assets of households are not fully captured by the statistics; therefore, data on financial savings of the household sector contain uncertainties in the financial accounts. The estimated values may change in later publications or may be replaced by actual data as they become available.

References:

[Data](#)

[Financial accounts manual](#)

[Methodological notes](#)

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