

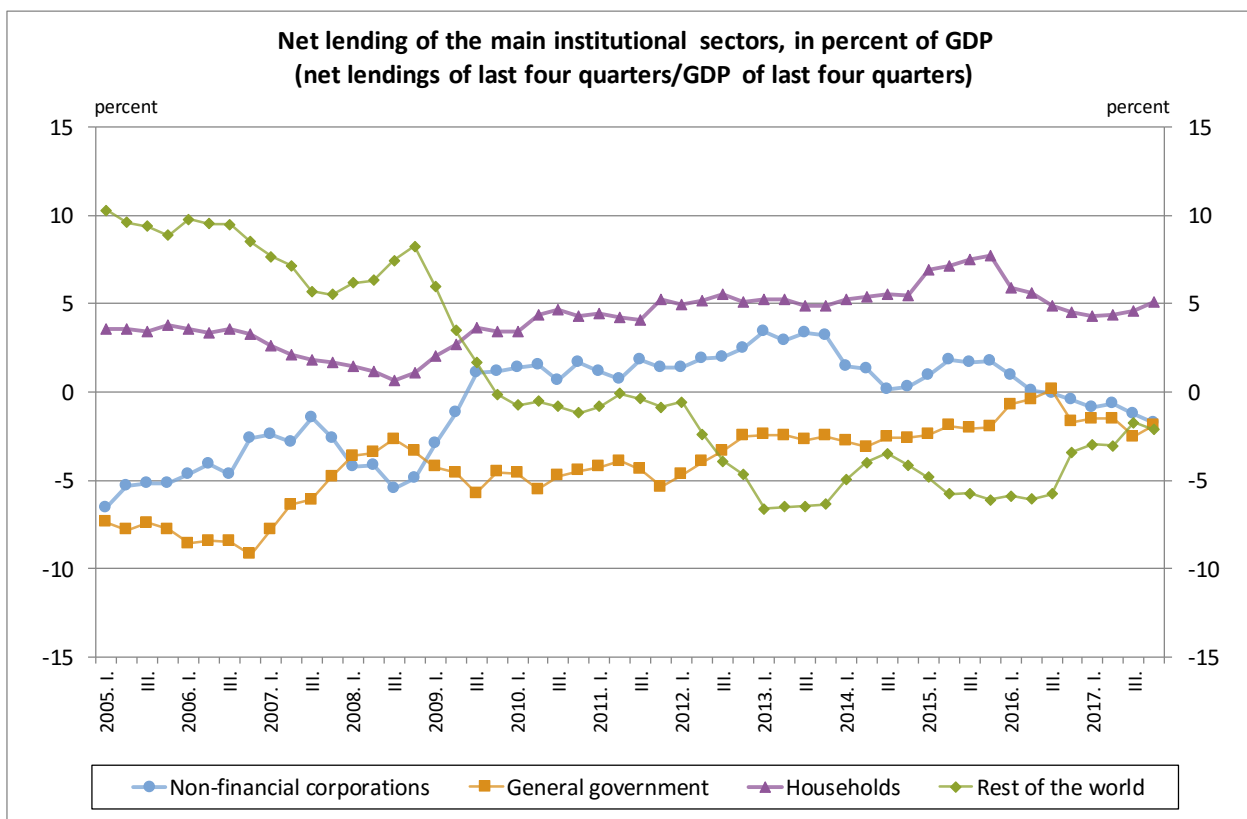


3 April 2018

## PRESS RELEASE

### Hungary's financial accounts: 2017 Q4

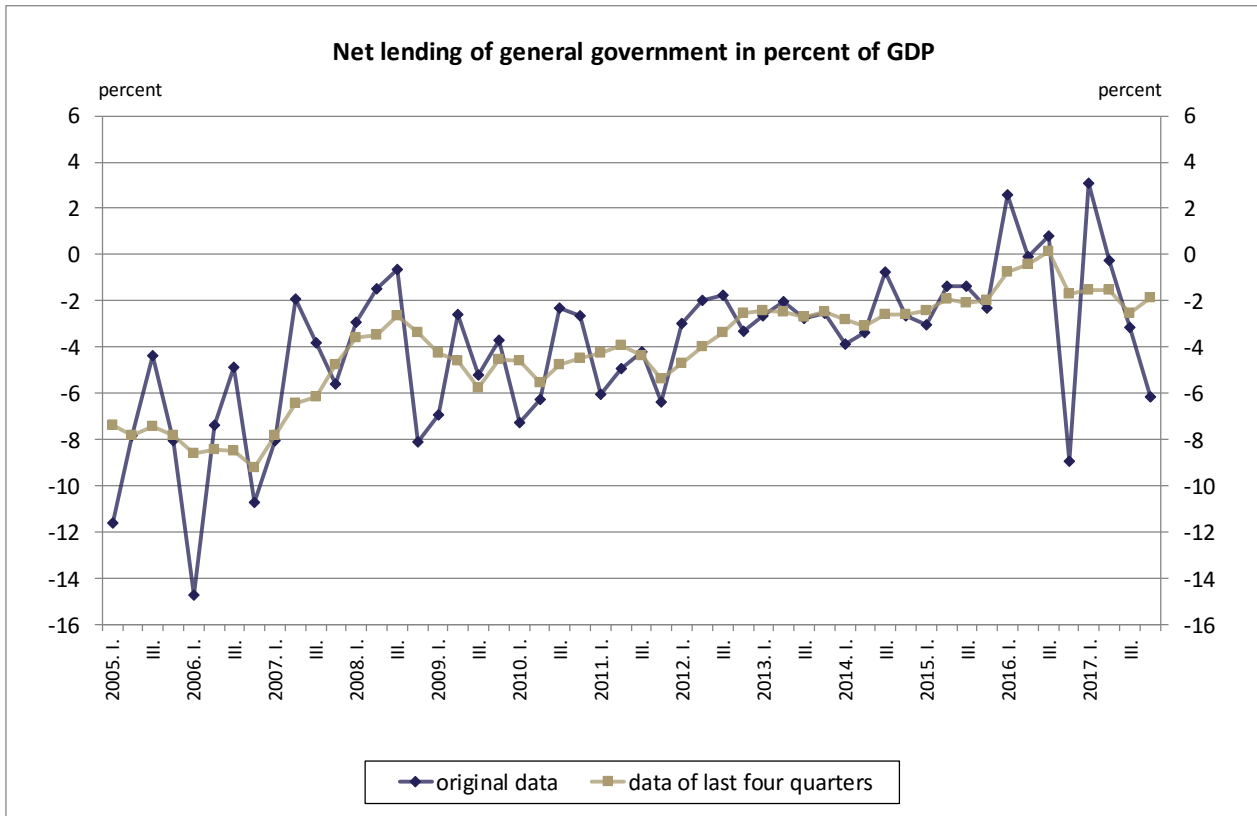
According to financial accounts data, general government net lending was equal to -1.9 per cent of Hungary's GDP in 2017. Net lending of households was 5.1 per cent of Hungary's GDP in the same period. Net lending of non-financial corporations amounted to -1.7 per cent of GDP and net lending of the rest of the world was -2.1 per cent of GDP in 2017.



\* Note: For clarity, the Chart does not plot net lending of financial corporations and non-profit institutions serving households (their values are usually close to 0). Data for a given quarter show the sum of balances for the year ending with that quarter, expressed as a percentage of GDP for the same period.

According to financial accounts data, general government net lending amounted to HUF -721 billion or -1.9 per cent of GDP in 2017. General government net lending calculated from the financing side (HUF -651 billion) was equal to -6.1 per cent of quarterly GDP in 2017 Q4.

Net liabilities of general government amounted to HUF 24,133 billion or 63.2 per cent of GDP at the end of 2017. At the end of 2017, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 27,360 billion, equivalent to 71.7 per cent of GDP. Transactions and revaluations increased the government debt calculated at current prices by HUF 338 billion and HUF 52 billion, respectively. In consideration of the debt of the Eximbank the sector's Maastricht measure of debt was 1.9 percentage point higher than 71.7 per cent calculated on the basis of financial accounts methodology, which was 73.6 per cent of the GDP.

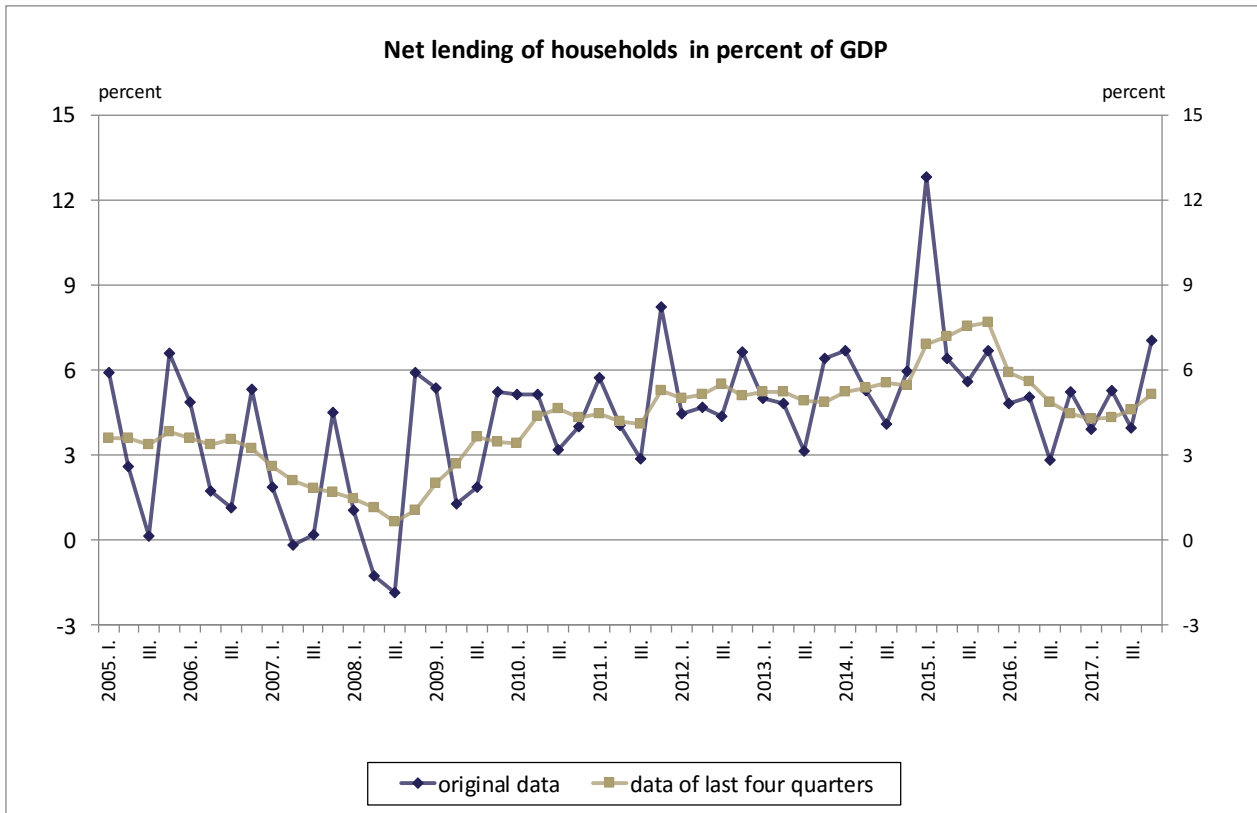


In 2017 Q4, net borrowing of central government amounted to HUF 403 billion. On the assets side, there was a sharp decline in deposits with the central bank, as seen in the previous quarters. The stock of loans granted by the central government rose by the end of the year, and there was a small share purchase. There was a sharp increase within other financial assets, which can be primarily explained by the advances granted to local governments. On the liabilities side, local governments' deposits held with the central government rose sharply in the last quarter of 2017. Resulting from transactions, the increase in the stock of issued securities continued, as seen in previous quarters. The outstanding loan liabilities of the central government also continued to decrease, which primarily affected the stock of short-term loans to non-residents and credit institutions. Due to transactions, other liabilities rose sharply.

Net borrowing of local governments was HUF 329 billion in 2017 Q4. There was no substantial change in the sector's financial assets due to transactions. On the liabilities side, there was an increase in their loans from central government. In addition, the sector made significant long-term borrowing from credit institutions. Within other

liabilities, the sharp increase in the stock of liabilities from central government related to advances of subsidies continued.

Net lending of the social security funds was HUF 81 billion. On the assets side of the sub-sector's balance sheet, other claims relating to social contributions increased. On the liabilities side, there was a slight increase in the stock of short-term loans granted by central government.



According to financial accounts data, net lending of households was equivalent to 5.1 per cent (HUF 1,959 billion) of GDP in 2017 and 7.1 per cent (HUF 749 billion) of quarterly GDP in 2017 Q4.

Within households' financial assets, there was a significant increase in currency and current account deposits, short- and long-term debt securities, due to transactions, in the quarter. The increase was less substantial in mutual fund shares, equity investments and insurance technical reserves.

In terms of liabilities of households in 2017 Q4 due to transactions there was a significant increase in the stocks of other liabilities. The increase was less intense in the stock of housing loans, while the stock of consumer and other loans declined.

Net lending of non-financial corporations was HUF -665 billion or -1.7 per cent of GDP in 2017 and HUF -20 billion or -0.2 per cent of quarterly GDP in 2017 Q4.

Within the financial assets of non-financial corporations, in 2017 Q4 the stocks of currency, deposits and lending abroad increased considerably due to transactions; however, equity holdings in non-resident corporations fell sharply. On the liabilities side the most prominent increase was observed in non-residents' shares and equity holdings, there was also a significant increase in loans from credit institutions; however, the stock of borrowing from abroad and other liabilities fell sharply.

According to financial accounts data, net lending of the rest of the world was equivalent to -2.1 per cent (HUF -815 billion) of GDP in 2017 and -1.8 per cent (HUF -193 billion) of quarterly GDP in 2017 Q4.

The financial assets of the rest of the world fell sharply due to transactions in a manner that shares and equity holdings rose significantly; however, overall, this increase was exceeded by the decrease in deposits, government securities, loans, financial derivatives and other assets.

With respect to the liabilities of the sector, a substantial increase was observed in the stock of loans and central bank deposits due to transactions; however, all in all the stocks of credit institutions' deposits, shares and equity holdings, financial derivative liabilities and other liabilities fell more significantly.

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## Tables

### Main data of the institutional sectors

	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
<b>Net lending, quarterly transactions, billion HUF</b>													
Non-financial corporations (S.11)	278	-173	464	6	313	-452	169	-47	173	-603	233	-275	-20
Financial corporations (S.12)	14	-305	-293	1	81	32	72	25	-9	68	14	28	5
General government (S.13)	-234	-230	-113	-118	-222	201	-9	75	-870	262	-26	-306	-651
Households (S.14)	526	974	542	488	641	376	448	253	511	329	497	384	749
Non-profit institutions serving households (S.15)	106	-2	-7	5	40	46	13	-14	218	7	22	-12	110
Rest of the world (S.2)	-691	-263	-593	-383	-853	-203	-693	-292	-23	-62	-740	180	-193
<b>Net lending of last four quarters, billion HUF</b>													
Non-financial corporations (S.11)	104	300	609	575	609	331	36	-17	-156	-308	-244	-472	-665
Financial corporations (S.12)	18	-432	-523	-583	-516	-179	186	210	120	156	98	102	116
General government (S.13)	-848	-800	-642	-695	-683	-252	-148	45	-604	-543	-560	-940	-721
Households (S.14)	1 780	2 271	2 387	2 531	2 645	2 047	1 953	1 717	1 587	1 540	1 590	1 721	1 959
Non-profit institutions serving households (S.15)	300	249	99	101	35	83	104	85	263	224	233	234	126
Rest of the world (S.2)	-1 354	-1 588	-1 930	-1 929	-2 091	-2 031	-2 131	-2 041	-1 211	-1 070	-1 118	-645	-815
<b>Consolidated gross debt of the general government, billion HUF</b>													
General government (S.13)	24 505	25 081	25 981	26 092	25 665	26 411	26 190	26 145	26 172	26 690	26 923	26 969	27 360
<b>Quarterly changes in consolidated gross debt of the general government, billion HUF</b>													
changes in debt	-537	576	900	111	-428	746	-221	-45	27	517	234	46	391
of which: transactions	-678	1 001	394	173	-514	746	-278	132	-25	571	283	-7	338
revaluation	131	-434	505	-62	87	0	57	-177	52	-57	-49	53	52
other changes in volume	11	9	0	0	0	0	0	0	0	2	0	0	0
	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
<b>Net lending, quarterly transactions, percent of GDP</b>													
Non-financial corporations (S.11)	3,1	-2,3	5,5	0,1	3,3	-5,8	1,9	-0,5	1,8	-7,2	2,5	-2,8	-0,2
Financial corporations (S.12)	0,2	-4,0	-3,5	0,0	0,9	0,4	0,8	0,3	-0,1	0,8	0,1	0,3	0,1
General government (S.13)	-2,6	-3,0	-1,3	-1,3	-2,3	2,6	-0,1	0,8	-8,9	3,1	-0,3	-3,2	-6,1
Households (S.14)	6,0	12,8	6,4	5,6	6,7	4,8	5,0	2,8	5,2	3,9	5,3	4,0	7,1
Non-profit institutions serving households (S.15)	1,2	0,0	-0,1	0,1	0,4	0,6	0,1	-0,2	2,2	0,1	0,2	-0,1	1,0
Rest of the world (S.2)	-7,8	-3,5	-7,0	-4,4	-8,9	-2,6	-7,8	-3,3	-0,2	-0,7	-7,8	1,9	-1,8
<b>Net lending of last four quarters, percent of GDP</b>													
Non-financial corporations (S.11)	0,3	0,9	1,8	1,7	1,8	1,0	0,1	0,0	-0,4	-0,9	-0,7	-1,3	-1,7
Financial corporations (S.12)	0,1	-1,3	-1,6	-1,7	-1,5	-0,5	0,5	0,6	0,3	0,4	0,3	0,3	0,3
General government (S.13)	-2,6	-2,4	-1,9	-2,1	-2,0	-0,7	-0,4	0,1	-1,7	-1,5	-1,5	-2,5	-1,9
Households (S.14)	5,5	6,9	7,2	7,5	7,7	5,9	5,6	4,9	4,5	4,3	4,3	4,6	5,1
Non-profit institutions serving households (S.15)	0,9	0,8	0,3	0,3	0,1	0,2	0,3	0,2	0,7	0,6	0,6	0,6	0,3
Rest of the world (S.2)	-4,2	-4,8	-5,8	-5,7	-6,1	-5,9	-6,1	-5,8	-3,4	-3,0	-3,1	-1,7	-2,1
<b>Consolidated gross debt of the general government, percent of GDP</b>													
General government (S.13)	75,2	76,1	78,0	77,6	74,8	76,4	74,8	74,2	73,9	74,1	73,6	72,3	71,7
<b>Consolidated gross debt of the general government including Eximbank, percent of GDP</b>													
General government including Eximbank	76,6	77,8	79,7	79,4	76,7	78,3	76,8	76,2	76,0	76,2	75,7	74,3	73,6

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#### Methodological notes

##### 1. The inclusion of Eximbank data in compiling general government statistics

Given that the Hungarian Export-Import Bank Plc. (Eximbank) is a financial institution operating as a credit institution, the financial corporation sector (S.12), and within this credit institution sub-sector (S.122) will contain its data in the statistical publications prepared by the MNB. However, within financial accounts statistics, the Maastricht debt of the general government including its financial accounts with the Eximbank is also published, as supplementary information. In line with the Eurostat's decision affecting methodology, this extended category of liabilities will serve as the main indicator of the Hungarian general government's reported Maastricht debt. Due to the characteristics of financial intermediation, the inclusion of Eximbank's data will not significantly modify the net financial worth (or net liabilities) of the general government, or its net lending in the periods when there was no capital increase by the government recorded as transfers. The tables presenting the general government data now include the following on the MNB's website: "Detailed financial accounts of general government including Eximbank" and "General government quarterly debt including Eximbank".

##### 2. Uncertainties related to 2017 Q4 data for households

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.

#### About the publication of information related to the financial accounts

Key financial data of state and local government-owned large non-financial enterprises, the differences between the financial accounts and balance of payments statistics, the tables showing the differences between the financial accounts and the monetary balance sheets as well as the tables showing the financial accounts of companies in collective ownership (state and local government) are being released in conjunction with this press release. They can be accessed by clicking on the following link: <http://www.mnb.hu/en/statistics/statistical-data-and-information/statistical-time-series/xii-financial-accounts-financial-assets-and-liabilities-of-institutional-sectors/other-data-relating-to-financial-accounts>.

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## Revisions to past data

### Changes in the net lending of the main institutional sectors compared to the last publication (billion HUF)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017Q1	2017Q2	2017Q3
Non-financial corporations (S.11)	0	0	0	3	0	0	16	-42	-136	23	-78	-87
Financial corporations (S.12)	0	0	0	-3	0	0	-16	-4	-13	-35	6	-7
General government (S.13)	0	0	0	0	0	0	0	-1	-3	32	-70	-53
Households (S.14)	0	0	0	0	0	0	0	0	-6	0	0	-2
Non-profit institutions serving households (S.15)	0	0	0	0	0	0	0	0	0	0	0	0
Rest of the world (S.2)	0	0	0	0	0	0	0	47	157	-20	141	150

Data revisions reflect changes in the data sources of the financial accounts and the effect of data corrections. Relative to the full set of accounts for 2017 Q3, data have changed going back to 2015 as a result of the data revision of balance of payments statistics. Data sources related to EU transfers have been changed slightly in general government data sources. Revision of the sector of several institutions resulted in small changes in past data in the sectors of non-financial corporations and financial corporations.

References:

[Comprehensive tables](#)

[Time series](#)

[Charts](#)

[Financial accounts manual](#)

**MAGYAR NEMZETI BANK**  
DIRECTORATE STATISTICS

Contact information:  
Phone: + 36 (1) 428-2750  
Fax: + 36 (1) 429-8000  
Email: [info@mnbb.hu](mailto:info@mnbb.hu)