



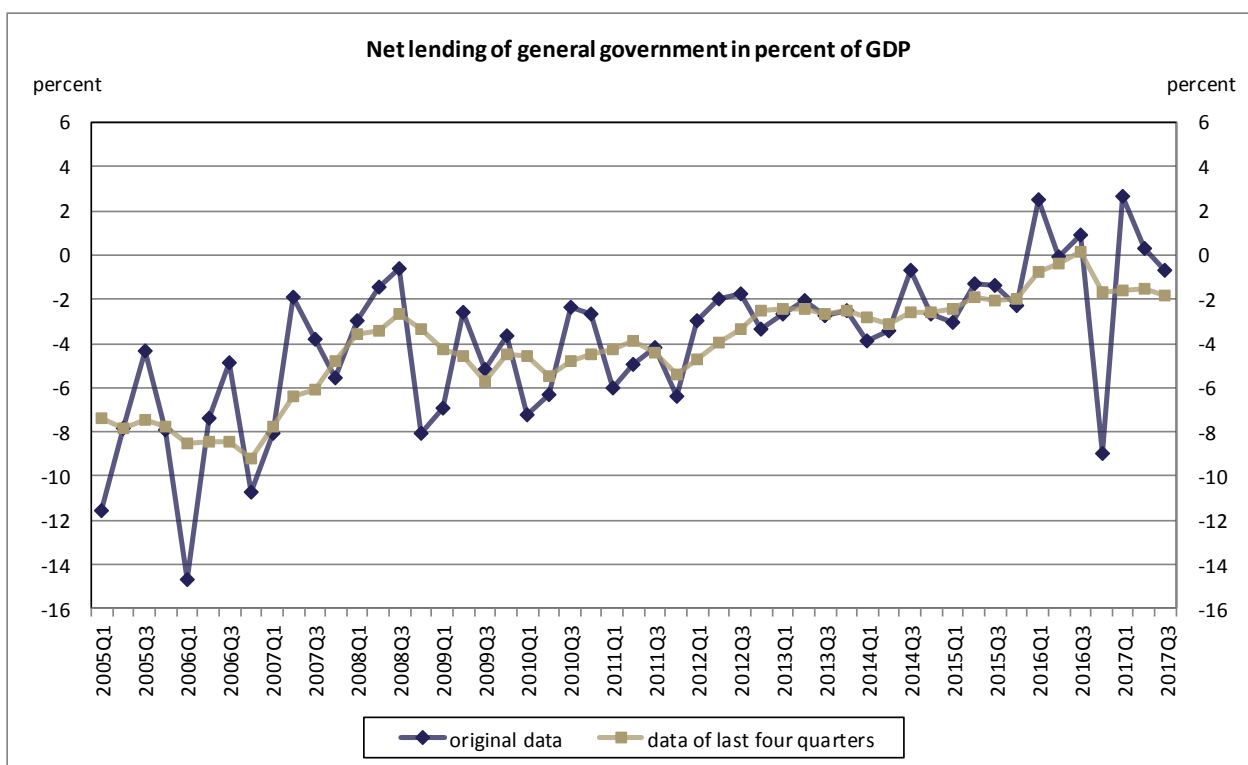
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## PRESS RELEASE

### Preliminary financial accounts for general government and households

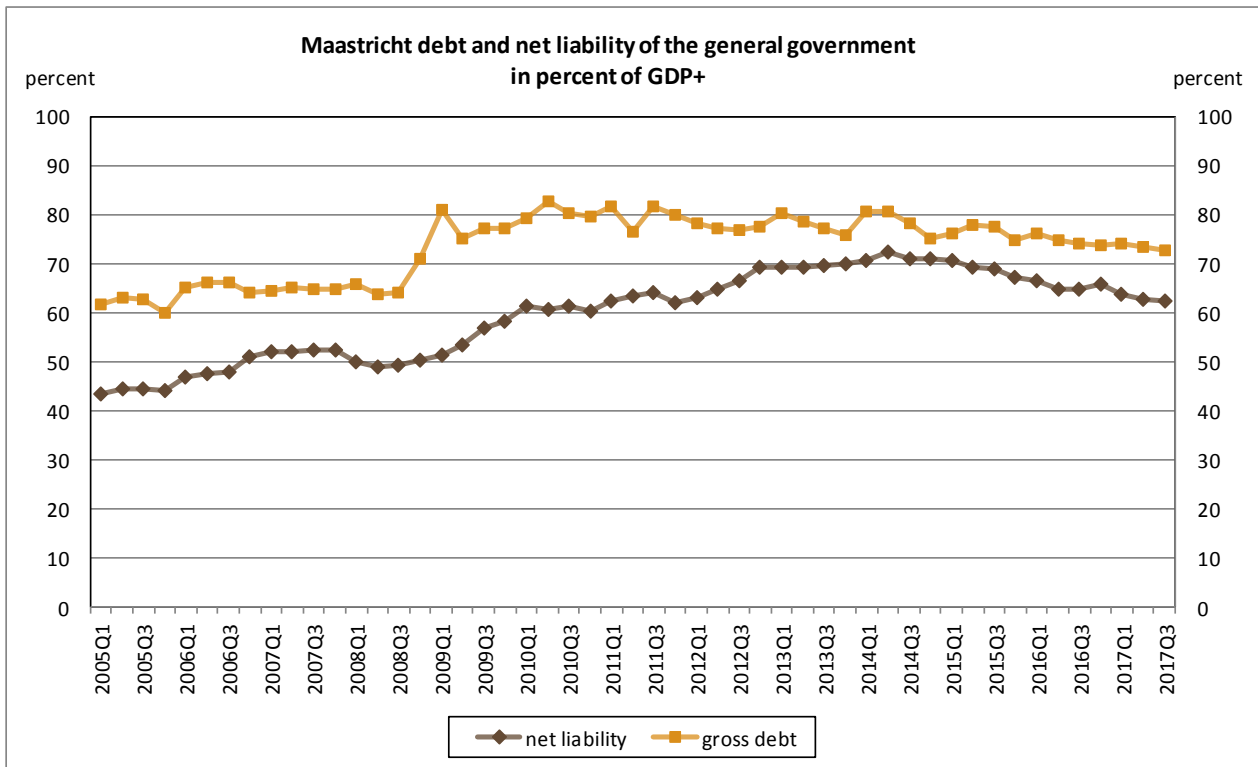
2017 Q3

*According to preliminary financial accounts data, general government net lending was equal to -1.9 per cent of Hungary's GDP in the four quarters to 2017 Q3. General government consolidated gross debt at nominal value was 72.7 per cent of GDP at the end of 2017 Q3. According to preliminary financial accounts data, net lending of households was equivalent to 4.6 per cent of GDP in the four quarters to 2017 Q3.*



2017 Q3 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -691 billion or -1.9 per cent of GDP in the four quarters to 2017 Q3. General government net lending calculated from the financing side (HUF -63 billion) was equal to -0.7 per cent of quarterly GDP in 2017 Q3. At the end of 2017 Q3, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 26,956 billion, equivalent to 72.7 per cent of GDP. The debt calculated at current prices rose by HUF 41 billion, the gross debt was increased by the revaluation of foreign currency debt by HUF 54 billion, and reduced by transactions by HUF 13 billion. Net liabilities of general government amounted to HUF 23,119 billion or 62.4 per cent of GDP at the end of 2017 Q3.



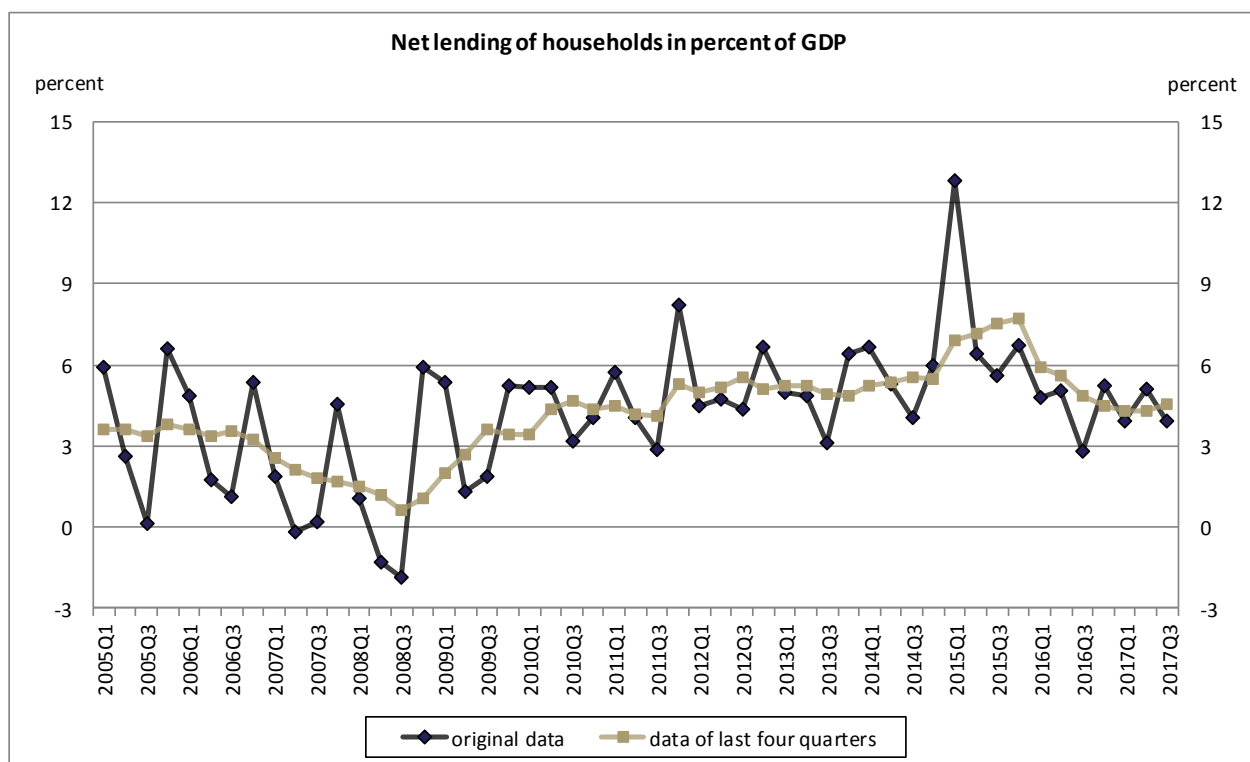
+ The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.8). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite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

2017 Q3 data are based on the MNB's own GDP estimate.

In 2017 Q3, net borrowing of central government amounted to HUF 218 billion. On the assets side there was a significant decrease in the stocks of deposits with the central bank and credit institutions as seen in the previous quarter, and the stock of short-term loans by the central government also fell. However, there was a sharp increase within other financial assets, although it was significantly less intense than in the previous quarter, which can be primarily explained by the liabilities related to the advances granted to local governments, and to a lesser degree by trade and tax receivables. On the liabilities side, the stock of long-term securities increased significantly due to transactions, as seen in the previous quarters, with households and credit institutions being the main lending sectors. There was an opposite process to this in the case of Treasury bills, where a decreasing trend continued in nearly all creditor sectors. The outstanding loan liabilities of the central government also declined sharply, which mainly reflected the decrease in the stock of short-term loans to non-residents. In respect of other liabilities, there was a sharp decline in liabilities related to EU transfers.

Net lending of local governments was HUF 114 billion in 2017 Q3. Within the sector's financial assets, deposits placed with credit institutions rose significantly. In respect of purchases of government securities investments by local governments in government bonds rose slightly in the quarter, while there were net sales of Treasury bills. Other financial assets of the sub-sector also decreased slightly; however, this mainly affected tax receivables from non-financial corporations. On the liabilities side, there was a significant shift only in other liabilities, here, however, there was a sharp increase in their liabilities to central government, the tax liabilities to corporations also rose materially.

Net lending of the social security funds was HUF 40 billion in 2017 Q3. On the assets side of the sub-sector's balance sheet, contribution receivables from households decreased. On the liabilities side, only the stock of short-term loans by central government decreased significantly.



2017 Q3 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households was equivalent to 4.6 per cent (HUF 1,697 billion) of GDP in the four quarters to 2017 Q3 and 3.9 per cent (HUF 372 billion) of quarterly GDP in 2017 Q3.

Within households' financial assets, the stock of long-term government securities grew most strongly due to transactions in the quarter, there was also a significant increase in cash, as well as shares and equity holdings. Deposits and pension fund reserves increased less sharply.

In terms of liabilities of households, the stock of housing loans grew significantly, while there was a less intense increase in the stock of consumption loans; however, the stock of other liabilities fell sharply due to transactions in 2017 Q3.

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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 2017 Q3 will be published on 29 December 2017.

## Tables

### Main data of the institutional sectors

	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3
<b>Net lending, quarterly transactions, billion HUF</b>													
General government (S.13)	-59	-234	-230	-113	-118	-221	198	-7	82	-876	223	26	-63
Households (S.14)	344	526	974	542	488	641	377	449	254	512	329	484	372
<b>Net lending of last four quarters, billion HUF</b>													
General government (S.13)	-824	-848	-800	-636	-695	-682	-254	-148	51	-604	-579	-546	-691
Households (S.14)	1 782	1 780	2 271	2 386	2 531	2 645	2 049	1 956	1 721	1 593	1 544	1 579	1 697
<b>Consolidated gross debt of the general government, billion HUF</b>													
General government (S.13)	25 042	24 495	25 071	25 970	26 082	25 654	26 400	26 179	26 140	26 164	26 682	26 915	26 956
<b>Quarterly changes in consolidated gross debt of the general government, billion HUF</b>													
changes in debt	-288	-548	576	900	111	-428	746	-221	-40	25	517	234	41
of which: transactions	-291	-678	1 001	394	173	-514	746	-278	137	-27	574	283	-13
revaluation	7	131	-434	505	-62	87	0	57	-177	52	-57	-49	54
other changes in volume	-3	0	9	0	0	0	0	0	0	0	0	0	0
	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3
<b>Net lending, quarterly transactions, percent of GDP</b>													
General government (S.13)	-0,7	-2,6	-3,0	-1,3	-1,3	-2,3	2,5	-0,1	0,9	-9,0	2,6	0,3	-0,7
Households (S.14)	4,1	6,0	12,8	6,4	5,6	6,7	4,8	5,1	2,8	5,3	3,9	5,1	3,9
<b>Net lending of last four quarters, percent of GDP</b>													
General government (S.13)	-2,6	-2,6	-2,4	-1,9	-2,1	-2,0	-0,7	-0,4	0,1	-1,7	-1,6	-1,5	-1,9
Households (S.14)	5,6	5,5	6,9	7,2	7,5	7,7	5,9	5,6	4,9	4,5	4,3	4,3	4,6
<b>Consolidated gross debt of the general government, percent of GDP</b>													
General government (S.13)	78,2	75,2	76,1	78,0	77,6	74,7	76,4	74,8	74,2	73,9	74,1	73,6	72,7

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## Methodological notes

### 1. Reclassification of funds increasing the security of financial investments into the central government

In accordance with the Eurostat's decision and in consultation with the Hungarian Central Statistical Office, the funds increasing the security of financial investments have been removed from the sectors of financial corporations and non-financial corporations and reclassified into the general government sector with retroactive effect. The sectoral reclassification affected the following institutions: National Deposit Insurance Fund, Investor Protection Fund, Guarantee Fund for Cooperative Credit Institutions, Compensation Fund, Resolution Fund, Hungarian Resolution Asset Management Plc., Resolution Receivable Management Plc., RESIDEAL Plc. The reclassification increased gross general government debt; compared to previously published data, general government net lending declined in the period of transfers by the funds and moderately increased in other periods. The reclassification appeared in the full set of financial accounts of 2017 Q2 for the first time.

### 2. Uncertainties related to the use of general government sector data

The stocks of other assets and other liabilities of the general government sector related to transfers from the European Union for the first three quarters of 2017 are based on estimates. Therefore, these values may change in later publications.

### 3. Uncertainties related to 2017 Q3 data for households

In compiling preliminary household sector data for 2017 Q3, 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](#)

**MAGYAR NEMZETI BANK**

DIRECTORATE STATISTICS

## Contact information:

Phone: + 36 (1) 428-2751

Fax: + 36 (1) 429-8000

Email: [info@mnbb.hu](mailto:info@mnbb.hu)