

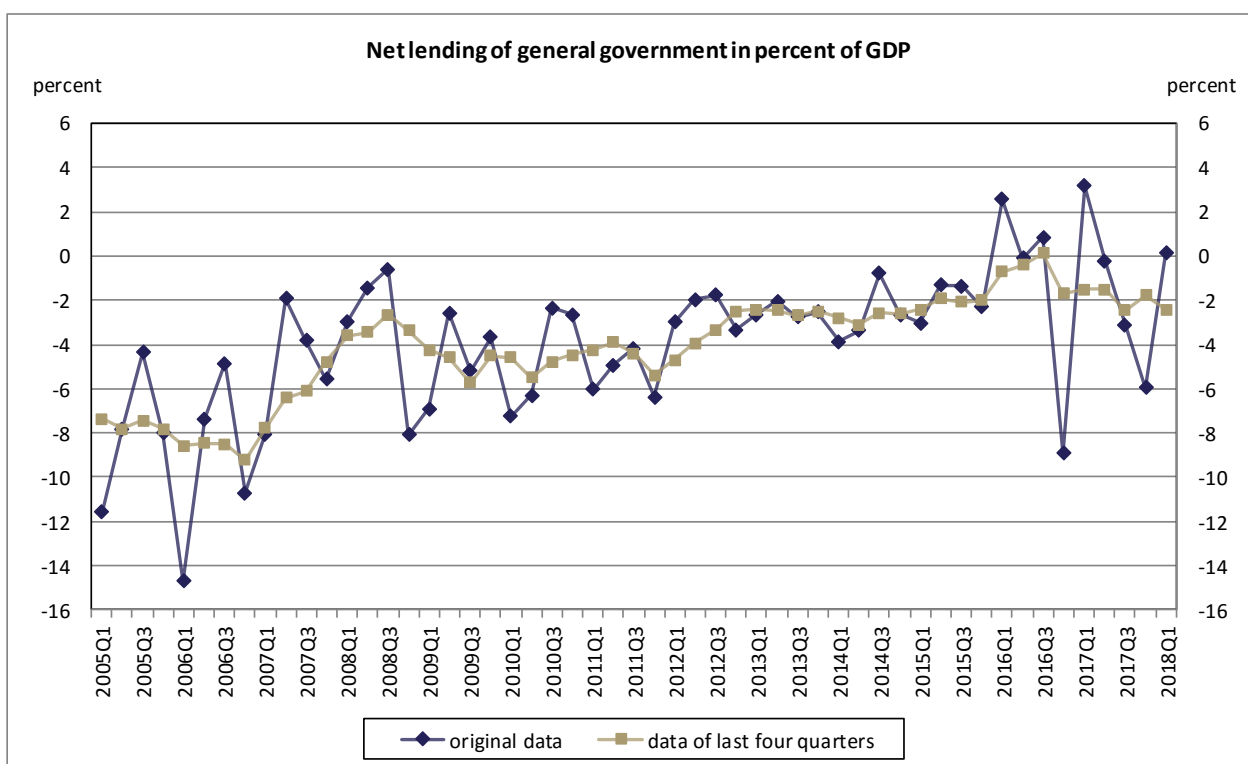


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## PRESS RELEASE

### Preliminary financial accounts for general government and households 2018 Q1

*According to preliminary financial accounts data, general government net lending was equal to -2.4 per cent of Hungary's GDP in the four quarters to 2018 Q1. General government consolidated gross debt at nominal value was 72.3 per cent of GDP at the end of 2018 Q1. According to preliminary financial accounts data, net lending of households was equivalent to 5.6 per cent of GDP in the four quarters to 2018 Q1.*

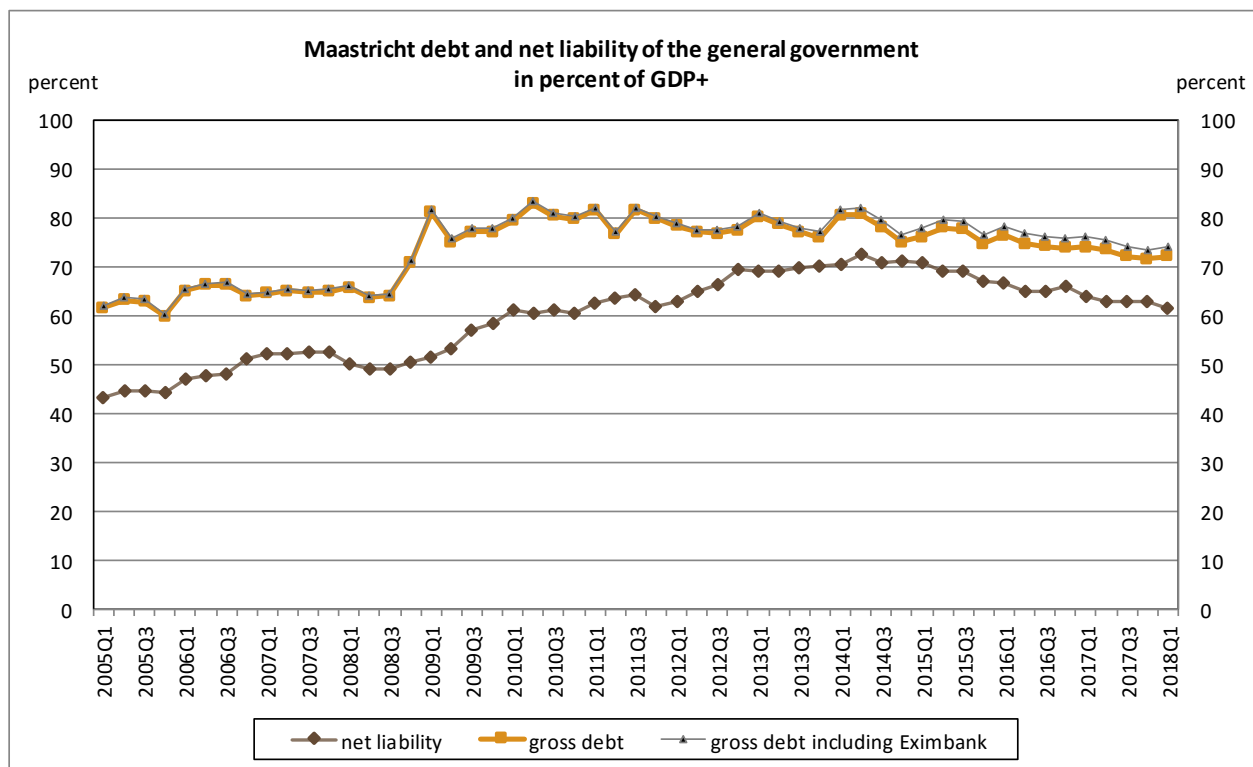


2018 Q1 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -939 billion or -2.4 per cent of GDP in the four quarters to 2018 Q1. General government net lending calculated from the financing side (HUF 12 billion) was equal to 0.1 per cent of quarterly GDP in 2018 Q1.

At the end of 2018 Q1, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 28,044 billion, equivalent to 72.3 per cent of GDP. Transactions and revaluations increased the debt by HUF 626 billion and HUF 59 billion, respectively, in the reporting quarter. In consideration of the debt of the Eximbank the

sector's Maastricht measure of debt was 74.2 per cent of the GDP, which is 1.9 percentage point higher than 72.3 per cent calculated on the basis of financial accounts methodology. Net liabilities of general government amounted to HUF 23,963 billion or 61.8 per cent of GDP at the end of 2018 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.

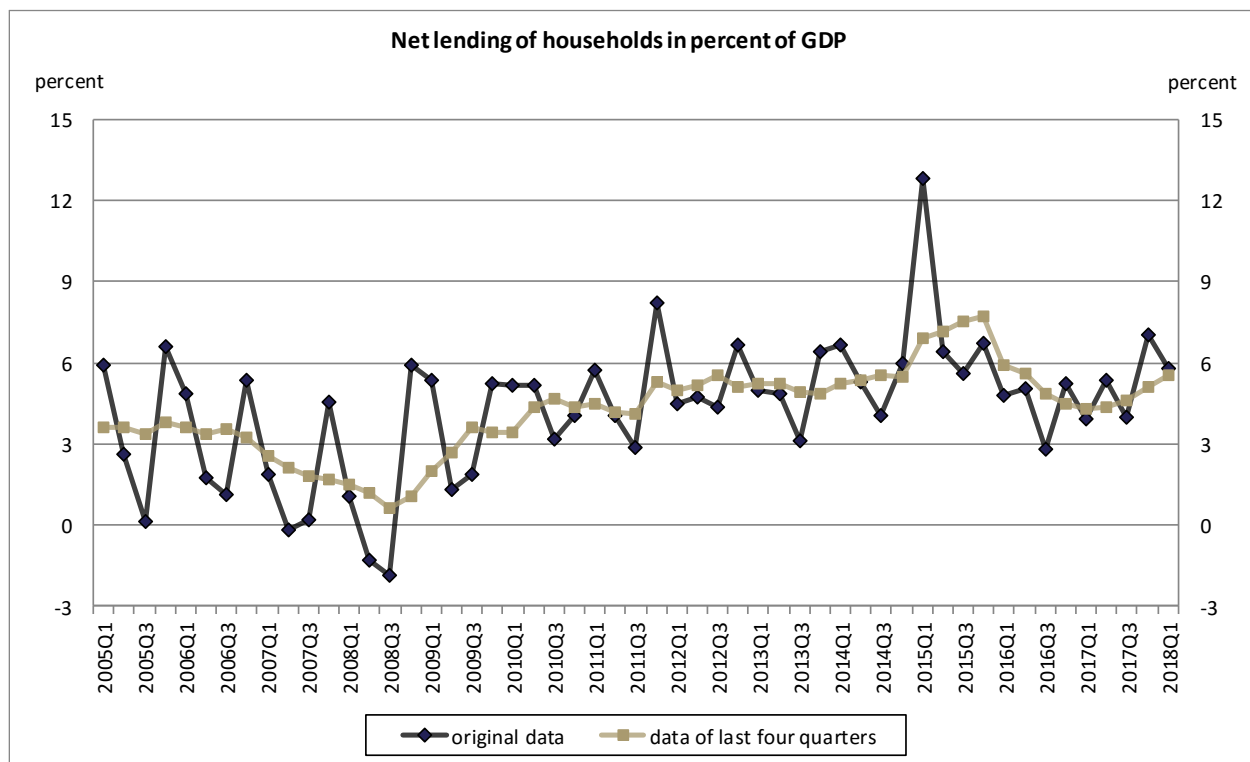
2018 Q1 data are based on the MNB's own GDP estimate.

In 2018 Q1, net borrowing of central government amounted to HUF 165 billion. Within the increase in its financial assets due to transactions, the sharp expansion in other assets was the most significant. Besides trade credits and advances, claims related to transfers from the European Union and the advances granted to local governments also rose. In addition, a slight increase was observed in deposits and securities resulting from transactions, while there was a decline in outstanding loans. On the liabilities side there was a substantial bond issuance in 2018 Q1. Primarily credit institutions exhibited significant demand; however, there was a considerable increase in the amount of government securities held by local governments, households and the non-resident sector due to transactions. Similarly to previous quarters, outstanding borrowing by the central government fell, which primarily affected the stock of short-term loans to non-residents. There was a considerable decrease in other liabilities, particularly in trade credits and tax liabilities.

Net lending of local governments was HUF 185 billion in 2018 Q1. Due to transactions the sector's financial assets rose significantly, which was reflected by the increase in deposits with the central government and credit institutions on the one hand, and the significant amount of purchases of government securities, on the other. On the liabilities

side, only their other liabilities rose more significantly, which is attributable to the advances granted by the central government, as well as tax liabilities to corporations.

Net borrowing of the social security funds was HUF 9 billion in 2018 Q1. On the assets side of the sub-sector's balance sheet, other claims relating to social contributions decreased. On the liabilities side, there was a slight decrease in the stock of short-term loans by the central government.



2018 Q1 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households was equivalent to 5.6 per cent (HUF 2,157 billion) of quarterly GDP in the four quarters to 2018 Q1 and to 5.8 per cent (HUF 522 billion) of quarterly GDP in 2018 Q1.

Within households' financial assets, there was a significant increase in currency and current account deposits, long-term debt securities, shares and other equities due to transactions in the quarter; the increase was less substantial in insurance technical reserves. However, a decrease was observable in short-term debt securities.

In terms of liabilities of households, within loans from credit institutions the stock of housing loans rose significantly due to transactions, while that of consumer and other loans declined. In the case of loans from other financial corporations the situation was reverse: housing loans fell, while consumer and other loans rose. Other liabilities of households decreased considerably due to transactions.

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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 2018 Q1 will be published on 2 July 2018.

## Tables

### Main data of the institutional sectors

	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1
<b>Net lending, quarterly transactions, billion HUF</b>													
General government (S.13)	-230	-113	-118	-222	201	-9	75	-871	267	-20	-300	-630	12
Households (S.14)	974	542	488	641	376	448	253	511	328	505	384	745	522
<b>Net lending of last four quarters, billion HUF</b>													
General government (S.13)	-800	-642	-695	-683	-252	-148	44	-604	-538	-550	-925	-684	-939
Households (S.14)	2 271	2 387	2 531	2 645	2 047	1 953	1 717	1 587	1 540	1 597	1 728	1 963	2 157
<b>Consolidated gross debt of the general government, billion HUF</b>													
General government (S.13)	25 081	25 981	26 092	25 665	26 411	26 190	26 145	26 172	26 690	26 923	26 969	27 360	28 044
<b>Quarterly changes in consolidated gross debt of the general government, billion HUF</b>													
changes in debt	576	900	111	-428	746	-221	-45	27	517	234	46	391	685
of which: transactions	1 001	394	173	-514	746	-278	132	-25	571	283	-7	338	626
revaluation	-434	505	-62	87	0	57	-177	52	-57	-49	53	52	59
other changes in volume	9	0	0	0	0	0	0	0	2	0	0	0	0
	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1
<b>Net lending, quarterly transactions, percent of GDP</b>													
General government (S.13)	-3,0	-1,3	-1,3	-2,3	2,6	-0,1	0,8	-8,9	3,2	-0,2	-3,1	-5,9	0,1
Households (S.14)	12,8	6,4	5,6	6,7	4,8	5,0	2,8	5,2	3,9	5,3	4,0	7,0	5,8
<b>Net lending of last four quarters, percent of GDP</b>													
General government (S.13)	-2,4	-1,9	-2,1	-2,0	-0,7	-0,4	0,1	-1,7	-1,5	-1,5	-2,5	-1,8	-2,4
Households (S.14)	6,9	7,2	7,5	7,7	5,9	5,6	4,9	4,5	4,3	4,4	4,6	5,1	5,6
<b>Consolidated gross debt of the general government, percent of GDP</b>													
General government (S.13)	76,1	78,0	77,6	74,8	76,4	74,8	74,2	73,9	74,1	73,6	72,3	71,7	72,3
<b>Consolidated gross debt of the general government including Eximbank, percent of GDP</b>													
General government including Eximbank	77,8	79,7	79,4	76,7	78,3	76,8	76,2	76,0	76,2	75,7	74,3	73,6	74,2

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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 the Eximbank is also published, as supplementary information. 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.

### 2. Changes in the recording of accrued interest

From 2018 the method of statistical reporting of accrued interest on outstanding loans changed for a part of resident credit institutions due to a changeover in accounting. Therefore, in financial accounts, accrued interest suspended earlier is also included in the stock of loans to clients. The resulting increase in households' loan liabilities was treated as other changes in volume.

### 3. 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 2018 Q1 are based on estimates. Therefore, these values may change in later publications.

### 4. Uncertainties related to 2018 Q1 data for households

In compiling preliminary household sector data for 2018 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](#)

**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)