

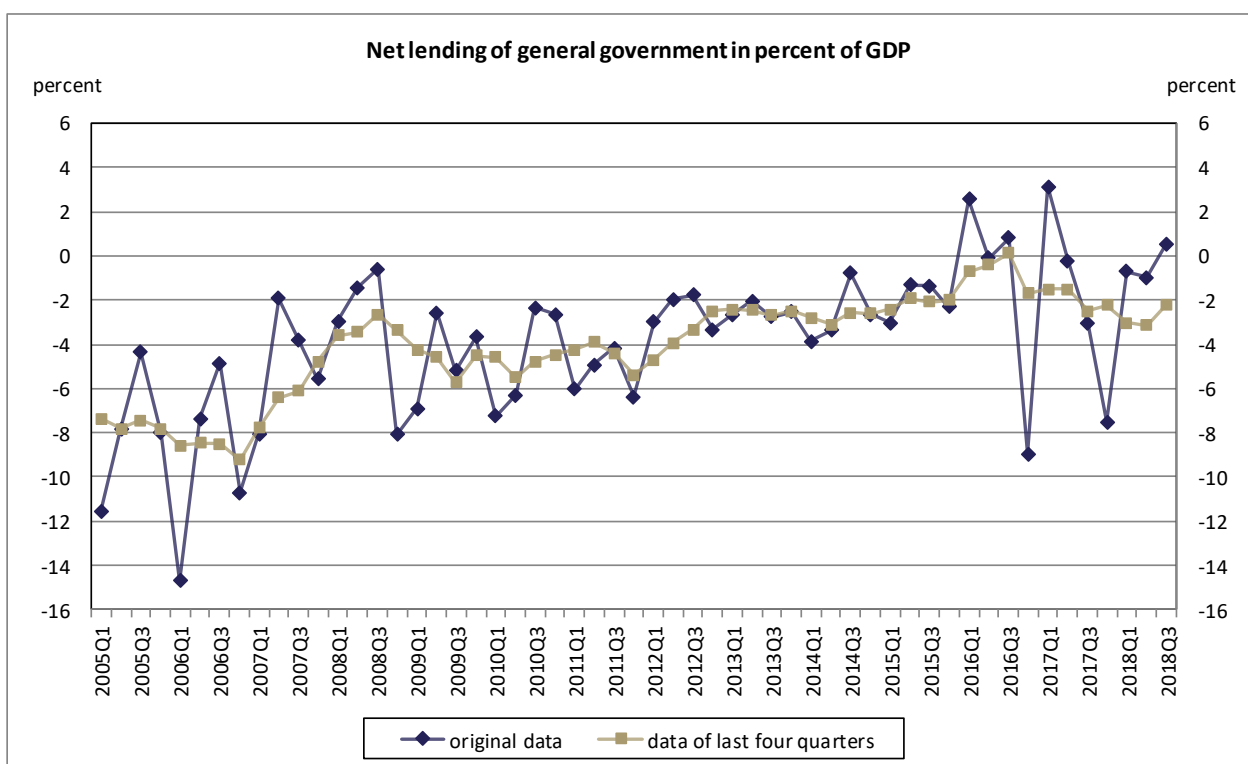


19 November 2018

PRESS RELEASE

Preliminary financial accounts for general government and households 2018 Q3

According to preliminary financial accounts data, general government net lending was equal to -2.2 per cent of Hungary's GDP in the four quarters to 2018 Q3. General government consolidated gross debt at nominal value was 70.9 per cent of GDP at the end of 2018 Q3. According to preliminary financial accounts data, net lending of households was equivalent to 6.2 per cent of GDP in the four quarters to 2018 Q3.

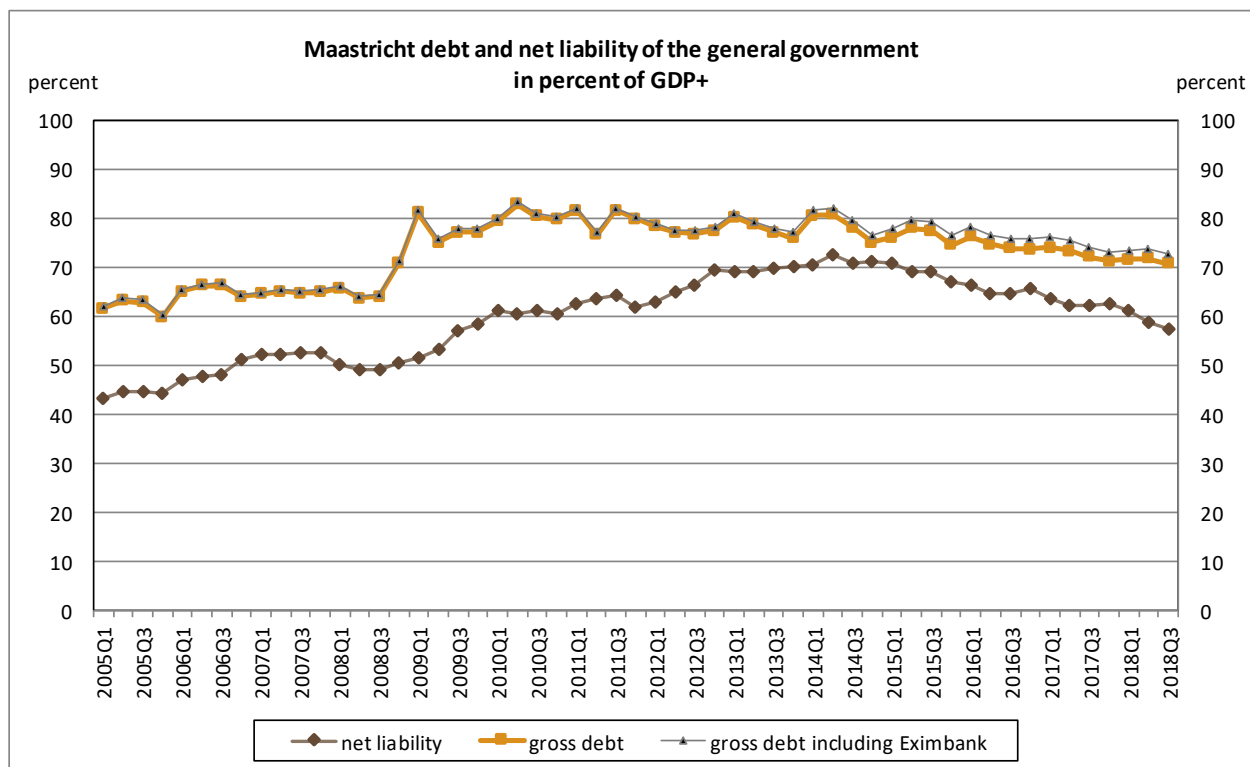


2018 Q3 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -913 billion or -2.2 per cent of GDP in the four quarters to 2018 Q3. General government net lending calculated from the financing side (HUF 52 billion) was equal to 0.5 per cent of quarterly GDP in 2018 Q3.

At the end of 2018 Q3, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 28,927 billion, equivalent to 70.9 per cent of GDP. Transactions increased the debt by HUF 277 billion and revaluations decreased it by HUF 92 billion in the reporting quarter. Including the debt of the Eximbank, the sector's

Maastricht measure of debt was 72.8 per cent of GDP, 1.9 percentage point higher than the 70.9 per cent calculated on the basis of financial accounts methodology. Net liabilities of general government amounted to HUF 23,436 billion or 57.4 per cent of GDP at the end of 2018 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.

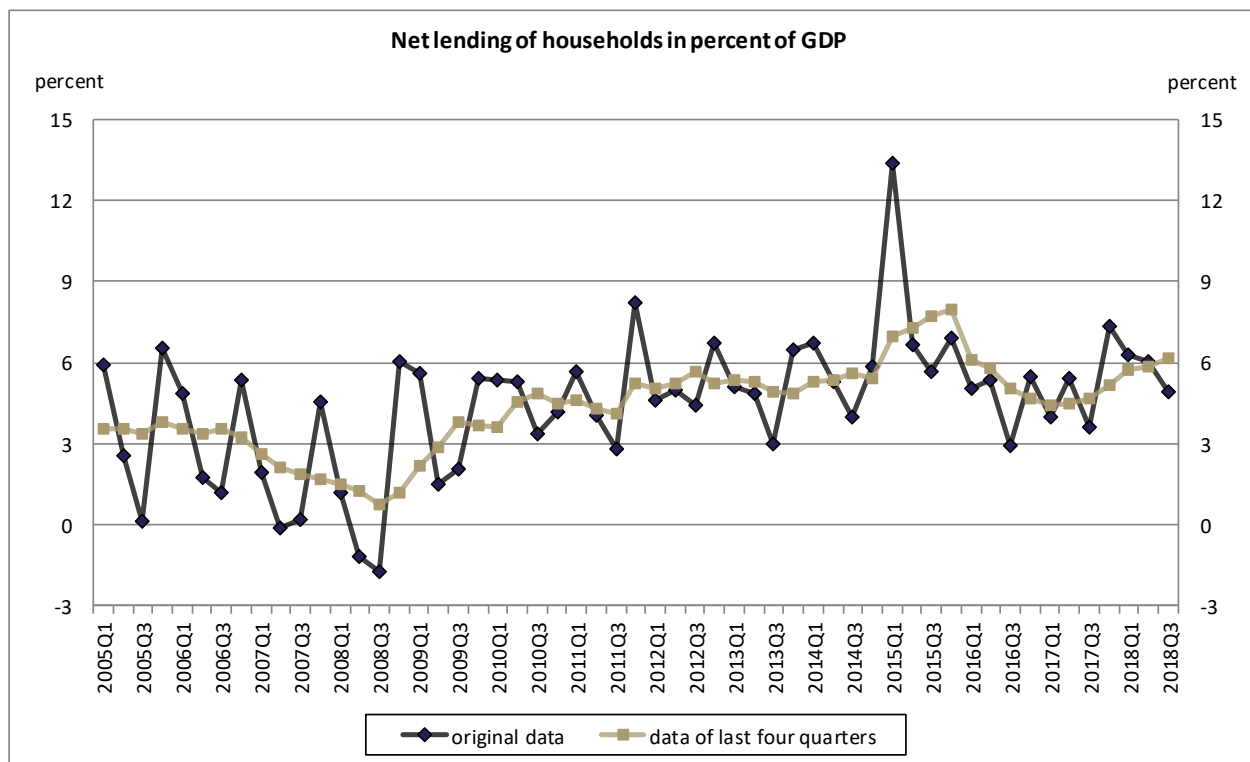
2018 Q3 data are based on the MNB’s own GDP estimate.

In 2018 Q3, net borrowing of central government amounted to HUF 35 billion. Within the sub-sector’s financial assets, deposits with the central bank increased significantly and claims from the European Union increased further, as seen in the previous quarter. There was a small amount of lending by central government in the quarter. Significant deposit-making by local governments and large government bond issues played an outstanding role in the increase in the sub-sector’s liabilities. In the latter case, non-residents and credit institutions were the main buyers. The stock of Treasury bills declined sharply due to transactions, with households being the only sector to make significant net purchases. There were significant net repayments of loans, which mainly affected the stock of long-term loans vis-à-vis non-residents.

Net lending of local governments was HUF 121 billion in 2018 Q3. There was a significant increase in the sub-sector’s financial assets, mainly due to deposits with central government and, to a lesser degree, to deposits with credit institutions. By contrast, securities held by local governments declined sharply due to transactions, as there were significant net repayments of government bonds during the quarter, which was coupled with a small amount of net government bond purchases. The decrease in local governments’ other accounts receivable mainly reflected a

decline in tax receivables. Increase in loans and tax liabilities played the most significant role in the increase in liabilities.

Net borrowing of the social security funds was HUF 35 billion in 2018 Q3. The sub-sector's assets declined due to a decrease in tax receivables. The increase in social security funds' liabilities reflected borrowing from central government during the quarter.



2018 Q3 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households was equivalent to 6.2 per cent (HUF 2,514 billion) of quarterly GDP in the four quarters to 2018 Q3 and to 4.9 per cent (HUF 524 billion) of quarterly GDP in 2018 Q3.

Within households' financial assets, there was a significant increase in currency, current account deposits and debt securities issued by central government, due to transactions. The increase was less pronounced in shares and other equities, insurance technical reserves and other accounts receivable. By contrast, domestic mutual fund shares and time deposits decreased.

Within households' financial liabilities, the stock of forint housing loans rose significantly due to transactions, and that of consumer loans and other loans also increased in 2018 Q3. In the case of loans from other financial corporations, both consumer loans and housing loans dropped slightly. Other accounts payable of households decreased slightly due to payments of taxes.

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 Q3 will be published on 28 December 2018.

Tables

Main data of the institutional sectors

	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3
Net lending, quarterly transactions, billion HUF													
General government (S.13)	-118	-222	201	-9	75	-871	262	-21	-300	-800	-63	-100	52
Households (S.14)	497	662	394	473	266	534	333	517	356	787	572	630	524
Net lending of last four quarters, billion HUF													
General government (S.13)	-695	-683	-252	-148	44	-605	-543	-555	-930	-859	-1 185	-1 264	-913
Households (S.14)	2 591	2 734	2 115	2 025	1 794	1 667	1 606	1 650	1 739	1 993	2 232	2 346	2 514
Consolidated gross debt of the general government, billion HUF													
General government (S.13)	26 092	25 665	26 411	26 190	26 145	26 172	26 690	26 923	26 969	27 359	28 045	28 743	28 927
Quarterly changes in consolidated gross debt of the general government, billion HUF													
changes in debt	111	-428	746	-221	-45	27	517	234	46	391	686	698	184
of which: transactions	173	-514	746	-278	132	-25	571	283	-7	338	627	376	277
revaluation	-62	87	0	57	-177	52	-57	-49	53	52	59	322	-92
other changes in volume	0	0	0	0	0	0	2	0	0	0	0	0	0
	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3
Net lending, quarterly transactions, percent of GDP													
General government (S.13)	-1,3	-2,3	2,6	-0,1	0,8	-9,0	3,1	-0,2	-3,1	-7,5	-0,7	-1,0	0,5
Households (S.14)	5,6	6,9	5,0	5,3	2,9	5,5	4,0	5,5	3,6	7,4	6,3	6,1	4,9
Net lending of last four quarters, percent of GDP													
General government (S.13)	-2,1	-2,0	-0,7	-0,4	0,1	-1,7	-1,5	-1,5	-2,5	-2,2	-3,0	-3,2	-2,2
Households (S.14)	7,7	8,0	6,1	5,8	5,1	4,7	4,5	4,5	4,7	5,2	5,7	5,9	6,2
Consolidated gross debt of the general government, percent of GDP													
General government (S.13)	77,6	74,7	76,3	74,7	74,0	73,8	74,1	73,4	72,1	71,3	71,7	71,8	70,9
Consolidated gross debt of the general government including Eximbank, percent of GDP													
General government including Eximbank	79,3	76,6	78,2	76,7	76,0	75,9	76,2	75,5	74,2	73,3	73,6	73,8	72,8

Methodological notes

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

Given that Hungarian Export-Import Bank Plc. (Eximbank) is a financial institution operating as a credit institution, the financial corporation sector (S.12), and within this the credit institutions sub-sector (S.122) contain its data in the statistical publications prepared by the MNB. However, within financial accounts statistics, the Maastricht debt of general government including Eximbank is also published as supplementary information. Due to the characteristics of financial intermediation, the inclusion of Eximbank's data does not significantly modify the net financial worth (or net liabilities) or net lending of general government in the periods when there was no capital increase by the government recorded as transfers.

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

Data on the stocks of other assets and other liabilities of the general government sector related to transfers from the European Union for 2018 Q3 are based on estimates. Consequently, these values may change in later publications.

3. Uncertainties related to 2018 Q3 data for households

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

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