

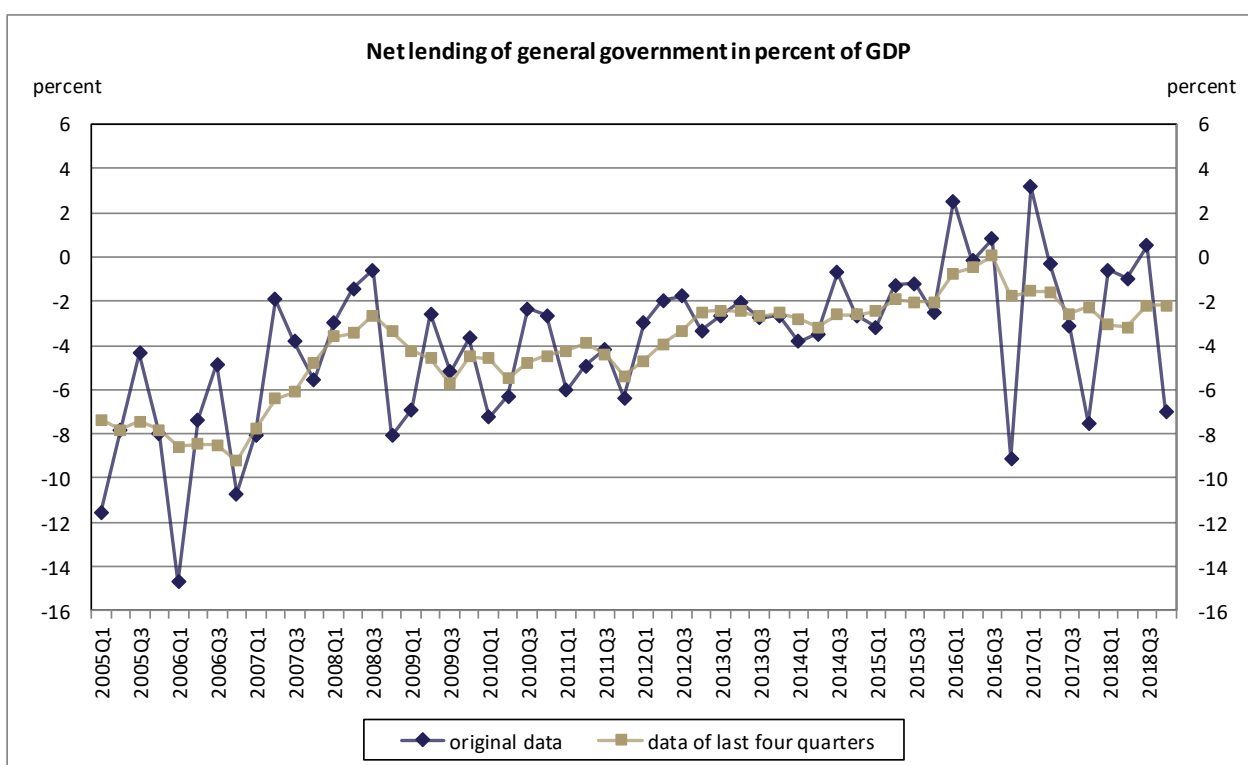


18 February 2019

PRESS RELEASE

Preliminary financial accounts for general government and households 2018 Q4

According to preliminary financial accounts data, general government net lending was equal to -2.2 per cent of Hungary's GDP in 2018. General government consolidated gross debt at nominal value was 69 per cent of GDP at the end of 2018. According to preliminary financial accounts data, net lending of households was equivalent to 5.9 per cent of GDP in 2018.

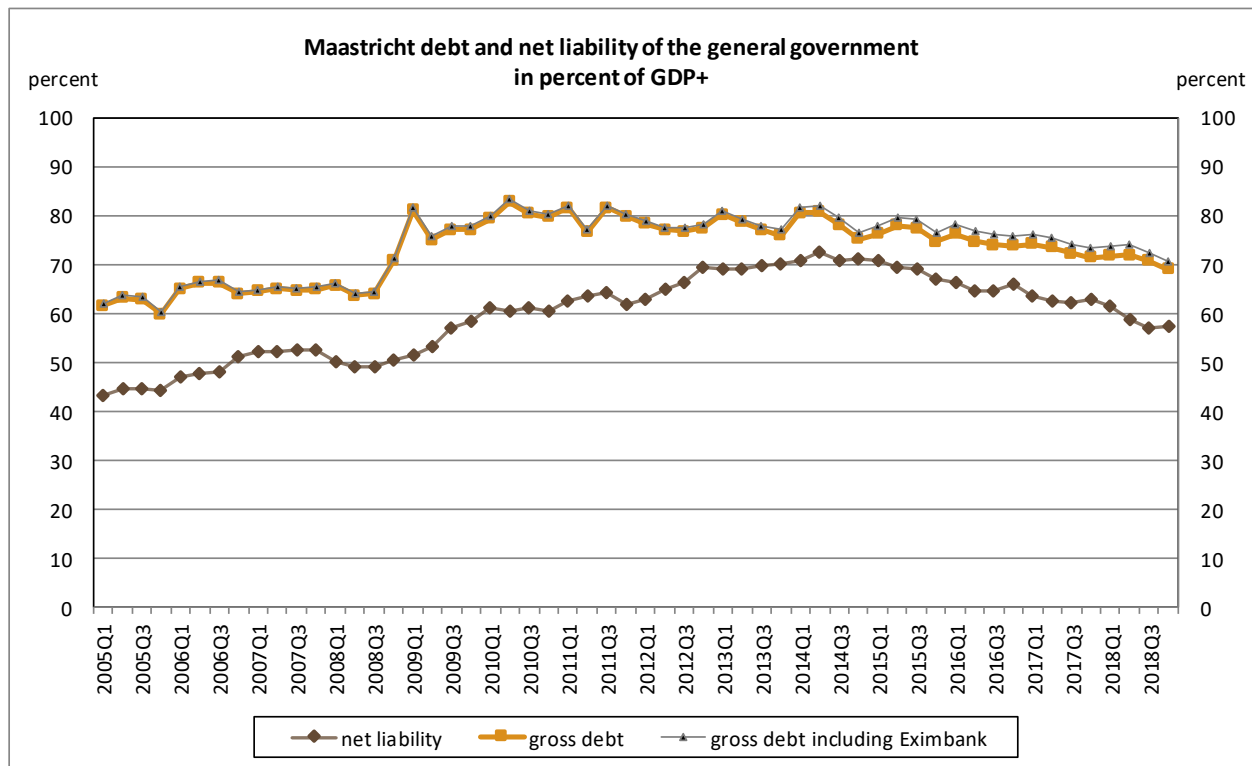


2018 Q4 data are based on the MNB's own GDP estimate.

According to financial accounts data, general government net lending amounted to HUF -925 billion or -2.2 per cent of GDP in 2018. General government net lending calculated from the financing side (HUF -823 billion) was equal to -7.0 per cent of quarterly GDP in 2018 Q4.

At the end of 2018, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 29,032 billion, equivalent to 69.0 per cent of GDP. Transactions increased the debt by HUF 59 billion and revaluations

decreased it by HUF 44 billion in the reporting quarter. Including the debt of the Eximbank, the sector's Maastricht measure of debt was 70.9 per cent of GDP, 1.9 percentage point higher than the 69.0 per cent calculated on the basis of financial accounts methodology. Net liabilities of general government amounted to HUF 24,184 billion or 57.5 per cent of GDP at the end of 2018.



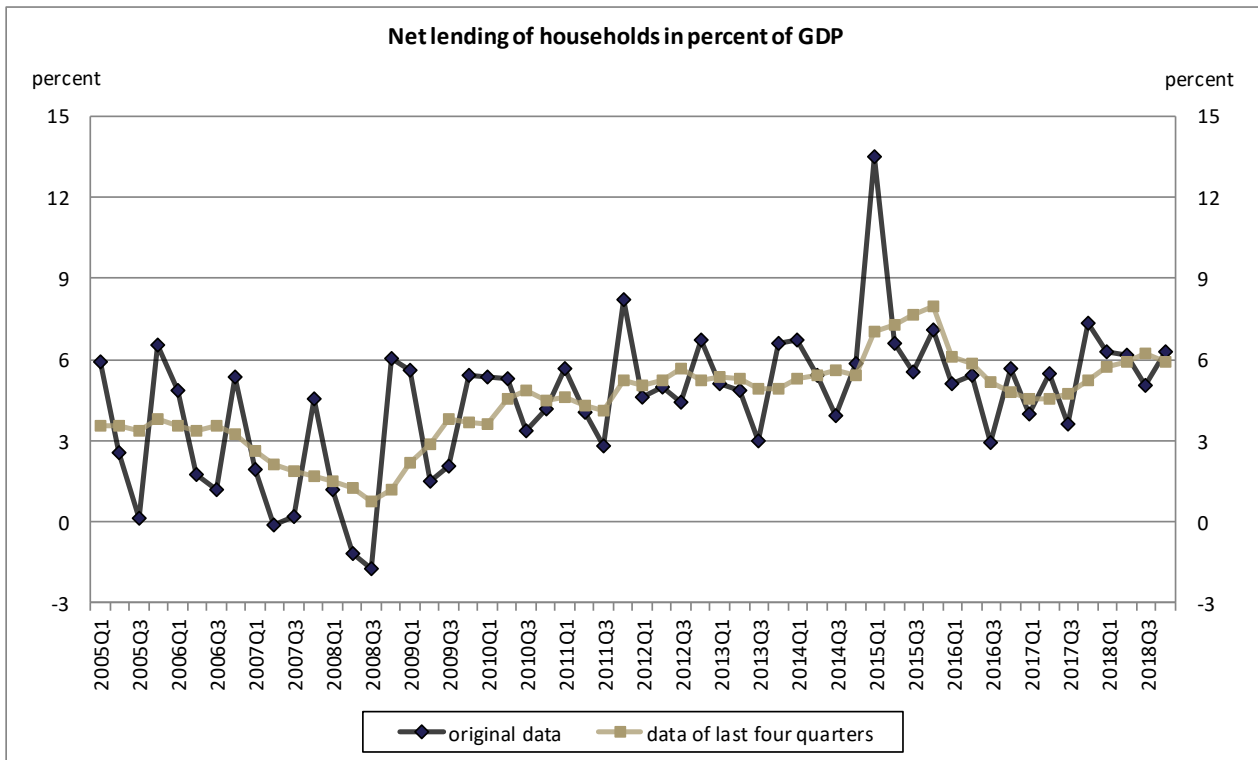
+ The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.8). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite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

2018 Q4 data are based on the MNB's own GDP estimate.

In 2018 Q4, net borrowing of central government amounted to HUF 898 billion. Overall, the financial assets decreased significantly, which mainly reflected in a sharp decline in other accounts receivable from the European Union, local governments and non-financial corporations. In 2018 Q4, only shares and deposits increased slightly, due to transactions. Other accounts payable played a dominant role in the increase in liabilities, primarily, liabilities to the European Union and non-financial corporations rose. Overall, there was only a slight decrease in the stock of loans and securities due to transactions; however, the change was more significant in distribution of partner sectors and short- and long-term financial instruments.

Net borrowing of local governments was HUF 9 billion in 2018 Q4. The sector's financial assets and liabilities declined almost equally. On the assets side, mainly the stocks of deposits with credit institutions declined significantly. Their other liabilities to the central government and non-financial corporations declined substantially. Only loan liabilities showed a modest increase due to transactions.

Net lending of the social security funds was HUF 84 billion. Of their financial assets, their claims from households grew substantially, while within their liabilities, outstanding borrowing from the central government fell.



2018 Q4 data are based on the MNB's own GDP estimate.

According to financial accounts data, net lending of households was equivalent to 5.9 per cent (HUF 2,500 billion) of GDP in 2018 and 6.3 per cent (HUF 735 billion) of quarterly GDP in 2018 Q4.

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 insurance technical reserves and other accounts receivable. By contrast, shares and other equities decreased.

Within households' financial liabilities, the stock of forint housing loans from credit institutions rose significantly due to transactions, and that of consumer loans and other loans also increased in 2018 Q4. In the case of loans from other financial corporations, both consumer loans and housing loans dropped slightly. Other financial corporations sold household loans to credit institutions, which had an impact on the distribution of loan transactions between credit institutions and other financial corporations. Other accounts payable of households increased considerably.

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 Q4 will be published on 1 April 2019.

Tables

	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4
Net lending, quarterly transactions, billion HUF													
General government (S.13)	-243	197	-14	72	-886	265	-28	-308	-803	-55	-102	56	-823
Households (S.14)	683	397	478	268	549	335	519	358	785	575	642	549	735
Net lending of last four quarters, billion HUF													
General government (S.13)	-699	-261	-168	12	-630	-562	-576	-957	-874	-1 195	-1 269	-905	-925
Households (S.14)	2 749	2 123	2 045	1 826	1 692	1 630	1 671	1 760	1 996	2 236	2 359	2 550	2 500
Consolidated gross debt of the general government, billion HUF													
General government (S.13)	25 694	26 444	26 228	26 186	26 227	26 745	26 982	27 032	27 422	28 110	28 820	29 017	29 032
Quarterly changes in consolidated gross debt of the general government, billion HUF													
changes in debt	-407	749	-215	-43	42	517	237	50	390	688	710	197	15
of which: transactions	-493	750	-273	134	-10	568	287	-3	337	629	389	289	59
revaluation	87	0	57	-177	52	-57	-49	53	52	59	322	-93	-44
other changes in volume	0	0	0	0	0	5	0	0	0	0	0	0	0
	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4
Net lending, quarterly transactions, percent of GDP													
General government (S.13)	-2,5	2,5	-0,2	0,8	-9,1	3,2	-0,3	-3,1	-7,5	-0,6	-1,0	0,5	-7,0
Households (S.14)	7,1	5,1	5,4	3,0	5,6	4,0	5,5	3,6	7,4	6,3	6,2	5,1	6,3
Net lending of last four quarters, percent of GDP													
General government (S.13)	-2,0	-0,8	-0,5	0,0	-1,8	-1,6	-1,6	-2,6	-2,3	-3,1	-3,2	-2,2	-2,2
Households (S.14)	8,0	6,1	5,8	5,2	4,8	4,5	4,6	4,7	5,2	5,7	5,9	6,2	5,9
Consolidated gross debt of the general government, percent of GDP													
General government (S.13)	74,7	76,4	74,8	74,1	73,9	74,2	73,6	72,3	71,5	71,9	72,0	70,7	69,0
Consolidated gross debt of the general government including Eximbank, percent of GDP													
General government including Eximbank	76,7	78,3	76,8	76,1	76,0	76,3	75,7	74,3	73,4	73,7	74,0	72,6	70,9

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 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 Q4 are based on estimates. Consequently, these values may change in later publications.

3. Uncertainties related to 2018 Q4 data for households

In compiling preliminary household sector data for 2018 Q4, 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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