

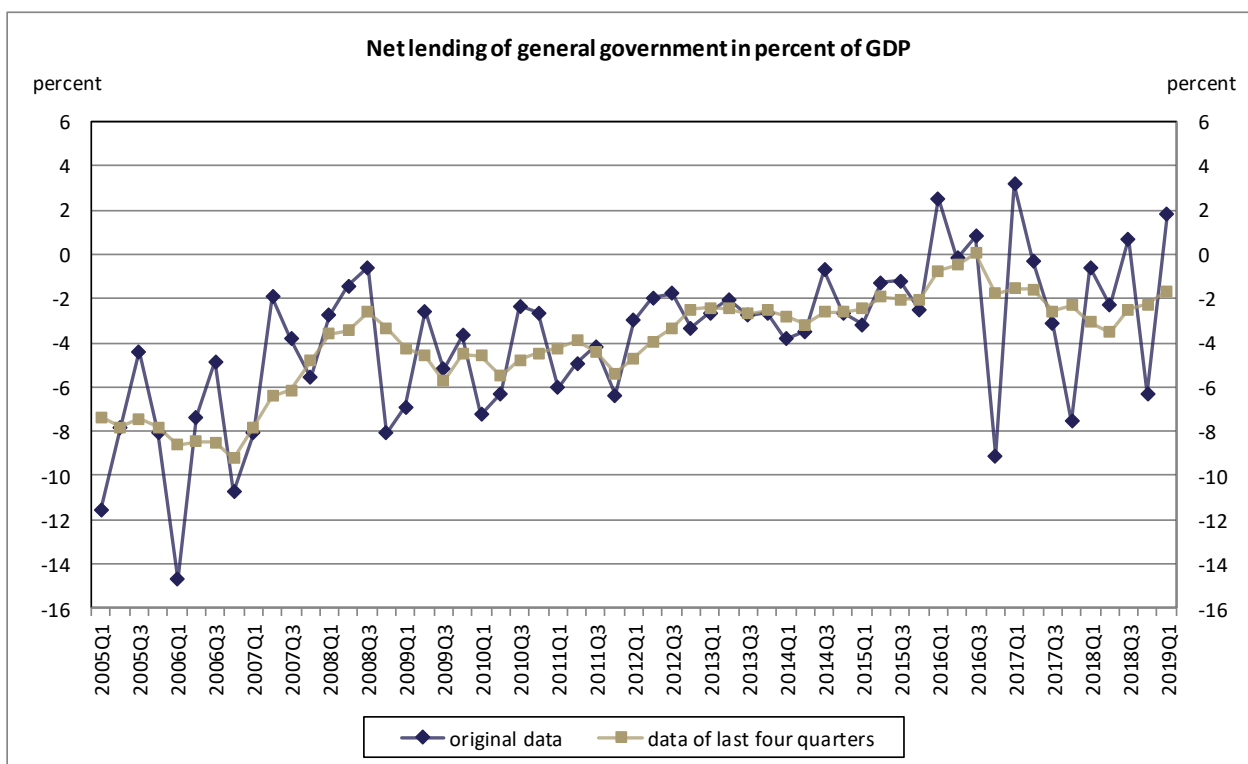


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PRESS RELEASE

Preliminary financial accounts for general government and households 2019 Q1

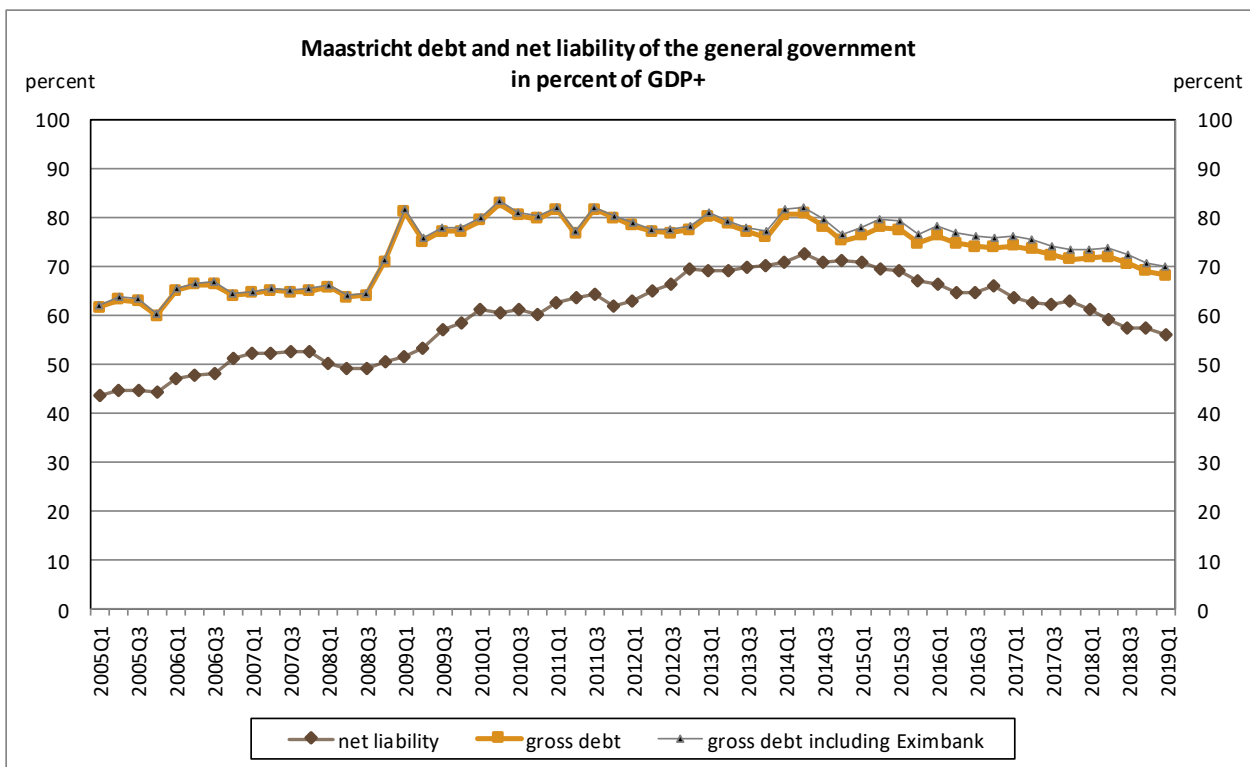
According to preliminary financial accounts data, general government net lending was equal to -1.7 per cent of Hungary's GDP in the four quarters to 2019 Q1. General government consolidated gross debt at nominal value was 68.3 per cent of GDP at the end of 2019 Q1. Including the debt of the Eximbank, the sector's debt was 70.1 per cent of GDP. According to preliminary financial accounts data, net lending of households was equivalent to 5.3 per cent of GDP in the four quarters to 2019 Q1.



2019 Q1 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -721 billion or -1.7 per cent of GDP in the four quarters to 2019 Q1. General government net lending calculated from the financing side (HUF 182 billion) was equal to 1.8 per cent of quarterly GDP in 2019 Q1.

At the end of 2019 Q1, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 29,382 billion, equivalent to 68.3 per cent of GDP. Transactions and revaluations increased the stock of government debt by HUF 320 billion and HUF 20 billion, respectively, in the quarter. Including the debt of the Eximbank, the sector's Maastricht measure of debt was 70.1 per cent of GDP, 1.8 percentage point higher than the 68.3 per cent calculated on the basis of financial accounts methodology. Net liabilities of general government amounted to HUF 24132 billion or 56.1 per cent of GDP at the end of 2019 Q1.



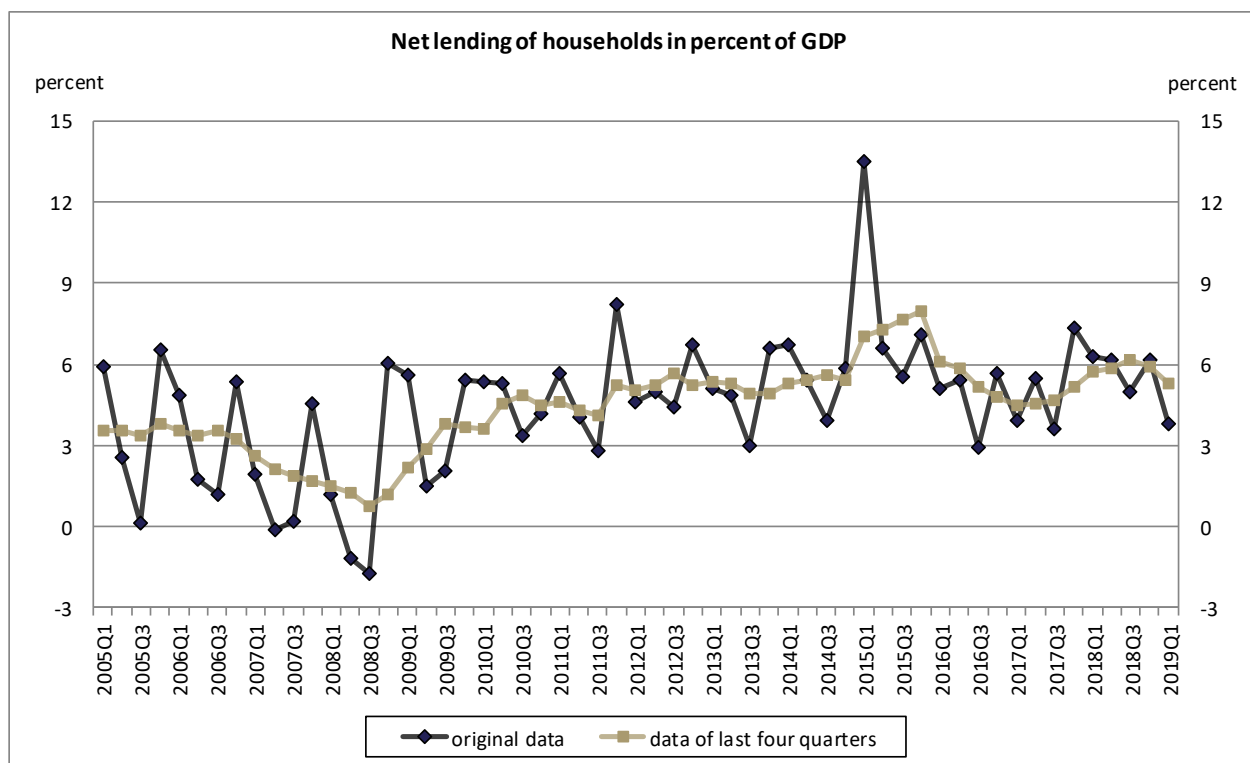
+ The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.8). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite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

2019 Q1 data are based on the MNB's own GDP estimate.

In 2019 Q1, net borrowing of central government amounted to HUF 46 billion. Within the increase in its financial assets due to transactions, in the stock of the deposits with the central bank was the most significant. There was also a modest increase in long-term loans and other accounts receivable due to transactions, and the stocks of securities held by the central government and short-term loans declined. There was also remarkable purchase of shares in the quarter. On the liabilities side there was a substantial bond issuance in 2019 Q1. Primarily credit institutions and the household sector exhibited signs of significant demand; furthermore there was also a considerable increase in the stocks of government securities held by local governments due to transactions. However, the stock of issued Treasury bills declined significantly due to transactions: there were net repayments of Treasury bills by all partner sectors, excluding financial corporations. There was also a modest amount of borrowing during the quarter, which mainly affected the stock of short-term loans vis-à-vis non-residents. The stock of other liabilities declined sharply, mainly due to payables relating to EU transfers.

Net lending of local governments was HUF 242 billion in 2019 Q1. Due to transactions, the sector's financial assets rose significantly, which was reflected by the increase in deposits with credit institutions on the one hand, and the significant amount of purchases of government securities, on the other. On the liabilities side, short-term loans were repaid and only their other liabilities grew slightly, which was due to their other accounts payable relating to taxes vis-à-vis corporations.

Net borrowing of the social security funds was HUF 14 billion. On the assets side, their deposits with central government and other accounts receivable primarily related to social contributions declined. On the liabilities side, there was a substantial decrease in the stock of short-term loans by the central government.



2019 Q1 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households was equivalent to 5.3 per cent of quarterly GDP (HUF 2291 billion) in the four quarters to 2019 Q1 and to 3.8 per cent of quarterly GDP (HUF 385 billion) in 2019 Q1.

Within households' financial assets, there was a significant increase in debt securities issued by the central government, due to transactions. The increase was less pronounced in deposits, insurance technical reserves and other accounts receivable. By contrast, currency 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, but to a lesser degree, in 2019 Q1. In the case of loans from other financial corporations, consumer loans dropped slightly, and housing loans remained broadly unchanged. Other liabilities of households decreased 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 2019 Q1 will be published on 1 July 2019.

Tables

Main data of the institutional sectors

	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Net lending, quarterly transactions, billion HUF													
General government (S.13)	197	-14	72	-886	265	-29	-309	-807	-55	-239	74	-738	182
Households (S.14)	397	478	268	549	330	518	358	784	575	638	543	724	385
Net lending of last four quarters, billion HUF													
General government (S.13)	-261	-168	12	-630	-563	-577	-958	-880	-1 199	-1 410	-1 027	-958	-721
Households (S.14)	2 123	2 045	1 826	1 692	1 624	1 664	1 754	1 990	2 235	2 356	2 540	2 480	2 291
Consolidated gross debt of the general government, billion HUF													
General government (S.13)	26 444	26 228	26 186	26 227	26 745	26 982	27 032	27 422	28 110	28 820	29 017	29 042	29 382
Quarterly changes in consolidated gross debt of the general government, billion HUF													
changes in debt	749	-215	-43	42	517	237	50	390	688	710	197	24	340
of which: transactions	750	-273	134	-10	568	287	-3	337	629	389	289	68	320
revaluation	0	57	-177	52	-57	-49	53	52	59	322	-93	-44	20
other changes in volume	0	0	0	0	5	0	0	0	0	0	0	0	0
	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1
Net lending, quarterly transactions, percent of GDP													
General government (S.13)	2,5	-0,2	0,8	-9,1	3,2	-0,3	-3,1	-7,6	-0,6	-2,3	0,7	-6,3	1,8
Households (S.14)	5,1	5,4	3,0	5,6	3,9	5,5	3,6	7,3	6,3	6,2	5,0	6,2	3,8
Net lending of last four quarters, percent of GDP													
General government (S.13)	-0,8	-0,5	0,0	-1,8	-1,6	-1,6	-2,6	-2,3	-3,1	-3,5	-2,5	-2,3	-1,7
Households (S.14)	6,1	5,8	5,2	4,8	4,5	4,5	4,7	5,2	5,7	5,9	6,2	5,9	5,3
Consolidated gross debt of the general government, percent of GDP													
General government (S.13)	76,4	74,8	74,1	73,9	74,2	73,6	72,3	71,5	71,8	72,0	70,7	69,0	68,3
Consolidated gross debt of the general government including Eximbank, percent of GDP													
General government including Eximbank	78,3	76,8	76,1	76,0	76,3	75,7	74,3	73,4	73,7	74,0	72,5	70,8	70,1

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 2019 Q1 are based on estimates. Consequently, these values may change in later publications.

3 Uncertainties related to 2019 Q1 data for households

In compiling preliminary household sector data for 2019 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](#)

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