

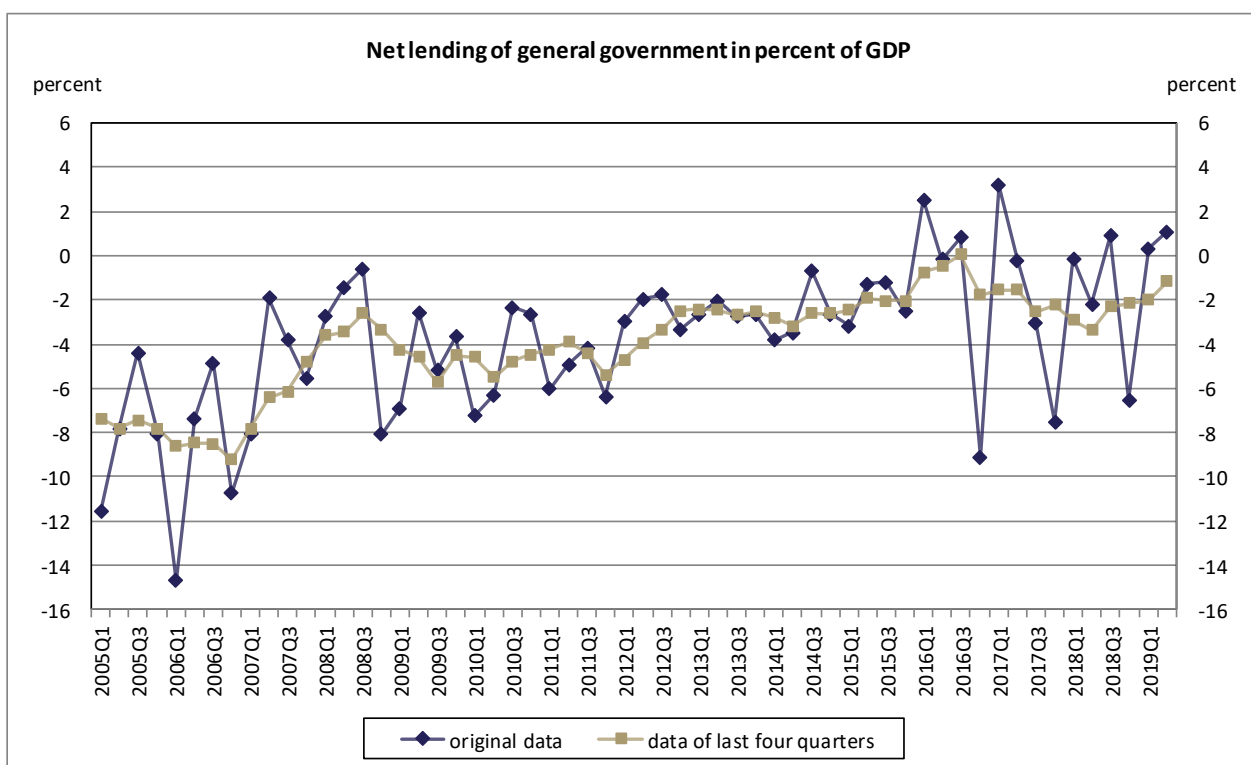


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## PRESS RELEASE

### Preliminary financial accounts for general government and households 2019 Q2

*According to preliminary financial accounts data, general government net lending was equal to -1.2 per cent of Hungary's GDP in the four quarters to 2019 Q2. General government consolidated gross debt at nominal value was 67.0 per cent of GDP at the end of 2019 Q2. Including the debt of the Eximbank, the sector's debt was 68.7 per cent of GDP. According to preliminary financial accounts data, net lending of households was equivalent to 5.2 per cent of GDP in the four quarters to 2019 Q2.*

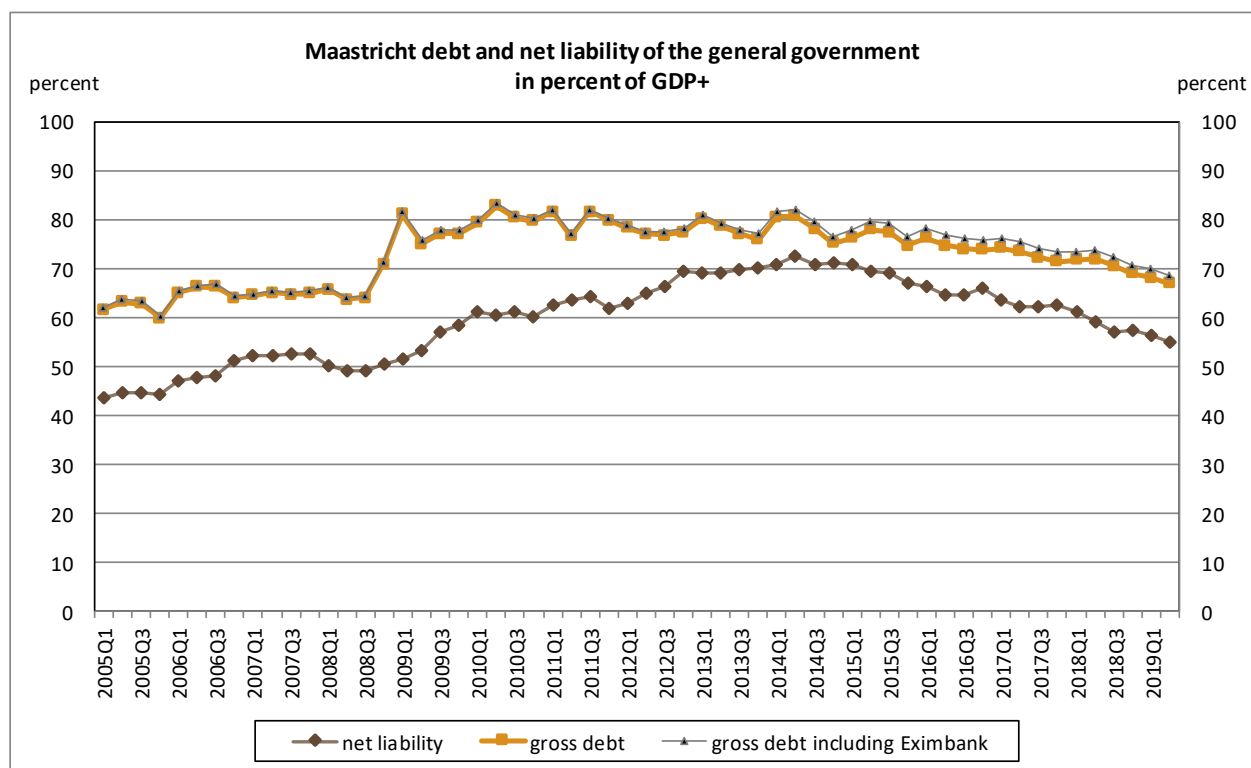


2019 Q2 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -517 billion or -1.2 per cent of GDP in the four quarters to 2019 Q2. General government net lending calculated from the financing side (HUF 120 billion) amounted to 1.1 per cent of quarterly GDP in 2019 Q2.

At the end of 2019 Q2, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 29519 billion, equivalent to 67.0 per cent of GDP. Transactions and revaluations increased the stock of government

debt by HUF 113 billion and HUF 47 billion, respectively, in the quarter. Including the debt of the Eximbank, the sector's Maastricht measure of debt was 68.7 per cent of GDP, 1.7 percentage point higher than the 67.0 per cent calculated on the basis of financial accounts methodology. Net liabilities of the general government amounted to HUF 24,198 billion or 54.9 per cent of GDP at the end of 2019 Q2.



+ 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.

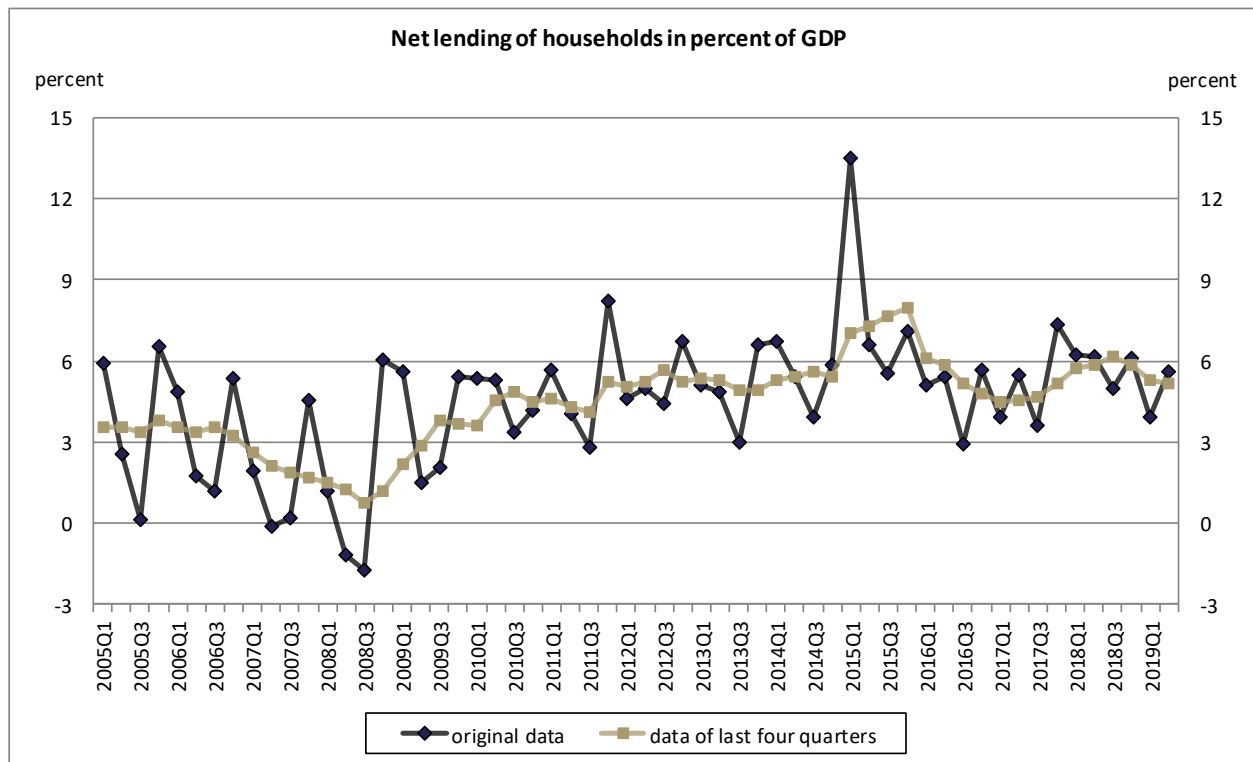
2019 Q2 data are based on the MNB's own GDP estimate.

In 2019 Q2, net lending of central government amounted to HUF 179 billion. Within financial assets, deposits placed with credit institutions significantly increased due to transactions, and assets related to transfers from the European Union also rose sharply. There was also a modest increase in long-term loans and tax receivables due to transactions, and the stocks of securities and of shares held by the central government declined. On the liabilities side, there was a substantial bond issuance in 2019 Q2. Primarily the household sector exhibited signs of significant demand, but non-residents made also a significant number of purchases. By contrast, there were net repayments by financial corporations. However, the stock of issued Treasury bills declined significantly due to transactions: there were large net repayments of Treasury bills by the household sector. With the two divergent trends basically offsetting each other, the stock of debt securities remained broadly unchanged, due to transactions, in the quarter. However, the stock of other liabilities rose slightly. Here, their accounts payable vis-à-vis non-financial corporations increased.

Net borrowing of local governments was HUF 77 billion in 2019 Q2. Within the sector's financial assets, deposits placed with credit institutions fell significantly, and debt securities decreased. Only the other, primarily tax related, assets rose slightly. A decline in their other liabilities played a crucial role in the decrease in their liabilities, which

was attributable to accounts payable relating to taxes vis-à-vis corporations on the one hand, and advances of subsidies from the central government, on the other.

Net lending of the social security funds was HUF 18 billion. On the assets side, their deposits with central government rose, and their liabilities remained broadly unchanged due to transactions.



2019 Q2 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households was equivalent to 5.2 per cent (HUF 2287 billion) of quarterly GDP in the four quarters to 2019 Q2 and to 5.6 per cent (HUF 638 billion) of quarterly GDP in 2019 Q2.

Within households' financial assets, the increase in the stock of long-term government securities, due to transactions, was outstanding in 2019 Q2. Currency, current account deposits and equity-type assets vis-à-vis corporations rose significantly, but the increase was less pronounced in pension fund reserves and other accounts receivable. However, the stocks of short-term government securities and mutual fund shares dropped significantly, and there was a more modest decline in time deposits.

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 Q2. Loans from other financial corporations increased slightly. Other liabilities of households increased considerably.

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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 2019 Q2 will be published on 1 October 2019.

## Tables

### Main data of the institutional sectors

	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
<b>Net lending, quarterly transactions, billion HUF</b>													
General government (S.13)	-14	72	-886	265	-22	-302	-800	-13	-228	96	-764	31	120
Households (S.14)	479	269	549	329	517	358	784	573	636	541	711	397	638
<b>Net lending of last four quarters, billion HUF</b>													
General government (S.13)	-168	12	-630	-563	-570	-945	-859	-1 137	-1 343	-945	-909	-865	-517
Households (S.14)	2 046	1 827	1 694	1 625	1 664	1 753	1 989	2 233	2 352	2 535	2 462	2 286	2 287
<b>Consolidated gross debt of the general government, billion HUF</b>													
General government (S.13)	26 228	26 186	26 227	26 745	26 982	27 032	27 422	28 110	28 821	29 017	29 040	29 358	29 519
<b>Quarterly changes in consolidated gross debt of the general government, billion HUF</b>													
changes in debt	-215	-43	42	517	237	50	390	688	710	197	23	318	160
of which: transactions	-273	134	-10	568	287	-3	337	629	389	289	67	298	113
revaluation	57	-177	52	-57	-49	53	52	59	322	-93	-44	20	47
other changes in volume	0	0	0	5	0	0	0	0	0	0	0	0	0
	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
<b>Net lending, quarterly transactions, percent of GDP</b>													
General government (S.13)	-0,2	0,8	-9,1	3,2	-0,2	-3,1	-7,5	-0,1	-2,2	0,9	-6,5	0,3	1,1
Households (S.14)	5,4	3,0	5,7	3,9	5,5	3,6	7,3	6,3	6,1	5,0	6,1	3,9	5,6
<b>Net lending of last four quarters, percent of GDP</b>													
General government (S.13)	-0,5	0,0	-1,8	-1,6	-1,6	-2,5	-2,2	-2,9	-3,4	-2,3	-2,2	-2,0	-1,2
Households (S.14)	5,8	5,2	4,8	4,5	4,5	4,7	5,2	5,7	5,9	6,2	5,9	5,3	5,2
<b>Consolidated gross debt of the general government, percent of GDP</b>													
General government (S.13)	74,8	74,1	73,9	74,2	73,6	72,3	71,5	71,8	72,0	70,7	69,0	68,2	67,0
<b>Consolidated gross debt of the general government including Eximbank, percent of GDP</b>													
General government including Eximbank	76,8	76,1	76,0	76,3	75,7	74,3	73,4	73,7	74,0	72,5	70,8	70,0	68,7

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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 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. The impact of dividend payments by the Magyar Nemzeti Bank on the central government's net lending

The Magyar Nemzeti Bank made dividend payments of HUF 50 billion to the central government in 2019 Q2. From the 2018 central bank profit HUF 11.6 billion was realised from transactions in statistical terms (i.e. not from revaluation), as a result, dividend payments increased net lending of central government by HUF 11.6 billion in 2019 Q2. The other HUF 38.4 billion was recorded as capital withdrawal, which had no effect on the central government's net lending.

### 3. 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 Q2 are based on estimates. Consequently, these values may change in later publications.

### 4. Uncertainties related to 2019 Q2 data for households

In compiling preliminary household sector data for 2019 Q2, 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.

### 5. General revision of financial accounts time series

As part of the five-yearly general revision of national accounts, including the entire publication period, financial accounts data will also be revised, and the results will be presented in the financial accounts time series to be published on 1 October 2019.

References:

[Data](#)

[Financial accounts manual](#)

[Methodological notes](#)

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