



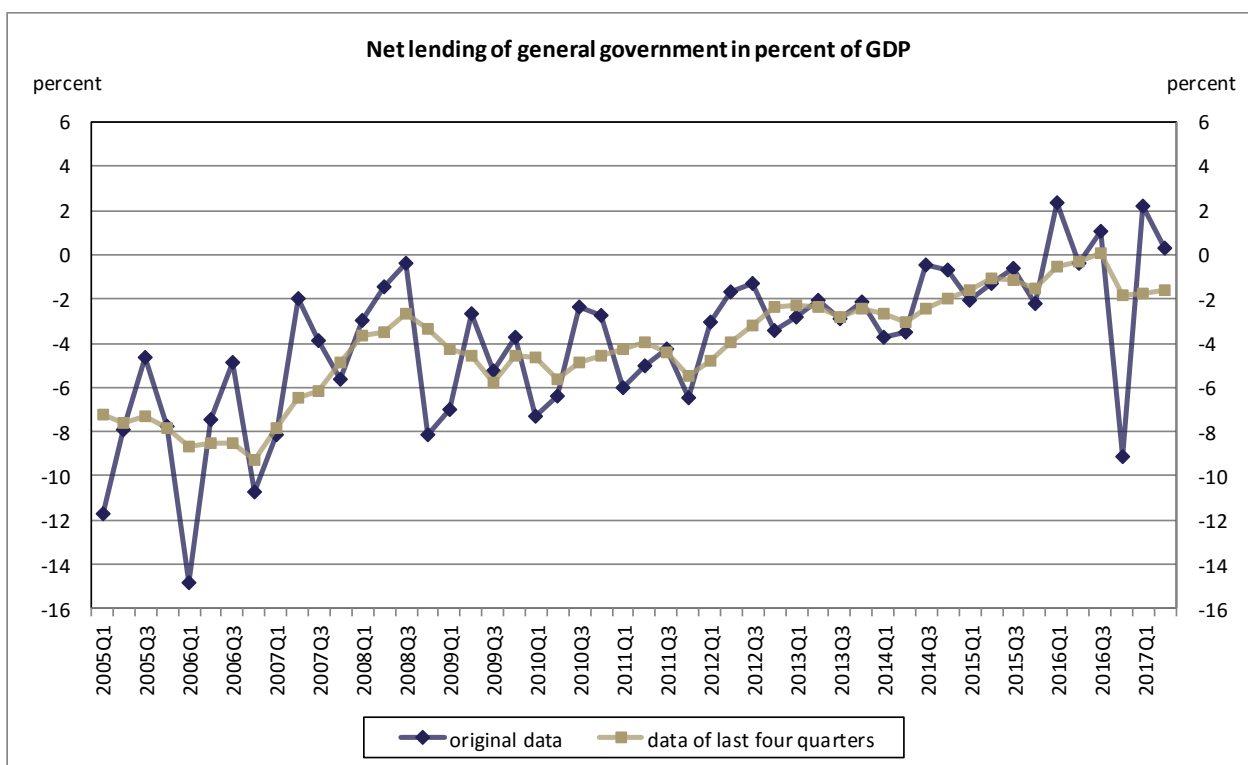
17 August 2017

PRESS RELEASE

Preliminary financial accounts for general government and households

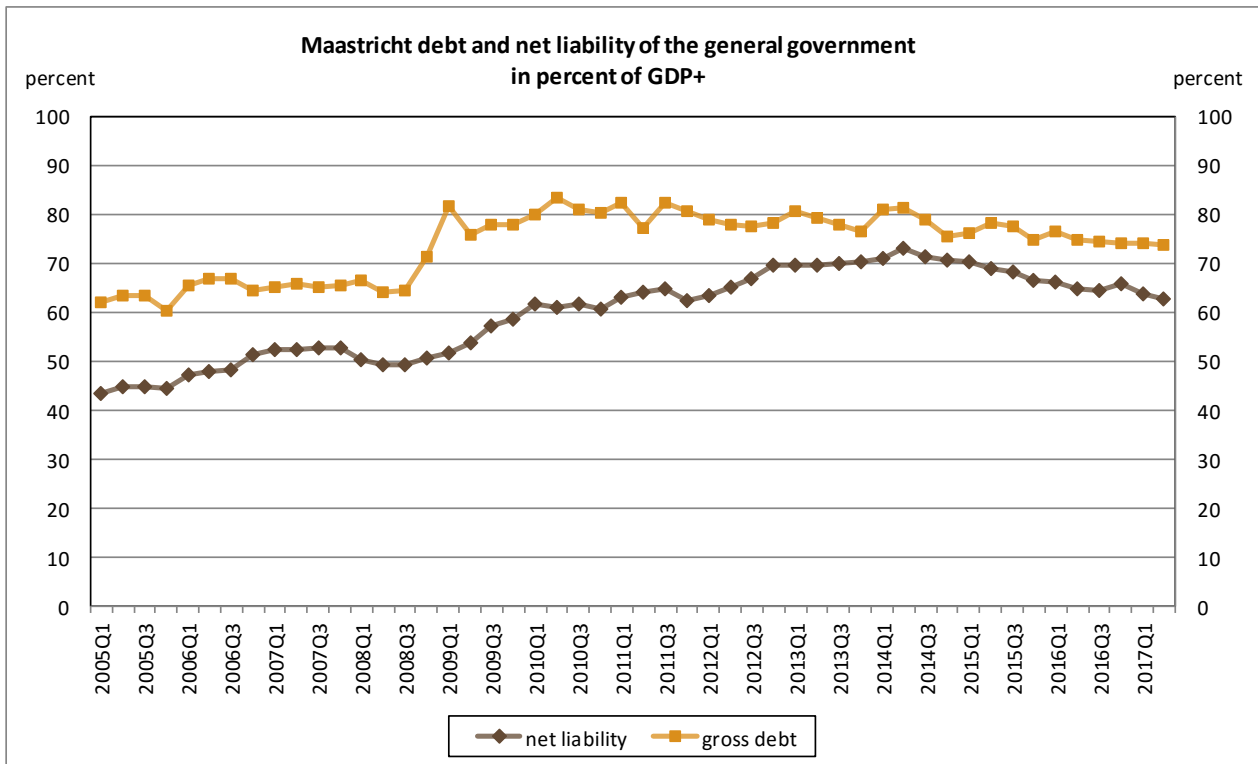
2017 Q2

According to preliminary financial accounts data, general government net lending was equal to -1.6 per cent of Hungary's GDP in the four quarters to 2017 Q2. General government consolidated gross debt at nominal value was 74.0 per cent of GDP at the end of 2017 Q2. According to preliminary financial accounts data, net lending of households was equivalent to 4.3 per cent of GDP in the four quarters to 2017 Q2.



2017 Q2 data are based on the MNB's own GDP estimate.

According to preliminary data, general government net lending amounted to HUF -574 billion or -1.6 per cent of GDP in the four quarters to 2017 Q2. General government net lending calculated from the financing side (HUF 28 billion) was equal to 0.3 per cent of quarterly GDP in 2017 Q2. At the end of 2017 Q2, general government consolidated gross debt at nominal value (or Maastricht debt) was HUF 26,706 billion, equivalent to 74.0 per cent of GDP. Transactions contributed HUF 305 billion to the increase in government debt calculated at current prices, which was reduced by HUF 49 billion due to the downward revaluation of foreign currency debt. Net liabilities of general government amounted to HUF 22,640 billion or 62.7 per cent of GDP at the end of 2017 Q2.



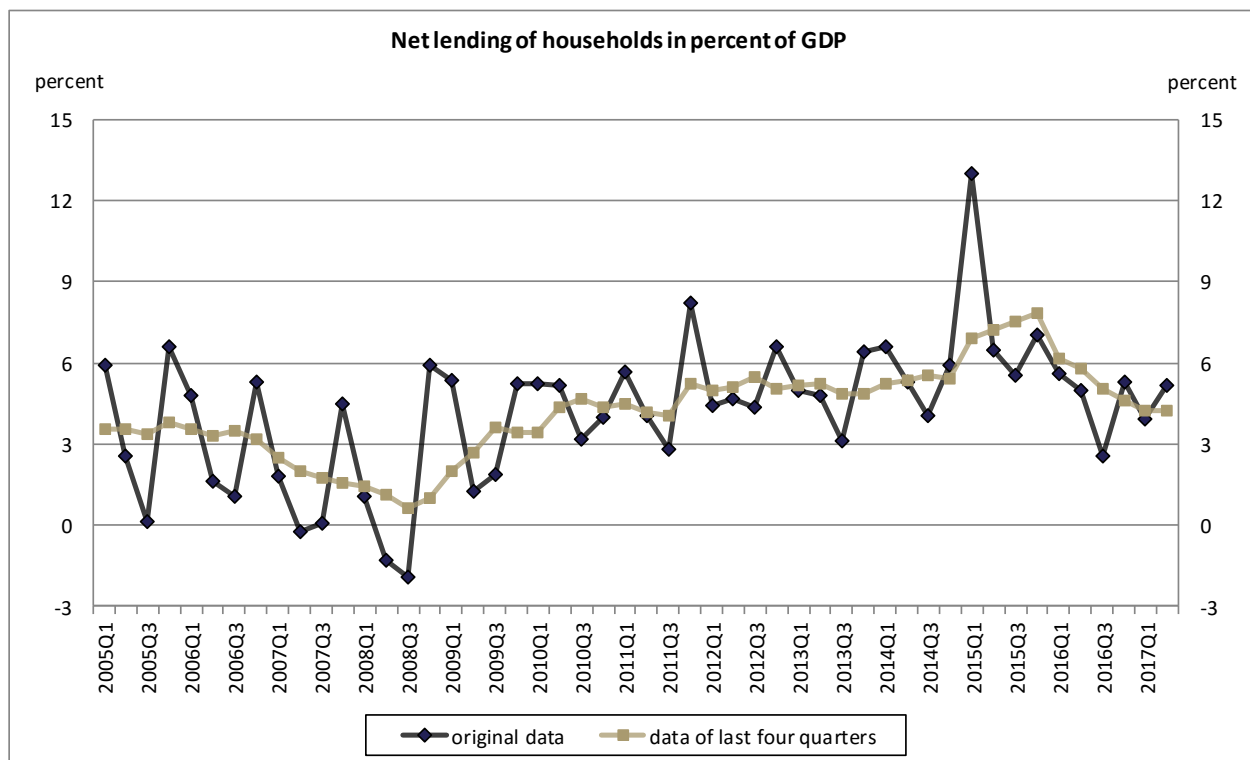
* The Maastricht measure of general government debt is defined as the sector's consolidated gross debt at nominal value, excluding other liabilities (AF.8). Net liability is equal to net worth (i.e. the difference between the market values of total financial assets and total liabilities) with the opposite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

2017 Q2 data are based on the MNB's own GDP estimate.

In 2017 Q2, net lending of central government amounted to HUF 51 billion. On the assets side of the sub-sector's balance sheet, there was a significant increase in other financial assets, and particularly in claims on the European Union as well as in trade credits and advances granted to non-financial corporations. Although much less sharply, the stock of loans granted by central government also rose. This increase in assets due to transactions was partly offset by the significant decline in the stocks of deposits with the central bank and credit institutions. On the liabilities side, the stock of long-term securities increased significantly due to transactions, as seen in the previous month, with households and local governments being the main lending sectors. By contrast, the amount of government securities held by the non-resident sector decreased further due to transactions. In respect of short-term securities, there was significant demand only from credit institutions, with other sectors being net sellers. Loans and financial derivatives fell slightly. Trade credits accounted for most of the modest increase in other liabilities.

Net lending of local governments was HUF 32 billion in 2017 Q2. Within the sub-sector's financial assets, investments by local governments in government bonds increased significantly, while there were net sales of Treasury bills. Other financial assets of the sub-sector also increased slightly; however, this mainly affected tax receivables from non-financial corporations. On the liabilities side, short-term loans from central government rose; and there was an increase in other liabilities to central government. The latter was offset by a decline in tax liabilities. As a result, other liabilities of local governments remained broadly unchanged.

Net borrowing of the social security funds was HUF 56 billion in 2017 Q2. On the assets side of the sub-sector's balance sheet, contribution receivables from households increased. On the liabilities side, only the stock of short-term loans by central government increased significantly.



2017 Q2 data are based on the MNB's own GDP estimate.

According to preliminary financial accounts data, net lending of households was equivalent to 4.3 per cent (HUF 1,540 billion) of GDP in the four quarters to 2017 Q2 and 5.1 per cent (HUF 474 billion) of quarterly GDP in 2017 Q2. Within households' financial assets, currency and current account deposits increased most strongly. Net withdrawals from time deposits continued. Demand for government securities continued to be strong. In particular, investments in long-term securities increased, accompanied by net sales of short-term securities in the second quarter. Households also increased their holdings of mutual fund shares due to transactions. Although the stock of money market fund shares continued to decline, this was offset by investments in non-money market fund shares. Life insurance reserves continued to rise in the quarter, which primarily affected pension fund reserves.

Loan liabilities of the household sector increased in 2017 Q2 due to transactions. There continued to be net borrowing in the case of both housing loans and consumer and other loans.

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 2017 Q2 will be published on 2 October 2017.

Tables

Main data of the institutional sectors

	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2
Net lending, quarterly transactions, billion HUF													
General government (S.13)	-279	-39	-59	-157	-110	-51	-209	180	-36	94	-878	182	28
Households (S.14)	422	339	523	977	541	486	660	429	437	233	508	325	474
Net lending of last four quarters, billion HUF													
General government (S.13)	-951	-764	-646	-534	-364	-377	-527	-190	-116	29	-640	-638	-574
Households (S.14)	1 666	1 764	1 762	2 262	2 381	2 527	2 664	2 116	2 012	1 759	1 607	1 503	1 540
Consolidated gross debt of the general government, billion HUF													
General government (S.13)	25 420	25 084	24 514	24 986	25 887	25 921	25 403	26 157	25 909	25 883	25 922	26 451	26 706
Quarterly changes in consolidated gross debt of the general government, billion HUF													
changes in debt	505	-336	-570	471	902	34	-518	754	-248	-26	40	528	256
of which: transactions	433	-340	-700	896	396	95	-606	754	-305	150	-12	585	305
revaluation	72	7	131	-434	506	-62	88	0	57	-176	52	-56	-49
other changes in volume	0	-3	0	9	0	0	0	0	0	0	0	0	0
	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2
Net lending, quarterly transactions, percent of GDP													
General government (S.13)	-3,5	-0,5	-0,7	-2,1	-1,3	-0,6	-2,2	2,3	-0,4	1,0	-9,1	2,2	0,3
Households (S.14)	5,3	4,0	5,9	13,0	6,5	5,6	7,0	5,6	5,0	2,6	5,3	3,9	5,1
Net lending of last four quarters, percent of GDP													
General government (S.13)	-3,1	-2,4	-2,0	-1,6	-1,1	-1,1	-1,5	-0,6	-0,3	0,1	-1,8	-1,8	-1,6
Households (S.14)	5,3	5,6	5,4	6,9	7,2	7,6	7,8	6,2	5,8	5,1	4,6	4,2	4,3
Consolidated gross debt of the general government, percent of GDP													
General government (S.13)	81,6	78,9	75,7	76,4	78,3	77,5	74,7	76,6	75,0	74,4	74,1	74,3	74,0

Methodological notes

1 Changes to the collection of data on credit institutions

From 2017, the MNB introduced new data collections from credit institutions for statistical purposes, replacing the earlier joint supervisory and statistical reports. The framework of the new data collections made it possible to give greater effect to statistical methodological standards. As a result, the contents of individual instruments both in monetary balance sheet statistics and in the financial accounts have changed. These changes appeared in monetary statistics with the release of data for January 2017 and in the financial accounts with the release of preliminary data for 2017 Q1 for the first time. In the financial accounts, part of the changes has been backdated at the entire length of the time series, another part being carried over as other volume change in the stocks for the end of December 2016.

2 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 the first two quarters of 2017 are based on estimates. Therefore, these values may change in later publications.

3 Uncertainties related to 2017 Q2 data for households

In compiling preliminary household sector data for 2017 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.

References:

[Data](#)

[Financial accounts manual](#)

[Methodological notes](#)

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