

METHODOLOGICAL DIFFERENCES BETWEEN DATA PUBLICATIONS COMPILED FOR SUPERVISORY AND STATISTICAL PURPOSES WITH RESPECT TO CREDIT INSTITUTIONS

A number of the MNB's statistical releases and publications serving statistical and supervisory purposes on credit institutions address similar issues.

This document contains the reasons for the main differences in the below data released in publications on credit institutions:

1. Publications with supervisory purposes:

<https://statisztika.mnb.hu/adatok-idosorok>

Statistics -> Statistical Data and Information -> Statistical Time Series -> Supervisory statistics -> Supervisory banking statistics (latest)

-> Credit institutions' data

-> Time series of the credit institution' corporate lending activity

2. Publications with statistical purposes:

<https://statisztika.mnb.hu/adatok-idosorok>

Statistics -> Statistical Data and Information -> Statistical Time Series -> Balance sheets of financial institutions -> Press release – Other monetary financial institutions

	Publication with supervisory purposes	Publication with statistical purposes
Group of institutions shown	The publication titled 'Time series of the credit institution' corporate lending activity' only contains data on credit institutions. The publication of detailed data on the credit institution sector also contains data on financial enterprises treated as equivalent to credit institutions under prudential requirements in addition to data on credit institutions.	Typically, this press release contains data on all monetary financial institutions (MFIs), including the MNB, credit institutions and money market funds. (Contents different from this are shown in the titles of specific tables.)
Data on branches of resident credit institutions operating abroad	This publication also contains data on branches of Hungarian credit institutions operating abroad. Claims and liabilities between resident credit institution and its branch operating abroad are consolidated, these items are not shown in the reports.	Claims and liabilities linked to branches operating abroad are presented as items related to foreign credit institutions, these are not consolidated. The publication does not contain the individual data on foreign branches.

Valuation of stocks / how they are displayed	Book values in the accounting balance sheet (IFRS) are published based on the valuation principles of the IFRS. In certain publications, loans and deposits are presented at the gross book value.	Loans - including purchased loans from another financial institution, and those related to recent conversion of foreign exchange denominated loans into HUF - deposits and securities issued by the data provider are presented at (gross) principal value (excluding accrued interest). Other items in the balance sheet are shown at (net) book value in the publication.
Accrued interest	The book value of financial instruments in the balance sheet to be recorded at amortised costs, contains the amount of interest accrued using the effective interest rate method.	Accrued interest on loans, deposits and issued securities is shown in Remaining assets/Remaining liabilities.
Impairments and revaluation adjustments	The book values shown also include the amount of impairments and revaluation adjustments.	The amount of impairments and revaluation adjustments recognised in respect of assets side loans and deposits is transferred to the liabilities side with a positive sign and is presented together with provisions. As a result, with the amount of these items, the balance sheet total in the publication is more than the accounting balance sheet total reported by credit institutions.
The combination of claims and liabilities (netting)	Assets and liabilities are reported separately, they cannot be settled against one another (cannot be netted), unless a certain IFRS standard allows them to be netted or makes netting mandatory.	Assets and liabilities are reported separately, they cannot be settled against one another (cannot be netted), even if IFRS requirements allow netting.
Loans and deposits on the assets side	On the assets side, deposits placed by credit institutions and the loans granted by credit institutions are shown separately.	Deposits are published within loans.
Loans and deposits on the liabilities side	On the liabilities side, deposits and loans received are shown separately.	Loans received are shown as part of deposits.
Advances	Advances are recorded in separate lines in publication for supervisory purposes.	The stock of advances is shown as part of Remaining assets.
Settlement date on and trade date	The items in the data provider's accounting balance sheet are published. Data providers' stocks calculated using settlement date and trade date methods are summarised in the publication.	The stocks are included in the publication based on value date settlement. If the data provider uses the trade date methods in their accounting report, the difference resulting from the difference between settlement date and trade date methods in statistical reports is part of Remaining assets/Remaining liabilities.

<p>Short position (negative securities holdings resulting from the sale of securities under a repo transaction)</p>	<p>Short position holdings in the accounting balance sheet reported by data providers and as a result, in publications compiled for supervisory purposes are shown on the liabilities side (with a positive sign).</p>	<p>The amount of short position, as negative securities holdings, is transferred to securities on the assets side relating to country and sector of issuer. Consequently, the stock of short position makes the balance sheet total in this publication less than the accounting balance sheet total reported by credit institutions.</p>
<p>Assets acquired under operating lease</p>	<p>In line with the accounting and reporting requirements, the assets related to the right of use included in the balance sheet based on IFRS16, depending on leased assets, are shown in Fixed assets or Intangible assets.</p>	<p>The published stock of Fixed assets and Intangible assets refers exclusively to assets owned by the data providers. The stocks of leased assets are shown in Remaining assets.</p>
<p>Liabilities resulting from operating lease transactions</p>	<p>Consistent with accounting requirements, lessee's liabilities resulting from the lease included in the balance sheet are recorded in Other financial liabilities.</p>	<p>Liabilities resulting from the lease included in the balance sheet are shown in Remaining liabilities.</p>
<p>Settlement of forint refinancing loans received from the MNB under Phase 3 of Pillar 2 of the FGS and related CIRS transactions</p>	<p>In the accounting balance sheet, the stocks of forint liabilities received from the MNB and the related evaluated CIRS transactions are shown in one amount as euro loan granted by the MNB.</p>	<p>Forint refinancing loans received from the MNB under Phase 3 of Pillar 2 and the related CIRS transactions are not combined. They are shown separately as received HUF loans and derivatives in the publication.</p>
<p>The group of SMEs</p>	<p>The stocks of non-financial corporations belonging to SMEs pursuant to the Act on SMEs and those of sole proprietors from the household sector are published.</p>	<p>Released data contain data on exclusively the non-financial corporation sector, on organisations classified as SMEs pursuant to the Act on SMEs. The stock of loans to sole proprietors are not shown.</p>
<p>Balance sheet total</p>	<p>The balance sheet total reported in the accounting balance sheet, which contains the data on branches of Hungarian credit institutions operating abroad, is presented.</p>	<p>The balance sheet total in the publication is less by the value of short position transferred to the assets side with a negative sign, and more by the amount of impairments and revaluation adjustments recognised related to assets side loans and deposits, added to the stocks of provisions on the liabilities side with a positive sign, than accounting balance sheet total reported by credit institutions.</p> <p>Claims and liabilities linked to branches of Hungarian credit institutions operating abroad are not consolidated, these are presented as items related to foreign credit institutions and the publication does not contain the individual data on foreign branches.</p>