

Methodological differences in respect of credit institutions between data publications compiled on the basis of data collected for supervisory purposes and the MNB's statistical releases

A number of the MNB's statistical releases and publications serving supervisory purposes on credit institutions address similar issues. Most of these data disclosures are based on some of the tables in the report entitled 'Supervisory Balance Sheet and Income Statement', which serves two different purposes. All data providers are identical in respect of both purposes, but there are a number of differences between publications serving statistical purposes and those serving supervisory purposes. Some are true for most data disclosed.

They are as follows:

- We make some adjustments to data in the publications serving statistical purposes in respect of some securities lending and repurchase transactions. (A detailed description of the adjustments is available in the [Methodological notes](#) pertaining to the press release entitled 'Aggregated balance sheet of credit institutions'.)
- The liabilities shown in the tables in the financial supervision-related releases state both deposits and loans received separately. Publications serving statistical purposes show loans received as part of deposits.
- The assets in the tables compiled for supervisory purposes show deposits placed by credit institutions and the loans extended by credit institutions separately. Publications serving statistical purposes show deposits as part of loans.
- As regards statistical data, we remove own debt securities from the balance sheet because they do not embody claims vis-à-vis any sector.
- Typically, publications serving statistical purposes contain data on all monetary financial institutions (MFIs), including the MNB, credit institutions and money market funds. Publications for supervisory purposes do not contain any aggregate data on monetary financial institutions (MFIs).
- Publications serving supervisory purposes also contain data on branches of Hungarian credit institutions operating abroad; those for statistical purposes show claims and liabilities linked to these institutions as items related to credit institutions abroad.

In addition to the above, further major methodological differences are as follows (our list is based on the structure of data disclosures for supervisory purposes):

Time series publications of credit institutions – assets and liabilities – composition of assets and liabilities

- Data disclosures for supervisory purposes show loans at their net book value, while those for statistical purposes at their gross book value.
- When adjustments are made to data on subordinated loan capital, in statistical data releases data on some securities issued by credit institutions and held by central government are shown in the category of deposits placed by the government.

Time series publications of credit institutions – assets and liabilities – composition of loans

- Loans extended to ancillary undertakings are shown separately in data disclosures for supervisory purposes, while in statistical data releases they are shown as part of the data on loans to non-financial corporations.

Time series publications of credit institutions - assets and liabilities – developments in direct foreign liabilities

- Tables in data disclosures for supervisory purposes treat securities issued abroad as foreign liabilities. By contrast, relying on reports by custodians, data disclosures for statistical purposes treat securities in foreign ownership, irrespective of their place of issuance, as liabilities.

Time series publications of credit institutions; assets and liabilities – composition of domestic deposits

- Disclosures for supervisory purposes show items related to ancillary undertakings separately. Disclosures for statistical purposes show them along with loans to non-financial corporations.

In addition, there are partly common data releases which are based on the tables coded NPE/FBE of the supervisory reports, instead of the supervisory balance sheet. Reports produced from these tables are comparable with the publication 'Composition of lending to the household sector' produced from data collection coded H34. The main difference between the data produced from the two data sources is that while the H34 only includes household loans, the supervisory report includes all types of loan. Furthermore, there is a difference in the data providers: in the H34 branch offices and cooperative credit institutions with a balance sheet total of less than HUF 100 billion are not data providers. Another difference from 2015 Q1 is that in the statistics presenting problem loans, included in the time series provided for supervisory purposes, credit institutions may use a material threshold after classification (i.e. they have the opportunity to treat a loan default only when arrears exceed a certain limit).

29 May 2015