

Methodological description
For the data publication of the annual financial accounts of public corporations (central and local government SOEs) not classified into the general government

International methodological standards for public corporation accounts

The previous methodological manual of the system of national accounts (ESA95) includes the breakdown of the financial (S.12) and the non-financial (S.11) corporations sector by major owner sector as recommendation, that is, the segregation of the public, the resident private and the foreign-owned corporations. By virtue of importance of the breakdown by owners of the corporate sector, the new methodological standards (ESA2010) highlight the range of public corporations and define the concept of it that incorporates general government (S.13) and public corporations (S.11 and part of S.12) as a whole.

Public corporations are financial and non-financial corporations operating under the control of general government, that is, they are in direct or indirect majority state or local government ownership. Public corporation groups are, therefore, part of majority state and local government-owned corporations, including their subsidiaries. As market producers, public corporations can be distinguished as either financial or non-financial corporations. These corporations still form part of the corporate sectors in the national (financial and non-financial) accounts, but statistics can be compiled separately for them.

Objective of the publication of public corporations' financial account data

The purpose of the data publication is to inform about the financial accounts of corporations operating as business organisations, not classified into general government and being directly or indirectly in state or local government ownership. The structure/scheme of the data tables, the contents of certain elements and the evaluation of data have been elaborated/designed to be consistent(ly) with the general methodological standards for financial accounts, thereby the data are compatible with the proper data published on non-financial corporations (S.11) and financial corporations (S.12) of the general financial accounts (highlighted in them).

The financial accounts of public corporations provide information about the size and changes of the debt of the entire public (state and local government) corporate sector, the magnitude of their net financial worth and the extent of their financial relations with other sectors, the measure of their government debt held and the amount of state capital operate with. In addition, financial balancing item (net lending/net borrowing) of public corporation group and its change are evolving, as well. In particular, net ownership (state, local government) capital injection is of primary importance. The aggregate data can be used to determine weight of state and local government-owned corporations in the national economy. Public sector indicators can be generated by combining the data for public corporations and general government.

Contents of data publication

The data publication covers all public corporations, with the exception of the central bank (S.121). The Magyar Nemzeti Bank is part of public financial corporations, but its accounts are presented in detail as an independent sub-sector in the general publication on financial accounts covering all sectors. Therefore, the MNB's data are not included in this data publication.

The balance sheets and profit and loss accounts reported in the annual reports of the corporations constitute the main source of the data included in the publication on the financial accounts of public corporations. In addition, the MNB's data collections F97 entitled "Key financial data of companies owned by the central government, local government and of public utility companies" and F95 entitled "Annual financial data of large companies owned by

the central government or a local government” are also used for compilation of financial accounts data of non-financial corporations. The F95 statistical data collection introduced in 2013 contains the data of about 60 large public corporations necessary for financial accounts, in detailed breakdown. This group of companies covers at least 70% of the assets of public non-financial corporations. This data collection specifies the main items included in the balance sheets of corporate annual reports.

The financial account statistics are, in a broader sense, stock (balance sheet) and flow (transactional) data as a whole. The stock data are directly observable through corporate-level balance sheets. On the contrary, in the case of financial accounts transactions, information on flow data are not straight available - corporate-level state capital contributions having significant volume are recorded, in accordance with government statistics standards. Transactions are calculated by residual principle during the decomposition of stock changes. First, other volume changes data of financial instruments are produced via monitoring the entry and exit from the list of public corporation annually compiled. Second, calculation of revaluations is made through taking the currency breakdown of relevant available stock data from the F95 data collection revised back to 2011 and year-end exchange rate into account. Revaluations resulted from price changes are only taken into account in the case of shares and other equities. Finally, by determination of other flows data, aggregated time series of financial transactions can be derived.

The publication of the financial accounts of public corporations replaces the data publication finished at the end of 2013 on the data of large state- and municipality-owned corporations classified not into the general government sector.

Order and structure of the publication

The data publication entitled “Financial accounts of public corporations” is published annually with a 9-month lead time, simultaneously with the full set of financial accounts on the Magyar Nemzeti Bank website under the menu Statistics/Statistical Data and Information/Statistical Time Series/XII. Financial Accounts, sub-menu item “Financial accounts of public corporations”.

First data publication: 30 September 2014

The data publication includes data of annual frequency starting from 2011.

The publication showcases aggregate public corporation data broken down based on the following dimensions:

- Stocks of financial assets and liabilities/transitions/revaluations
- financial/non-financial corporations
- consolidated/non-consolidated stocks
- state-owned/local government-owned corporations

31 December 2014
Magyar Nemzeti Bank
Statistics Directorate