Methodological notes to the time series based on the financial enterprises' data reporting for supervisory purposes

1. Aggregated data of financial enterprises include those enterprises that provided supervisory data reports for the reference period. Newly established companies provide data supply for the first time in the quarter following their registration by the court, while companies under dissolution are obliged to fulfil their data reporting obligation until such time as the decision on the withdrawal of their activity licence becomes effective. Contrary to the main rule, cases may occur when the company does not fulfil its still existing reporting obligation.

2. The time series of financial enterprises were compiled on the basis of the quarterly data reporting tables. The data occasionally may differ from the previously published data due to taking into consideration the modifications, deemed material, received meanwhile from the reporting agents.

3. The time series of financial enterprises do not include data of financial enterprises that qualify as credit institutions from a prudential aspect (Agrár-Vállalkozási Hitelgarancia Alapitvány (Loan Guarantee Foundation Rural Enterprise) and (Garantiqa Hitelgarancia Zrt. (Garantiqa Loan Guarantee PLC), since the data reporting of these institutions differ from those of financial enterprises.

4. Book value of assets: Gross value adjusted for impairment (-), valuation difference and value adjustment (+/-).

5. Data related to the delinquency of receivables were determined on a contact-by-contract basis, and they were allocated to the individual maturity categories based on the number of days elapsed from the date when it became past due (default) for the first time.

6. The time series of the portfolio stock by delinquency does not contain the maturity breakdown of purchased stocks that were past due at the time of the purchase (receivables purchased for debt management), in view of the fact that these receivables from workout factoring are typically stocks with substantial past due history. The balance sheet value of these receivables is usually low, i.e. it corresponds to the purchase price of the receivables.

From 2017 the Accounting Act permits financial enterprises to use IFRS instead of the Hungarian accounting rules in their individual financial statements. In 2017 eight financial enterprises opted for changeover to IFRS. Due to the different structure under the two accounting schemes, the former publication cannot be continued.

Changes compared to the data content related to 31 December 2016:

1. The tables presenting the denominational structure and gross stocks of assets of financial enterprises were cancelled from 1 January 2017.

   Justification: From 1 January 2017 no data are available on the denominational structure and gross book value of the assets of financial enterprises that changed over to IFRS.

2. From 1 January trading and investment securities are no longer separated within the portfolio. The publication presents the aggregate value of securities.

   Justification: Reporting entities that provide data based on IFRS report the classification of securities to MNB not in the manner it used to be published until now, hence the publication in the previous structure cannot be continued.

3. Other assets include repurchased own shares and prepayments and accrued income (data of the reporting entities reporting only according to the Hungarian accounting rules). Repurchased own shares of those reporting under IFRS are stated on the liabilities side as an item reducing equity.

   Justification: The aforementioned items were combined with other assets to ensure comparability.

4. From 1 January 2017 sight receivables were transferred from the balance of receivables from credit institutions to Liquid assets (with the same content as prescribed by IFRS).

   Justification: The adjustment was performed retrospectively, for 2016 as well, to ensure comparability.

5. Liabilities outstanding due to securities issued, subordinated liabilities and deferred income are stated in the publication combined with other liabilities.

   Justification: The aforementioned items were combined with other liabilities to ensure comparability.

6. The publication of items of the profit and loss account changes from 1 January 2017, following the structure prescribed by the applied accounting approach, combining them.

   Justification: Certain rows were combined to ensure comparability in the time series.

7. Interest revenues and Interest expenditures are separated within the interest margin.

   Justification: The breakdown was prepared in line with credit institutions' publication; comparability is implemented retrospectively as well.

Data published until 31 December 2016 will remain available in the archives on the website.