**MNB identification code: M01-M05 and M11**

**Completion instructions**

**Statistical balance sheet and income statement of credit institutions**

**Detailed data reports on the statistical balance sheet of credit institutions**

1. **General instructions**

1. The explanation of concepts and abbreviations used in the tables and in these guidelines for completion are contained in section I. E. 4 of this annex and in sections 2 and 3 of Annex 1 to the MNB Decree over provision of money market data referenced therein.

2. In order to support the reports created for MNB, the reporting entity shall be required, applying to the end of each month, to close its general ledger in consideration of the provisions of Article 114/H. paragraphs (1) and (2) of the Accounting Law. The closing of the general ledger must take place by the implementation of the adjustments applying to the last day of the month, i.e. items affecting the relevant month but not yet recorded until the end of the relevant month, that became known at least until the third business day following the end of the month, must be taken into account.

3. Applying to the last month of the quarter, if the scope of data to be included in the various data reports changed between the submission deadline applying to the preliminary and the submission deadline applying to the final data, the data report must be submitted twice: in the case of changes after the first completion deadline, i.e. the 11th business day of the month following the relevant period, the data report must be resubmitted, updated by data in agreement with the quarterly accounting closing, by the 12th day of the second month following the relevant period, or the case of monthly data reports, belonging to the 2nd to 4th quarters, by the 11th day of the second month following the relevant period.

4. In the data reports the classification according to resident and non-resident partners sector must be performed based on the following table:

|  |  |  |  |
| --- | --- | --- | --- |
| A | Non-financial undertakings | |  |
| **BC** | **Monetary financial institutions** | |  |
|  | B | Central Bank |  |
|  | C-HIT | Credit institutions |  |
|  | C6 | Money market funds |  |
| **DEF** | **Non-monetary financial institutions** | |  |
|  | D-EPK | Other financial intermediaries (except investment funds) |  |
|  | D3 | Investment funds (except money market funds) |  |
|  | E | Auxiliary financial service providers |  |
|  | F-BIZT | Insurers |  |
|  | F-NYP | Pension funds |  |
|  | Z | Captive financial institutions |  |
| **GHI** | **General government** | |  |
|  | G | Central government |  |
|  | H | Local governments |  |
|  | I | Social security funds |  |
|  | T | Provincial government (only applicable to foreign partners) |  |
| **JK** | **Households and non-profit institutions serving households** | |  |
|  | J1 | Households - Individuals |  |
|  | J2 | Households - Sole proprietors |  |
|  | K | Non-profit institutions serving households |  |

In data report with MNB ID code M01 Stock of receivables and liabilities regarding resident partners belonging to the sector of captive financial institutions (Z) shall be reported in lines including stocks of “Domestic, Other financial intermediaries (except investment funds)”. In data reports with MNB ID codes M02, M04 and M05 items regarding captive financial institutions shall be reported using (sector)code Z.

5. The country and sector classification of the individual international institutions in the data reports are contained in the list included in Annex 3 section 6, published on the web site of the MNB.

6. No data may be written into the dimmed fields of the data reports.

7. The requirements applying to the preparation of the reporting files of the data supplies are contained in the technical guidelines available on the MNB website, as referred to in point 9 of Annex 3.

1. **Detailed requirements on completion**

1. In table 01 of data reports with MNB ID M01 and M11 the (individual) data of the resident part of the reporting entity not consolidated with foreign branch offices should be included. Hungarian credit institutions operating branch offices abroad should separately represent in table 02 of data supply with MNB ID codes M01 and M11 the stocks measured together with data of the foreign branch offices as well. (Credit institutions having no foreign branch offices should send table 02 of data supply with MNB ID codes M01 and M11 without data).

From a statistical aspect, the foreign branch office of the credit institution providing the data is considered a foreign (non-resident) credit institution, therefore in table 01 of data supply with MNB ID codes M01 and M11 the stock of claims and liabilities related to the branch office must be represented against the foreign credit institution.

In data reports with MNB IDs M02-M05, the individual data of the reporting entity not consolidated with foreign branch offices, included in table 01 of data reports with MNB ID M01 and M11 should be further detailed.

In the case of credit institutions with no foreign branch office, the stocks represented in table 01 of data supply with MNB ID codes M01 and M11, and in the case of credit institutions with foreign branch offices those represented in table 02 must be in agreement in the accounting records of the reporting entity, furthermore with the stocks reported in tables SF0101, SF0102 and SF0103 pursuant to Annex 2 to the MNB Decree, in consideration of the classification or valuation differences regulated in this decree. Reporting entities with a foreign branch office must also include data consolidated with the data of their foreign branch office in table 03 of data supply with MNB ID codes M01 and M11. The amount of earnings in the reference year and the amount of shareholder’s equity must be identical in reports with foreign branch offices and those without foreign branch offices.

2. Definition of the HUF value of foreign currency items

2.1 Upon the monthly closing of the general ledger, the stock of foreign currency and the stock of claims and liabilities denominated in foreign currency at the end of the month, during the year and at the end of the year must be represented in a value converted to HUF using the official foreign currency exchange rate published by the MNB and valid on the last day of the month. The credit institution must value claims and liabilities denominated in foreign currencies for which the MNB does not publish exchange rates at the mid-rate applied in the last month prior to the valuation. Changes in stock must be represented at the HUF value contained in the books, if this cannot be determined, then at the monthly average mid-rate of the MNB. The exchange rates are included in the technical guidelines available on the MNB website, as referred to in point 2 of Annex 3.

2.2 The HUF value of claims, liabilities denominated in foreign currency must be represented in tables 01 and 02 of data supply with MNB ID codes M01 and M11 in the relevant foreign currency category (in the column of euro or other currency). The HUF value of impairment on foreign currency items, statistical revaluation difference and accrued interests must be represented in the relevant foreign currency category (in the euro or other currency column). The same process must be followed in data supply with MNB ID codes M02-M05 as well: the items denominated in foreign currency and the related items must be reported broken down to the currency of the claim, liability, in HUF units. In data reports with MNB ID codes M05, in the case of the notional value of the buy and sell positions the notional values at the time of the transaction must be provided in the original currency types.

3. The items to be included as a negative amount in tables 01 and 02 of data supply with MNB ID codes M01 and M11 - for example, impairment on the asset side - should be represented with a negative prefix. In Table 03 of the reports with MNB identification codes M01 and M11, all income, expenses, costs and expenditure, except for any negative interest, should be shown with a positive sign. The balancing item may be of both positive and negative values.

In the case of certain value fields included in data supply with MNB ID codes M02-M05, the applicable prefixes are contained in the technical guidelines available on the MNB website, as referred to in point 9 of Annex 3

4. Interest income and expenses reported in Table 03 of the reports with MNB identification codes M01 and M11 may differ from the interest income and expenses reported in Table SF02 (income statement) of the individual FINREP supervisory report due to the different treatment of negative interest and the mandatory statement of non-deductible (agent, brokerage, intermediary) fees under income from and expenditure on fees and commissions.

5. Definition of expiry

The asset and liability items in data supply with MNB ID codes M01 and M11 must always be assigned to maturity categories according to their original maturity. (When the maturities are determined, one year means 365 days, a leap year means 366 days).

6. Certain instruments (certain financial assets and liabilities) of tables 01 and 02 of data supply with MNB ID codes M01 and M11, and the monthly statistical interest revenues and interest expenses of Table 03 related to these instruments must be detailed in data report with MNB ID codes M02-M05. The relevant instruments and the relations between such instruments are the following:

|  |  |  |
| --- | --- | --- |
| Balance sheet items | Data of detailing data reports | Statistical interest |
| Cash (assets) | Credits, credit-type claims and certain other assets | none |
| Overnight deposits (assets) | yes |
| Deposits with agreed maturity (assets) | yes |
| Claims from repo trade | yes |
| Other loan claims (loans granted) | yes |
| Commercial loans and advance payments (assets) | possible |
| Other claims and accounts receivable | possible |
| Overnight deposits (liabilities) | Deposits, deposit type liabilities and certain other liabilities | yes |
| Deposits with agreed maturity (liabilities) | yes |
| Liabilities from repo trade | yes |
| Other debt liabilities (loans borrowed) | yes |
| Commercial loans and advance payments (liabilities) | possible |
| Other debts and accounts payable | possible |
| Financial derivative assets | Financial derivatives | none |
| Financial derivative liabilities | none |

7. The substantial and formal requirements applying to data to be included in data reports are included in the technical guideline according to Annex 3 section 9, the possible code values pertaining to the individual data descriptor fields of data reports with MNB ID codes M02-M05 are included in the technical guideline according to Annex 3 section 4.7., available on the web site of the MNB.

Fundamentally, in the data reports value dates must be provided in HUF units. The value fields of number of transactions and interest rate of data reports with MNB ID codes M02-M05 are an exception to the above rule. In the case of number of items, positive integer numbers, and when values applying to interest rates are reported, percentage format value data must be included with an accuracy of 4 decimal places in the data reports (e.g. in the case of the deposit rate of a stock of 1.35 per cent, the value figure to be reported is: 1,3500).

8. The credits (assets) and the deposits (liabilities) must be represented on a gross basis, they must not be netted with other assets and liabilities.

The stock data (asset and liability positions) and transactions of financial derivatives must be summarized on a gross basis, separately by transaction, and included in the data reports in that form. The asset and liability side items must not be netted in the case of derivatives, either.

9. In data reports with MNB ID codes M02-M05, those items that have the same characteristics - regularly showing the same values concerning the individual data descriptor fields - must be aggregated and reported accordingly. (In line with the above rule, it must not happen that records reported in different lines of the data report are identical along every data descriptor field).

10. In data reports with MNB ID codes M02-M05 those items must also be included whose stock is zero at the end of the period, however, such value fields - such as reclassification, (statistical) interest projected on the reporting period, cumulated (statistical) interest closing stock for the reporting period - that must be reported according to the rules on completion.

11. Handling of defaulted loans pursuant to CRR in data reports with MNB ID codes M03

In data supply with MNB ID codes M03, when populating the “Current interest rate of the stock” and the “Annualised interest rate of the stock” columns, the stock and interest rate of loans classified as “defaulted” pursuant to CRR Article 178 paragraphs (1) to (5) should be disregarded in the definition of the weighted average interest rate. If the reason why no interest rate is provided in the given column of the data report is that the stock only contains loans classified as defaulted pursuant to CRR Article 178 paragraphs (1) to (5), the value of “n.a.” must be reported for both the current and the annualised rates.

12. In tables 01 and 02 of data supply with MNB ID codes M01 and M11, the assets and liabilities must be basically represented at book value together with the accrued interests. In other types of assets and liabilities, in addition to the above, the gross principal value, statistical cumulated interest, impairment and the statistical valuation adjustment of the instrument must also be indicated, according to the description and line code of the instrument.

13. In tables 01 and 02 of data supply with MNB ID codes M01 and M11, the meaning of the letter marking of the line codes on valuation is the following.

|  |
| --- |
| **B** - Gross principal amount (interest without nominal/capital value) |
| **F** - Accumulated interest |
| **E** - Impairment |
| **K** - Valuation adjustment |
| **N** - Net book value (with accrued interest) |

14. The data reported in columns 1 and 2 and in columns 3 and 4 of Table 03 of the report with MNB identification code M01 for the month of January as the reference period must be identical by pairs.

15. In Table 03 of the report with MNB identification code M11, columns 1 and 3 should show the sum of the profit and loss items for December of the reference year.

16. Table 01 of the report with MNB identification code M05 should include all open financial derivative transactions with counterparties – other than spot transactions – as at the end of the reference period, including their month-end credit and debit positions, as well as the changes in their stock during the period. The table should also include changes in the stock in the reference month of which there is none outstanding amount at the end of the month concerned, as well as transactions and revaluations relating to derivative transactions that arise during and are closed before the end of the reference period.

The position and transaction data (long leg) resulting from overnight (O/N: short leg on the day of trade, long leg on the day after) and tomorrow/next day (T/N: short leg on the day after trade, long leg on the day after) swaps should also be reported.

Spot transactions are not be reported in this table.

Gains and losses on conversion transactions in excess of the exchange rate margin generated in cash and noncash foreign currency turnover that can be linked to the holding period of the instrument should be reported as transaction losses: the turnover and the offsetting (positive) revaluation (column 17) should be reported under instrument type of code E66 (“Other derivatives – positive positions”) for gains, while for losses, they should be reported under instrument type of code F66 (“Other derivatives – negative positions”), with the closing balance (column 19) of the transaction market value (column 18) being zero. Only conversion gains and losses that appear in rows 38 or 46 of Table 03 of the data supply with MNB identification code M01 should be reported in the table. The amounts reported in rows 36 and 44 of Table 03 of M01 are not to be included in the report with MNB identification code M05.

In the data supply with MNB identification code M05, transactions are to be reported at the close of each derivative position as follows:

* on the asset side, positions are closed with gains, meaning that the income to be reported in column 16 (with a positive sign) must be greater than the expense to be reported in column 15;
* on the liability side, positions are closed with losses, meaning that the expense to be reported in column 16 (with a positive sign) must be greater than the income to be reported in column 15.

At the end of the reference month, the derivative transactions that change position and move from the asset side to the liability side should be revaluated to take account of the changes: the negative revaluation of the asset-side instrument’s closing market value as at the end of the previous month and the positive revaluation of the liability-side instrument’s closing market value of an equivalent amount must be reported in column 17. Similarly, where transactions that were stated on the liability side in the month preceding the reference month are now reported as an asset at month-end, for the closing balance of the liability-side instrument as at the end of the previous month a negative revaluation, while for the asset-side instrument a positive revaluation of the same amount shall be reported. The same applies to cases where the balance sheet position of a transaction closed in the reference month differs at the close from its position in the month before the close: such transactions should be moved between the asset and liability sides through revaluations of equal amounts with opposite signs. The amounts of transactions and revaluations in the reference month should be reported in the rows corresponding to the actual position in the reference month.

In column 18, changes in the data description fields relative to the month before the reference month, such as changes in the country or sector of the counterparty or a shortening of the remaining maturity of a transaction, should be reported as other changes in volume. The closing value of derivative transactions as at the end of the previous month, stated in column 19, must be reported as other change in volume for the reference month in a way that

* other change in volume with a negative sign must be stated in the row(s) corresponding to the values of the data description fields in the previous month’s report;
* and the row(s) corresponding to the current, month-end status of the item to be reclassified should show other change in volume of the same amount with a positive sign.

In such cases, the total value of other changes in volume reported in the table is expected to be zero.

Increases and decreases in transactions and the revaluations for the current month should be reported in the rows of the data description fields with a value corresponding to the current-month status of the item to be reclassified.

For mergers, derivative transactions stated on the balance sheet of the successor credit institution shall also be included in the column “Other changes in volume” with a positive sign, in the month of the transfer. Even if some or all of the transactions are closed in the month of the transfer, other changes in volume should be stated in the total amount of the derivatives received, with the close reported as a transaction. In this case, the total value of other changes in volume reported in the table is not expected to be zero.