

26/2015 - 10 February 2015

Due to a technical error, this News Release has been revised on 13 February 2015. Data for Greece on outstanding liabilities related to off-balance public-private partnerships has been changed to 0.01%.
We apologise for any inconvenience this error may have caused.

A new data collection for government finance statistics

First time release of data on contingent liabilities and non-performing loans in EU Member States

Eurostat, the statistical office of the European Union, publishes¹ for the first time today relevant information on contingent liabilities and non-performing loans of government. These data have been provided by the EU Member States in the context of the Enhanced Economic Governance package² (the “six pack”).

The contingent liabilities published in this release include government guarantees, liabilities related to public-private partnerships recorded off-balance sheet of government and liabilities of government controlled entities classified outside general government (public corporations). The liabilities are called “contingent” in the sense that they are by nature only potential and not actual liabilities. Non-performing loans could imply a potential loss for government if these loans were not repaid. Thus, this new data collection represents a step towards further transparency of public finances in the EU by giving a more comprehensive picture of EU Member States’ financial positions³.

Due to their characteristics, data are country specific and closely linked to national particularities regarding the economic, financial and legal structure of the country. Furthermore, data coverage is not complete for all the Member States, as indicated in the attached country footnotes. For these reasons, data presented in this news release should be interpreted with caution. In particular, for the liabilities of public corporations, the data comparability is very limited due to the fact that for some Member States data reported is not exhaustive, in some cases not including the liabilities of financial institutions and/or the liabilities of units controlled by local government.

Several other aspects should be taken into account when analysing the results of the liabilities of public corporations. Firstly, the data reported for liabilities of public corporations are not consolidated, which means that part of the liabilities of these units could be towards entities in the same company group. However, the liabilities between units in the same group are not identifiable from the data reported. Secondly, the data collection only refers to liabilities without balancing them with the assets. This aspect is very important in the case of financial institutions which normally have both significant amounts of liabilities and assets. Additionally, for some of the Member States, most of the liabilities reported by financial institutions concern deposits.

In the following pages, 2013 data on contingent liabilities and non-performing loans are presented, for each EU Member State, expressed as percentage of GDP. Annexes provide descriptions of the indicators and country specific information.

1. Additional data and metadata are available in the Eurostat [on-line dedicated database](#).
2. [Council Directive 2011/85/EU](#) of 8 November 2011 on requirements for budgetary frameworks of the Member States.
3. Contingent liabilities are not part of the general government (Maastricht) debt as defined in the [Council Regulation \(EC\) No 479/2009](#) of 25 May 2009 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community.

Total general government contingent liabilities and non-performing loans in EU Member States, 2013
(% of GDP*)

	Government guarantees**			Outstanding liabilities related to off-balance public-private partnerships (PPPs)	Liabilities of government controlled entities classified outside general government***	Non-performing loans
	Total	Of which:				
		One-off	Standardised			
Belgium ^a	13.29	13.29	:	0.15	11.41	:
Bulgaria	0.75	0.70	0.04	0.00	12.83	0.07
Czech Republic	1.19	1.19	0.00	0.00	15.48	0.09
Denmark ^a	9.18	9.10	0.07	0.13	27.17	0.22
Germany ^a	18.22	18.03	0.19	-	126.26	0.29
Estonia	1.71	0.00	1.71	0.23	8.93	0.00
Ireland ^a	32.14	32.14	0.00	2.82	64.51	11.40
Greece ^a	3.67	3.61	0.06	0.01	6.82	0.00
Spain ^a	18.41	18.41	:	0.28	12.46	0.19
France ^a	5.53	3.54	1.99	0.00	46.90	:
Croatia ^a	7.25	7.25	:	0.13	15.90	:
Italy ^a	6.10	5.41	0.68	0.02	45.45	0.00
Cyprus ^a	15.85	15.85	0.00	4.85	10.40	:
Latvia	2.31	1.85	0.47	0.03	30.65	0.13
Lithuania ^a	0.82	0.73	0.10	0.00	7.28	0.15
Luxembourg ^a	7.72	6.95	0.77	0.00	1.63	0.00
Hungary	8.03	7.70	0.34	2.18	14.72	0.05
Malta ^a	15.88	15.88	0.00	0.09	31.16	0.00
Netherlands ^a	7.22	6.75	0.47	0.39	107.15	0.70
Austria ^a	35.01	35.01	0.00	0.04	36.15	0.08
Poland ^a	6.80	6.51	0.29	0.00	25.84	0.18
Portugal ^a	11.97	11.97	:	5.12	51.79	1.50
Romania ^a	2.15	0.81	1.34	0.00	9.92	0.00
Slovenia ^a	17.82	17.82	0.00	0.00	93.30	2.83
Slovakia	0.03	0.03	0.00	1.44	3.88	:
Finland ^a	24.08	23.27	0.81	0.03	35.96	0.07
Sweden	11.56	11.56	0.00	0.00	34.50	0.80
United Kingdom ^a	9.47	9.47	0.00	1.89	60.88	0.77

^a See specific country notes in annex 2 : data not available - not applicable

* GDP figures provided during the October 2014 Excessive Deficit Procedure notification are used for calculation.

** Data on guarantees do not include: 1) Government guarantees issued within the guarantee mechanism under the Framework Agreement of the European Financial Stability Facility (EFSF); 2) Derivative-type guarantees meeting the ESA2010 definition of a financial derivative; 3) Deposit insurance guarantees and comparable schemes; 4) Government guarantees issued on events which occurrence is very difficult to cover via commercial insurance (earthquakes, large scale flooding, etc.).

*** Only those entities whose liabilities exceed 0.01% of GDP are included in the aggregate of each country.

Annex 1: Brief description of indicators

[Council Directive 2011/85, art 14\(3\)](#) requires the publication of relevant information on *contingent liabilities with potentially large impacts on public budgets, including government guarantees, non-performing loans, and liabilities stemming from the operation of public corporations* by the EU Member States. Implementation guidance is provided in [the Eurostat Decision of 22 July 2013 on Supplement on contingent liabilities and potential obligations to the EDP related questionnaire](#).

Guarantees are arrangements whereby the guarantor undertakes to a lender that if a borrower defaults, the guarantor will make good the loss the lender would otherwise suffer. A **one-off guarantee** is defined as individual, and guarantors are not able to make a reliable estimate of the risk of calls. One-off guarantees are linked to debt instruments (e.g. loans, bonds). **Standardised guarantees** are guarantees that are issued in large numbers, usually for fairly small amounts, along identical lines. It is not possible to estimate precisely the risk of each loan being in default but it is possible to estimate how many, out of a large number of such loans, will default. Examples are mortgage loan guarantees, student loan guarantees, etc.

Public-private partnerships (PPPs) are complex, long-term contracts between two units, one of which is normally a corporation (or a group of corporations, private or public) called the operator or partner, and the other normally a government unit called the grantor. PPPs involve a significant capital expenditure to create or renovate fixed assets by the corporation, which then operates and manages the assets to produce and deliver services either to the government unit or to the general public on behalf of the public unit. Public-private partnership recorded off-balance sheet of government means that the assets are not considered as economically owned by government and the gross-fixed capital formation is not recorded as an expenditure of government at the moment it is incurred. **Total outstanding liabilities related to PPPs recorded off-balance sheet of government** are expressed in the adjusted capital value. It is an initial contractual capital value that is progressively reduced over time by the amount of the "economic depreciation" which is calculated on the basis of estimates or actual data. The adjusted capital value reflects the current value of the asset at the time of reporting. The amount is deemed to reflect the gross fixed capital formation and debt impact in case that government would have to take over the assets during the life of the contract.

Liabilities of government controlled entities classified outside general government (public corporations) are defined as the stock of liabilities at the end of the year, based on the business accounts of corporations. Those government controlled entities are classified outside general government due to their behaviour as market units.

Non-performing loans (government assets): a loan is non-performing when payments of interest or principal are past due by 90 days or more, or interest payments equal to 90 days or more have been capitalized, refinanced, or delayed by agreement, or payments are less than 90 days overdue, but there are other good reasons (such as a debtor filing for bankruptcy) to doubt that payments will be made in full. Data are reported at nominal value.

Annex 2: Member State specific footnotes*

Belgium

Guarantees: Data not available for standardised guarantees.

Liabilities of public corporations: The coverage for local government is not exhaustive. The liabilities of public corporations involved in financial activities are not available.

Denmark

Guarantees: Data not available for standardised guarantees of local government.

Germany

Liabilities of public corporations: Data refers to the value of liabilities as reported in their end-2012 balance sheets. A significant amount of liabilities concerns deposits of public banks under government control.

Ireland

Off-balance PPPs: Adjusted capital value is calculated as contractual capital value less payments to date.

Liabilities of public corporations: Some data reported refer to 2012. Data cover only public corporations controlled by the central government.

Non-performing loans: The figure is related to the inclusion of the Irish Bank Resolution Corporation (IBRC) into the general government sector in 2011.

Greece

Liabilities of public corporations: Data are not exhaustive. They cover only central government sector. A few units controlled by central government are under investigation and are not included. The liabilities of public corporations involved in financial activities are not reported due to the fact that these institutions received significant financial support from the Greek government and therefore the extent to which government is controlling these entities is still under investigation.

Spain

Guarantees: Data not available for standardised guarantees.

Non-performing loans: Data not available for local government. Data include loans to third countries with a guarantee amounting to EUR 542 million.

France

Guarantees: Data on guarantees only available for central government.

Croatia

Guarantees: Data not available for standardised guarantees and guarantees of the local government subsector.

Italy

Liabilities of public corporations: Data reported refer to 2013 and exceptionally to 2012 or 2011.

Non-performing loans: Data not available for local government and social security funds.

Cyprus

Liabilities of public corporations: Data reported refer to 2012. Data reported are not exhaustive. Data for some public corporations are not available and the liabilities of public corporations involved in financial activities are not included.

Lithuania

Non-performing loans: Local government and social security funds do not provide loans.

Luxembourg

Liabilities of public corporations: Data reported do not include the liabilities of public corporations involved in financial activities.

Malta

Off-balance PPPs: The reported value is the contractual value.

Liabilities of public corporations: Data reported do not include public corporations controlled by the local government sector.

Netherlands

Liabilities of public corporations: The significant amount of liabilities concerns financial institutions under government control. More than half of the amount is a consequence of the nationalization of two financial institutions (in 2009 and 2013)

Austria

Off-balance PPPs: Data not available for central government.

Liabilities of public corporations: Data for public corporations and quasi-corporations generally refer to 2012.

Poland

Guarantees: Data not available for standardised guarantees of local government.

Liabilities of public corporations: Data do not include small units (i.e. employing less than 10 persons).

Portugal

Guarantees: Data not available for standardised guarantees.

Romania

Guarantees: Standardised guarantees of central government are linked to the governmental program „First House”.

Slovenia

Guarantees: Data not available for local government.

Non-performing loans: The majority of non-performing loans refer to loans of the DUTB (bad bank).

Liabilities of public corporations: The significant amount of liabilities concerns deposits of public banks under government control.

Finland

Non-performing loans: Data not available for local government and social security funds.

United Kingdom

Off-balance PPPs: Data not available for local government.

* [Detailed country specific footnotes](#) are available in the Eurostat website.

Issued by: **Eurostat Press Office**

Vincent BOURGEAIS
Tel: +352-4301-33 444
eurostat-pressoffice@ec.europa.eu


 ec.europa.eu/eurostat/

 [@EU_Eurostat](https://twitter.com/EU_Eurostat)

Production of data:

Malgorzata SZCZESNA
Tel: +352-4301-37 407
malgorzata.szczesna@ec.europa.eu

Camelia JUTTNER
Tel: +352-4301-38 976
camelia.juttner@ec.europa.eu

 **Media requests:** Eurostat media support / Tel: +352-4301-33 408 / eurostat-mediasupport@ec.europa.eu