

Technical Notes on the Revisions of Statistics on Reserve Money, Depository Corporations Survey, and Outstanding Loans of Universal/Commercial Banks ¹

The adoption of the recommendations of the IMF statistical mission and the implementation of the Financial Reporting Package (FRP) for bank reporting necessitated revisions in the monetary statistics.

In October 2007, the International Monetary Fund sent a statistical mission which proposed a set of recommendations to improve the coverage of monetary aggregates. However, only those that are applicable to the Philippines have been adopted.

Beginning March 2008, the FRP has replaced the Consolidated Statements of Condition (CSOC) as the system for banks to report their financial position to the BSP, and thus, becomes the new database for statistical compilation. Aside from providing more details than CSOC, the FRP is compliant with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) except for some areas in which the BSP rules of accounting for prudential reporting purposes take precedence.²

The above developments resulted in the revisions of the following data series.

Data Series	Relevant Account Affected	Nature of Revision	Impact of the Revision
1. Reserve Money (RM)	a. Common Trust Funds	<ul style="list-style-type: none"> • Change in classification – <i>from deposit liabilities under Net Domestic Assets of the Monetary Authorities' Accounts to deposit liabilities under RM and broad money</i> 	<ul style="list-style-type: none"> • increased level of RM • increased level of M3
	b. Trust and other Fiduciary Accounts	<ul style="list-style-type: none"> – <i>same as above</i> 	
	c. Deposits of BSP employees' Provident Fund	<ul style="list-style-type: none"> – <i>from deposit liabilities under RM to deposit liabilities under Net Domestic Assets of the Monetary Authorities' Accounts</i> 	<ul style="list-style-type: none"> • decreased level of RM

¹ This has been revised to incorporate the additional changes in the definition of the monetary aggregates after further review of the coverage that was initially adopted and published in June 2008. The itemized coverage of the revised series of Reserve Money and Depository Corporation Survey is presented in the Selected Philippine Economic Indicators under Concepts and Definitions.

² For details on the deviation of the FRP from IAS/IFRS-recommended accounting treatment, refer to the BSP website for regulations governing compliance with IAS.

	d. Foreign Currency Deposits of GOCC	– from deposit liabilities under Net Domestic Assets of the Depository Corporations Survey to deposit liabilities included in broad money	<ul style="list-style-type: none"> • increased level of M4
2. Depository Corporations Survey (DCS)	Margin Deposits and Cash Letters of Credit Deposit liability of BSP to Non-banks	<ul style="list-style-type: none"> • Change in classification – from Other Liabilities to Deposit Liabilities • Change in treatment – from Net Domestic Assets of the Monetary Authorities' Accounts excluded in broad money to deposit liabilities included in broad money 	<ul style="list-style-type: none"> • increased level of M3 • decreased level of Other Liabilities • neutral effect on Total Liquidity • increased level of M3
3. Loans Outstanding (receivables) of Universal/ Commercial banks		<ul style="list-style-type: none"> • Change in institutional coverage – old series included universal and commercial banks, thrift and rural banks * • More detailed classification of loans • Economic sectors classified according to the 1994 Philippine Standard Industrial Classification as Amended 	(The series was backtracked to 2006 for consistent coverage and classification).
<p>* Since the FRP has not been implemented for rural banks and NBQBs and the FRP for thrift banks have not yet undergone validation for statistical compilation, the series is confined to universal/commercial banks only.</p>			