Monthly Statistical Bulletin January 2014

ANNOUNCEMENT: Adoption of **International Financial Reporting Standards** for monetary and banking data in the Monthly Statistical Bulletin (Latest Updates: 28 February 2014)

Bank Negara Malaysia is pleased to inform that starting with the December 2013 issue of the Monthly Statistical Bulletin (MSB), the set of Monetary and Banking data pertaining to the balance sheets of financial institutions (excluding tables related to loans/financing) has been revised from 2007 onwards. This is a step taken by the Bank to establish a standard statistical taxonomy with harmonised data terminology and definitions to rationalise the reporting requirements across the financial industry and to be in line with the International Financial Reporting Standards (IFRS).

The old set of data was based on taxonomy introduced in 1999, with several revisions over the years to reflect developments in the financial sector. The new set of data is based on taxonomy that is aligned to IFRS, which will certainly contribute to more consistent financial and statistical reporting as well as facilitate country comparison. The key differences between the old and new set of Monetary and Banking data are mainly in data concepts and definitions, data classifications at a more granular level, as well as in terms of the termination of some outdated data components which are replaced with new data items to adequately reflect developments in the financial sector and the Malaysian economy.

In adopting the new taxonomy, there are a number of conceptual changes that contribute to the data differences between the old and new set of data. Among others, total assets and liabilities are now recorded on a net basis instead of gross basis, i.e. net of provision and depreciation, contributing to the lower value for total assets and liabilities. In general, this change accounts for a 2% to 3% decline in total assets/liabilities. There is also a reclassification of components for short-term and long-term assets and liabilities, for example changes in components for Deposits, Call Money, Cash and Cash Equivalents and Interbank Placements.

Following the revision to the taxonomy, data from January 2007 to December 2012, relating to balance sheet items, have been mapped from the old taxonomy to the new taxonomy, while data from January 2013 are collected from the financial institutions based on the new taxonomy. The mapping of the old set of data to the new taxonomy is an attempt to provide a longer data series to facilitate analysis of historical trends. Nevertheless, users should recognise that there is a break in the historical trend between December 2012 and January 2013, especially when studying components at a more granular level.

For Monetary Aggregates (Tables 1.3, 1.3.1 and 1.3.2), data items where possible, have been aligned to meet the existing conceptual definitions. Starting January 2014, the compilation uses data collected based on the new taxonomy, which will result in a break in the historical series. In order to facilitate trend analysis, a one year back series data consistent with January 2014 has been published in the MSB.

With regard to data related to loans/financing, the Bank will also be releasing a revised set of tables in the MSB at a later date.