Dissemination of data for June-September 2017 collected in the new reporting system for monetary statistics

On 23 October 2017 Narodowy Bank Polski (NBP) published monetary aggregates for the reference periods June-September 2017 compiled based on the data collected in the new monetary statistics reporting system. Time series up to May 2017 are derived from the former system.

The comparison of major monetary aggregates for the months of June, July and August 2017 compiled based on the data transmitted in parallel in both systems revealed minor differences. The differences are due to the following:

- methodological changes introduced by the NBP, in particular as required by the European Central Bank, and
- banks’ revisions of errors (e.g. incorrect instrument classification by sector, maturity or currency).

M3 and its components

No changes in the definition of money supply accompanied the introduction of the new system. However, there are minor differences between the data derived from the new system and those collected in the former one in the months in question. Biggest difference was noted in the value of „deposits and other liabilities to domestic sectors“, but it accounted only for 0.05% of the figure derived from the former system. The main reason for the difference was incorrect maturity classification of individual pension accounts. Previously they were misclassified as „deposits with agreed maturity up to 2 years“ while in the new system they are included under „deposits with agreed maturity over 2 years“ (excluded from M3).

In sectoral breakdown the above deposits reclassification between maturity bands resulted in the decrease in households’ deposits included in M3 derived from the new system as compared to the data derived from the previous one. However, the changes accounted for only 0.05% of the previous value.

Largest percentage changes occurred in the category “deposits and other liabilities to local government” (up to 0.41%) and “other components of M3” (up to 0.32%), and were due to revisions provided by banks. However, their share in M3 is ignorable.
M3 counterparts

No changes in the definition of counterparts to money supply accompanied the introduction of the new system. However, there are minor differences between the aggregates compiled based on the data derived from the two systems.

Biggest difference was noted in the value of „credit to central government, net“ and was due to changes in the recording of short-selling. The change was introduced in line with the ECB recommendation\(^1\). In the months discussed the difference accounted up to 1.77\% of the value derived from the previous reporting system.

In case of „external assets, net“ the differences (up to 0.18\%) resulted from banks’ revision of CIRS misclassification.

Differences in the category „credit to domestic sectors“ (do 0.08\%) were due to revisions provided by banks. Differences in loans by type resulted from methodological changes in loans classification.

Differences between the two systems in loans classification by type\(^2\) were caused by the following:

1. methodological changes introduced by the NBP:
   - defining new reporting categories for loans which resulted in certain shifts between published aggregates, e.g. the new system defines the category „credit for consumption“, while up till now it was calculated as a proxy from available categories;
   - inclusion of instruments collected as separate items to relevant instrument categories, e.g. loans purchased were included under „loans“ (which resulted

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\(^1\) In line with the ECB recommendation, in case of short-selling the involved securities should be recorded as negative assets in the accounts of the short seller, so as to reflect economic reality and avoid double counting. Otherwise such a double counting would occur since securities would be recorded both in the balance sheet of the original owner and the new owner.

\(^2\) Categories disseminated in the NBP internet website:
inter alia in the increase in investment loans to non-financial corporations), while leasing and factoring receivables purchased – under „other claims”;

- harmonisation of instrument classification with existing market offer, e.g. credit card credit, and revolving loans and overdrafts can be included also in maturity bands over 1 year which resulted in shifts between maturities for the category „loans and other claims”;

- redefining existing categories, i.e. loans to farmers for upgrading farm buildings, loans for the purchase of farm or agricultural land were shifted from “investment loans” to „loans for the purchase of real property”;

- introduction of more detailed sectoral breakdown of financial institutions;

2. changes introduced by reporting agents related to the revision of misclassifications:

- reclassifications between maturity bands, currency categories or sectors (e.g. the difference in loans and other claims on other financial corporations between the data derived from both systems accounted to 1.22%);

- shifts between instrument categories.

More detailed description of methodological changes is included in the below table.

<table>
<thead>
<tr>
<th>Category</th>
<th>New reporting scheme</th>
<th>Previous reporting scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>„loans for consumption” and „other loans” to households, „loans for consumption” and „other loans” to individuals</td>
<td>„loans for consumption” exclude loans for education which are included under „other loans”</td>
<td>loans for education were included in „loans for consumption” since they were recorded in the reporting category „other loans” which was as a whole included in the compiled category „loans for consumption”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans for consumption and other loans</td>
<td>Some consolidation loans are included in “loans for consumption” and some in “other loans” due to difficulties with allocation them to loans by type.</td>
<td>Consolidation loans were recorded in the reporting category “other loans” which was as a whole included in the compiled category “loans for consumption”</td>
</tr>
<tr>
<td>Loans and other claims by maturity</td>
<td>Revolving loans and overdrafts” and “credit card credits” may have longer maturity than 1 year.</td>
<td>Revolving loans and overdrafts” and “credit card credits” were recorded in maturity band up to 1 year.</td>
</tr>
<tr>
<td>Loans for the purchase of real property to farmers</td>
<td>Change in definition: loans for upgrading farm buildings, loans for the purchase of farm or agricultural land are included in “loans for the purchase of real property”.</td>
<td>Loans for upgrading farm buildings, loans for the purchase of farm or agricultural land were included in “investment loans”</td>
</tr>
<tr>
<td>MFIs’ holdings of debt securities</td>
<td>Securities involved in short-selling are deducted from MFIs’ “holdings of debt securities”.</td>
<td>Securities involved in short-selling were not deducted from MFIs’ “holdings of debt securities”.</td>
</tr>
<tr>
<td>Loans and other claims by type</td>
<td>Loans purchased are included in loans by type; export credits are included under “loans on current account and working capital loans” or “loans for investment purposes” Discount loans are included under “loans on current account and working capital loans” Consolidation loans are allocated to relevant types of loans.</td>
<td>Loans purchased were all included in “other claims”; export credits were all included in “other loans”. Discount loans were all included in “other loans” Consolidation loans were all included in “loans for consumption”.</td>
</tr>
</tbody>
</table>