

## **FINANCIAL REPORTING PACKAGE**

### **(Appendix to Sec. 172)**

The *Financial Reporting Package (FRP)* is a set of financial statements for prudential reporting purposes composed of the Balance Sheet, Income Statement and Supporting Schedules. The FRP is primarily designed to align the Bangko Sentral reportorial requirements with the (1) provisions of the Philippine Financial Reporting Standards (PFRS)/Philippine Accounting Standards (PAS) and (2) Basel 2 Capital Adequacy Framework. It is also designed to meet Bangko Sentral statistical requirements.

#### **Organization of the Instructions of the FRP**

This instruction is divided into the following sections:

- (1) The General Instructions, which describe the overall reporting requirements;
- (2) Structure of the FRP;
- (3) Manual of Accounts, which provides in the order presented in the Balance Sheet and the Income Statement the definitions of the accounts in the FRP;
- (4) Line Item Instructions for the Balance Sheet; Income Statements and Supporting Schedules; and
- (5) Report Formats, for solo and consolidated reports.

In determining the required treatment of particular transactions or in determining the definitions of the various items, the General Instructions, the Structure of the FRP, Manual of Accounts and Line Item Instructions must be used jointly. A single section does not necessarily give the complete instructions for accomplishing the main report and schedules.

#### **GENERAL INSTRUCTIONS**

##### **Who must Report on What Forms/Schedules**

All banks are required to prepare the FRP. The FRP shall be prepared on a solo and consolidated basis. Solo basis shall refer to the combined financial statements of the head office and branches/other offices. Consolidated basis shall refer to the combined financial statements of parent bank and subsidiaries consolidated on a line by line basis. Only banks with financial allied subsidiaries, excluding insurance subsidiaries, shall submit the report on consolidated basis.

The solo and consolidated FRP shall be prepared on a quarterly basis, except for the solo balance sheet and the following selected schedules which shall be prepared on a monthly basis.

- (1) Schedule 1 : Checks and Other Cash Items

(2) Schedule 2	:	Due from Other Banks
(3) Schedule 3	:	Financial Assets Held for Trading
(4) Schedule 4a	:	Derivatives Held for Trading, Matrix of Counterparty and Type of Derivative Contracts
(5) Schedule 5	:	Financial Assets Designated at Fair Value Through Profit or Loss
(6) Schedule 6	:	Available for Sale Financial Assets
(7) Schedule 7	:	Held to Maturity Financial Assets
(8) Schedule 8	:	Unquoted Debt Securities Classified as Loans
(9) Schedule 9	:	Investment in Non Marketable Equity Securities
(10) Schedule 10	:	Interbank Loans Receivables
(11) Schedule 11	:	Loans and Receivables- Others
(12) Schedule 11a to 11 a4	:	Loans and Receivables - Others, Classified as to Status
(13) Schedule 11b to 11b4	:	Restructured Loans and Receivables, Classified as to Status
(14) Schedule 11d to 11d4	:	Loans and Receivables - Others, at Amortized Cost, Classified as to Type of Business/ Industry
(15) Schedule 11f	:	Schedule of Agri/Agra, Microfinance and SME Loans Receivables, Classified as to Counterparty
(16) Schedule 12	:	Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/ Participation with Recourse and Securities Lending and Borrowing Transactions, By Counterpart
(17) Schedule 15	:	Equity Investment in Subsidiaries, Associates and Joint Ventures
(18) Schedule 19	:	Other Assets
(19) Schedule 20	:	Breakdown of Due from/to HO/Branches/ Agencies Abroad - Philippine Branch of a Foreign Bank
(20) Schedule 22	:	Deposit Liabilities Classified as to Type of Deposit
(21) Schedule 23	:	Due to Other Banks
(22) Schedule 24	:	Bills Payable
(23) Schedule 28	:	Other Liabilities

The solo and consolidated FRP shall be prepared on a quarterly basis, except for the solo balance sheet and the following selected schedules which shall be prepared on a monthly basis.

All schedules shall be available to any type of reporting bank. Hence, schedules that do not apply to a particular bank should only be left blank when submitted.

### **Frequency of Reporting**

The solo FRP, shall be submitted quarterly within fifteen (15) banking days after the end of the

reference quarter. The solo balance sheet and the selected schedules listed above shall be submitted monthly within fifteen (15) banking days after the end of the reference month. The consolidated FRP, on the other hand, shall be submitted quarterly within thirty (30) banking days after end of reference quarter.

The following schedules or columns of particular schedules of the solo and/or consolidated FRP, however, are required to be submitted and/or accomplished only annually (i.e. end December of each year):

(1) Schedule 6b to 6b(3)	:	Financial Assets ("Collateral and Other Credit Enhancements Received as Security for the Related Impaired and Past Due Assets" column)
(2) Schedule 6c to 6c(3)	:	Available for Sale Financial Assets Movements in Allowances for Credit Losses
(3) Schedule 7b	:	Fair Value of Held to Maturity Financial Assets
(4) Schedule 7c to 7c(3)	:	Held to Maturity Financial Assets ("Collateral and Other Credit Enhancements Received as Security for the Related Impaired and Past Due Assets" column)
(5) Schedule 7d to 7d(3)	:	Held to Maturity Financial Assets Movements in Allowances for Credit Losses
(6) Schedule 8a	:	Fair Value of Unquoted Debt Securities Classified as Loans
(7) Schedule 8b to 8b(3)	:	Unquoted Debt Securities Classified as Loans ("Collateral and Other Credit Enhancements Received as Security for the Related Impaired and Past Due Assets" column)
(8) Schedule 8c to 8c(3)	:	Unquoted Debt Securities Classified as Loans Movements in Allowances for Credit Losses
(9) Schedule 11e to 11e(3)	:	Loans and Receivables-Others Classified as to Status Per PAS 39
(10) Schedule 15a	:	Investment in Subsidiaries, Associates and Joint Ventures (Fair Value Column)
(11) Schedule 18	:	Tax Assets and Liabilities
(12) Schedule 26	:	Fair Value of Financial Liabilities

### Rules of Consolidation

In preparing consolidated financial statements, only investments in financial allied subsidiaries except insurance subsidiaries shall be consolidated on a line-by-line basis in accordance with PAS 27 "Consolidated and Separate Financial Statements", while insurance and non-financial allied subsidiaries shall be accounted for using the equity method. Financial/non-financial allied/non-allied associates shall be accounted for using the equity method in accordance with the provisions of PAS 28 "Investments in Associates".

For purposes of preparing solo financial statements, financial/non-financial allied/ non-allied subsidiaries/associates, including insurance subsidiaries/associates, shall also be accounted for using the equity method.

For purposes of preparing consolidated reports, the “Peso accounts”, “Foreign accounts”, “FCDU/EFCDU” and “Foreign Offices”, and their supporting schedules shall not be filled-up/accomplished.

### **Amounts Reported**

All amounts reported in the FRP must be in absolute figures including two (2) decimal places, except for “Losses” columns/rows which shall be reported in negative figures, i.e., enclosed in parentheses.

### **STRUCTURE OF THE FRP**

- (1) The FRP is designed to reflect the two (2) types of books as follows<sup>1</sup>: (1) regular banking book, which shall be comprised of (a) peso accounts; and (b) foreign accounts and (2) FCDU/EFCDU as allowed under Circular No. 1389 dated 13 April 1993, as amended. Transactions in the foreign regular and FCDU/EFCDU books shall be recorded at their foreign currency amounts and their local currency equivalent using the Philippine Dealing System (PDS) Peso/US Dollar closing rate and the New York US Dollar/Third Currencies closing rate.
- (2) The FRP generally groups transactions into the different counterparties of the reporting bank. Foreign offices and branches of local banks abroad shall classify their counterparties from the perspective of the Head Office. Counterparties are broadly classified as to residents and non-residents and further sub-classified into the different sectors and institutional units defined as follows:
  - (a) *Residents* – This refers to individuals or institutional units that have a center of economic interest in the economic territory of the Philippines.
    - (a.1) Government
      - (i) *National Government* – This refers to the Philippine National Government and its agencies such as departments, bureaus, offices, and instrumentalities, but excluding local government units and government-owned and controlled corporations.
      - (ii) *Local Government Units (LGUs)* – This refers to the Philippine government units below

the level of national government, such as city, provincial and municipal governments.

(iii) *Government-Owned and Controlled Corporations (GOCCs)* – This refers to any agency organized as a stock or non-stock corporation vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the government directly or indirectly or through its instrumentalities either wholly, or where applicable as in the case of stock corporations to the extent of at least fifty-one percent (51%) of its capital stock: *Provided*, That GOCCs may be further categorized by the DBM, the Civil Service Commission and the COA for the purpose of the exercise and discharge of their respective powers, functions and responsibilities with respect to such corporations.

- *Social Security Institutions (SSIs)* – This refers to the social security agencies such as the Employees Compensation Commission (ECC), Government Service Insurance System (GSIS), Philippine Health Insurance Corporation (PhilHealth) and Social Security System (SSS).
- *Other FIs* – This refers to GOCCs that are primarily engaged in financial intermediation or in auxiliary financial activities that are closely related to financial intermediation but are not classified as banks such as the Home Guaranty Corporation (HGC), Trade and Investment Development Corporation (TIDCORP) and Small Business Corporation (SBC).
- *Non-FIs* – This refers to GOCCs that may not be classified as a social security institution nor other FIs.

#### (a.2) Bangko Sentral

#### (a.3) Banks

(i) *UBs/KBs* – This refers to UBs and KBs as defined under existing laws and regulations.

- *Government Banks* – This refers to UBs/KBs owned or controlled by the national government such as the DBP, the LBP and the Al-Amanah Islamic Investment Bank of the Philippines.
- *Non-Government Banks* – This refers to private UBs/KBs, which are neither owned nor controlled by the national government, including branches of foreign banks licensed as UBs/KBs operating in the Philippines.

(ii) *Other Banks* – This refers to banks other than UBs/KBs i.e., TBs, RBs and Coop. Banks.

(a.4) Private Corporations

(i) *Financial* – This refers to private corporations that are primarily engaged in financial intermediation or in auxiliary financial activities that are closely related to financial intermediation but are not classified as banks. This shall include among others, insurance corporations, pension funds that are constituted as separate from the units that have created them, NSSLAs and QBs. Except in the case of “Loans and Receivables – Interbank Loans and Receivables” where QBs shall be a separate line item.

(ii) *Non-Financial* – This refers to private corporations whose principal activity is the production of goods or non- financial services for sale.

(b) *Non-Residents* – This refers to individuals or institutional units that have a center of economic interest outside the economic territory of the Philippines.

Central Government/Central Bank – *Central Government* refers to the central government of a foreign country which is regarded as such by a recognized banking supervisory authority in that country. *Central Bank* refers to the national FI (or institutions) that exercises control over key aspects of the financial system and carries out such activities as issuing currency, managing international reserves, and providing credit to other depository corporations.

*Public Sector Entities* – This refers to entities which are regarded as such by a recognized banking supervisory authority in the country in which they are incorporated.

Banks

(i) *Off-Shore Banking Units (OBUs)* – This refers to a branch, subsidiary or affiliate of a foreign banking corporation which is duly authorized by the Bangko Sentral to transact offshore banking business in the Philippines.

(ii) *Other Banks* – This refers to the non-resident banks other than OBUs.

Corporations – This refers to non- resident corporations.

(c) *Multilateral Agencies* – This refers to the World Bank Group comprised of the IBRD and the IFC, ADB, AfDB, the EBRD, the IADB, the EIB, the NIB; the CDB, the CEDB and such others as may

be recognized by the Bangko Sentral.

(3) The supporting schedules in the FRP contain an Additional Information section which requires disclosure of information necessary for validating compliance with The supporting schedules in the FRP contain an Additional Information section which requires disclosure of information necessary for validating compliance with other Bangko Sentral requirements and for statistical purposes. Among the information required to be disclosed are the following:

(a) Classification as to Original Term, which shall be reported only for solo reports

(a.1) Short Term (1 year or less)

(a.2) Medium Term (>1 year to 5 years)

(a.3) Long Term (> 5 years)

(b) Geographic Regions of Non-Resident Counterparties

Advanced Economies – Australia; Austria; Belgium; Canada; Cyprus; Denmark; Finland; France; Germany; Greece; Hong Kong SAR; Iceland; Ireland; Israel; Italy; Japan; Korea; Luxembourg; Netherlands; New Zealand; Norway; Portugal; Singapore; Slovenia; Spain; Sweden; Switzerland; Taiwan Province of China; United Kingdom and United States

Regions Excluding Advanced Economies

(i) Africa – Algeria; Morocco; Tunisia and Sub-Sahara

**Of which;** Sub-Sahara – South Africa; Djibouti; Ethiopia; Sudan; Burundi; Congo, Democratic Republic of; Kenya; Rwanda; Tanzania; Uganda; Angola; Botswana; Comoros; Lesotho; Madagascar; Malawi; Mauritius; Mozambique, Republic of; Namibia; Seychelles; Swaziland; Zambia; Zimbabwe; Cape Verde; Gambia, The; Ghana; Guinea; Mauritania; Nigeria; Sao Tome and Principe; Sierra Leone; Benin; Burkina Faso; Cameroon; Central African Republic; Chad; Congo, Republic of; Cote d’Ivoire; Equatorial Guinea, Gabon; Guinea – Bissau; Mali; Niger; Senegal; and Togo.

(ii) Central and Eastern Europe – Albania; Bulgaria; Croatia; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Macedonia, FYR; Malta; Poland; Romania; Slovak Republic and Turkey. Commonwealth of Independent States – Armenia; Azerbaijan; Belarus; Georgia; Kazakhstan; Kyrgyz Republic; Moldova; Mongolia; Russia; Tajikistan; Turkmenistan; Ukraine and Uzbekistan.

- (iii) Developing Asia – Bangladesh; Bhutan; Cambodia; China; Fiji; India; Indonesia; Kiribati; Lao PDR; Malaysia; Maldives; Myanmar; Nepal; Pakistan; Papua New Guinea; Samoa; Solomon Islands; Sri Lanka; Thailand; Tonga; Vanuatu and Vietnam.
- (iv) Middle East – Bahrain; Iran I.R.; Kuwait; Libya; Oman; Qatar; Saudi Arabia; United Arab Emirates; Yemen, Republic of; Egypt; Jordan; Lebanon and Syrian Arab Republic.
- (v) Western Hemisphere – Mexico; Argentina; Brazil; Bolivia; Chile; Colombia; Ecuador; Paraguay; Peru; Uruguay; Venezuela; Costa Rica; El Salvador; Guatemala; Honduras; Nicaragua; Panama; Antigua and Barbuda; Bahamas, The; Barbados; Belize; Dominica; Dominican Republic; Grenada; Guyana; Haiti; Jamaica; St. Kitts and Nevis; St. Lucia; St. Vincent and the Grenadines; Suriname and Trinidad and Tobago.

Definition of the other items and instructions for filling-out the Additional Information section of each supporting schedule are presented in the Line Item Instructions.

*(Circular Nos. 890 dated 02 November 2015 and 837 dated 18 June 2014, M-2014-009 dated 17 March 2014)*

#### Footnotes

1. Provide Columns (in US\$ and Peso Equivalent) for foreign accounts, where applicable.