

2008 PHILIPPINE FLOW OF FUNDS ¹

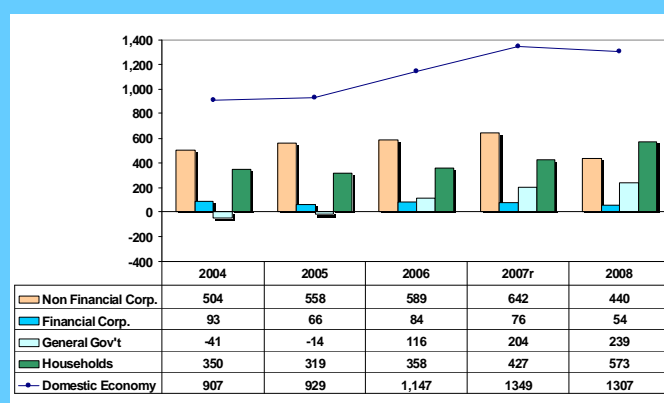
The 2008 Flow of Funds (FOF) reports that all sectors generated savings but total savings was lower than the previous year's level as economic growth decelerated in tandem with the global economic downturn. Meanwhile, the domestic economy's capital accumulation posted a double-digit growth similar to last year. The financial corporations, general government and households remained net lenders while the non-financial corporations became a net borrower. Lastly, the country sustained its net lending position vis-à-vis the rest of the world, albeit at a lower level compared to that in 2007. Securities other than shares remained to be the most widely-used financing instrument.

Savers in the Economy

All sectors generate savings, but total savings level is lower than that of previous year.

All sectors generated savings in 2008 that summed up to ₱1,306.9 billion. This level, however, was lower by 3.1 percent than the previous year's level. Soaring commodity prices

Gross Savings, by Sector in Billion Pesos



as well as the global financial and economic downturn dented the domestic economy's performance during the year, contributing to lower savings. Gross Domestic Product (GDP) growth slackened from 7.1 percent in 2007 to 3.8 percent in 2008, the lowest in 7 years (Annexes A and C).

¹ The available FOF series based on the new framework covered the periods 2000-2004, 2005, 2006 and 2007, which were released in 2006, 2007, 2008 and 2009, respectively. The old FOF series covered the period 1980-1999.

Household sector is the prime saver, fueled by Overseas Filipinos' remittances.

The household sector posted savings of ₱573.2 billion, dislodging the non-financial corporations sector as the prime saver in the economy. The 34.3 percent growth in households' savings in 2008 was largely driven by sustained remittances from overseas Filipinos (OF), which rose by 13.7 percent year-on-year to reach US\$16.4 billion in 2008.

Various government and non-government organizations have established advocacies for OFs and their beneficiaries, among which are the financial learning campaigns (FLCs) by the BSP. These helped in the promotion of a culture of savings among the beneficiaries of overseas Filipinos and encouraged them to channel these savings into investments in financial instruments and business ventures.

Non-financial corporation sector second highest saver.

The non-financial corporation sector followed households as the second highest saver. However, the ₱440.4 billion NFC sector's savings was 31.4 percent lower than the previous year's level due to the substantial drop in profits of the manufacturing sector.² Profits decline as production costs sharply went up following the broad increase in prices of raw materials particularly in the first three quarters of the year and the rise in salaries and wages and overhead costs. The air transport sub-sector incurred huge deficits as fuel costs increased. Meanwhile, the decline in profits of other sectors such as communication and storage, mining, and hotel and restaurant sectors was offset by gains in some productive sectors, specifically trade (particularly in oil products), real estate, renting and business activities, and the services sectors. Sustained growth in business process outsourcing and increased income from leasing and rental spaces in super malls and shopping centers largely contributed to the growth in the services sector.

² Based on SEC's Philippines Top 8000 Corporations, 2009 Edition.

SSAs' strong position pushes up General Government's savings.

The general government sector registered a ₱34.8 billion increase in savings, from ₱204.4 billion in 2007 to ₱239.2 billion in 2008, as a result of the stronger position of the social security agencies (SSAs).³ Growth in savings in the sector declined from 76.0 percent for 2007 to 17.0 percent for 2008.

Savings of the SSAs increased by ₱20.5 billion in 2008, representing a growth of 34.2 percent, an acceleration from the previous year's growth of 8.3 percent. This can be attributed to the: (1) 22.3 percent increase in business and service income and the 84.9 percent rise in other income of the Social Security System (SSS), and (2) 42.7 percent growth in the premium income of the Government Service Insurance System (GSIS). The rise in premium of GSIS was mainly due to the combined effect of the increases in the number of contributing members and salaries of government employees.

Likewise, local government units (LGUs) posted a 30.3 percent growth in savings amounting to ₱10.9 billion, a marked acceleration from the previous year's 3.8 percent growth. The growth was on account of the increased share in internal revenue allocation (IRA).

Meanwhile, the NG generated a 3.2 percent savings growth or ₱3.4 billion in 2008, a substantial deceleration from the previous year's 316.2 percent. The slowdown in the increase in the 2008 NG income from current operations to 4.4 percent from 18.4 percent in the previous year resulted in the NG's lower savings growth.⁴

³ Included under the General Government are the National Government (NG), local government units (LGUs) and social security agencies (SSAs). SSAs refer to the social insurance fund of the Government Service Insurance System, Social Security System, Philippine Health Insurance Corporation and Employees Compensation Commission. The NG accounts also include transactions of the CB-Board of Liquidators (CB-BOL) and NG's transactions with the IMF.

⁴ Based on the data sourced from the Commission on Audit, the net income position before loss in foreign exchange fluctuations of the NG decreased by 19.1 percent from ₱137 billion in 2007 to ₱111 billion in 2008.

Financial sector savings decline due to weak profit of non-bank financial corporations.

The financial sector remained a saver but its ₱54.0 billion savings was 28.8 percent lower than the previous year's level. This was due mainly to the decline in profits of the non-bank financial corporations (consisting of insurance companies, investment houses, among others), which accounted for about a third of the sector's total savings. The drop in profits was caused by lower receipts of dividends, commission, and service fees and higher operating expenses. Nevertheless, the financial sector managed to stay afloat in the midst of global financial fragilities and the economic downturn in the world's biggest economies. The banking industry's net income grew albeit at a decelerated pace due to lower returns on financial assets, particularly securities whose market values dropped significantly due to the crisis.⁵

Investing Institutions

Real investment growth remains at double-digit.

Capital accumulation or real investment sustained a double-digit growth at 10.7 percent, although lower than the 16.9 percent rise recorded in 2007.⁶ The increase in capital formation was driven by the growth in capital spending of the general government and the expansion in investments of the household sector.

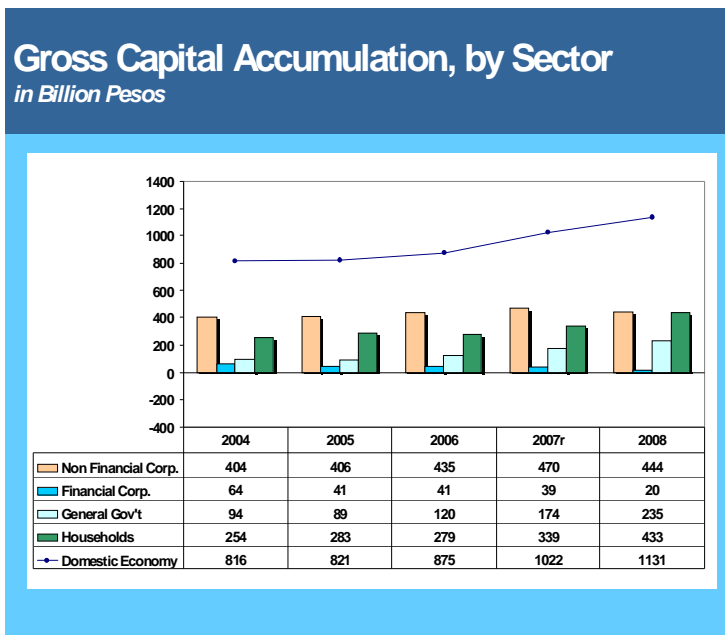
General government prioritizes infrastructure projects.

The general government's capital expenditures increased by 34.5 percent from ₱174.4 billion in 2007 to ₱234.5 billion in 2008. Priority was accorded to various infrastructure projects, such as the construction of roads, highways and

⁵ Source: A Status Report on the Philippine Financial System, Second Semester 2008, Office of Supervisory Policy Development (OSPD), SES, BSP.

⁶ Capital accumulation (usually referred to as real investments) in the System of National Accounts (SNA) consists of net acquisition of two main types of assets—produced assets and non-produced assets. Examples of produced assets are fixed capital, such as buildings and structures, machinery and equipment; and changes in stocks, which are also considered as forms of capital formation. Meanwhile, examples of non-produced assets, which are not products of any economic activity, include purchase and sale of patents, copyrights, trademarks, and franchises. Purchase and sale of land are also included but would only be covered in transactions among the domestic sectors, and eventually cancel out in the process of national consolidation.

bridges, which included the completion in 2008 of the 93.77-km Subic-Clark-Tarlac Expressway. Moreover, construction projects undertaken by various government agencies increased by 29.6 percent to ₱175.2 billion in 2008. Similarly, SSAs had long-term investments in property amounting to ₱6.2 billion.⁷



Households continue to invest in residential properties.

Meanwhile, capital accumulation by the household sector grew by 27.8 percent to ₱433.3 billion in 2008 from ₱339.0 billion in 2007. Households' capital accumulation, which accounted for 38.3 percent of the national capital accumulation, consisted mainly of acquisition of residential properties. At end-2008, value of residential construction based on building permits rose by 28.8 percent from the previous year's level.

Steady flows of OF remittances buoyed household income, stretching their borrowing capacity for investments in dwelling units and residential lots. Access to bank financing, as

⁷ Data on level of NG capital expenditure sourced from the 2010 Budget of Expenditures and Sources of Financing.

reflected by the 37.1 percent increase in real estate loans, helped boost investment in housing.⁸

The non-financial sector accounts for about half of the economy's capital accumulation despite lower investment in real properties.

In contrast, the non-financial corporation sector posted a ₱26.1 billion (or 5.6 percent) decline in capital expenditures. Both public and private non-financial corporations slowed down in their capital spending as a result of reduced profits for the year and the weak business outlook as a result of the financial crisis. Building permits data showed that the value of commercial and industrial construction in 2008 went down from their previous year's levels by 6.1 percent and 15.7 percent, respectively. Nonetheless, the real investment of the non-financial sector continued to account for about half of the country's capital accumulation, reaching ₱444.0 billion in 2008.

Financial sector's capital accumulation declines with banks' commitment to offload impaired assets.

Capital accumulation in the financial sector fell by 49.4 percent to ₱19.7 billion in 2008 from ₱39.0 billion in 2007 as the growth in the acquisition of real assets was outpaced by the growth in the disposal of bad assets. In particular, the level of the banking system's real and other properties acquired (ROPA) contracted by 9.5 percent in 2008 as banks continuously sought to improve the quality of their holdings.⁹

Lenders and Borrowers in the Economy

Domestic economy sustains its net lending position.

Since 2003, the domestic economy has been a net lender to the rest of the world (ROW). However, its net lending of ₱177.8 billion to ROW in 2008 was only about half of the ₱329.6 billion level posted in 2007 (Annex D).¹⁰ This is primarily due to the contraction in exports, following the global economic downturn.

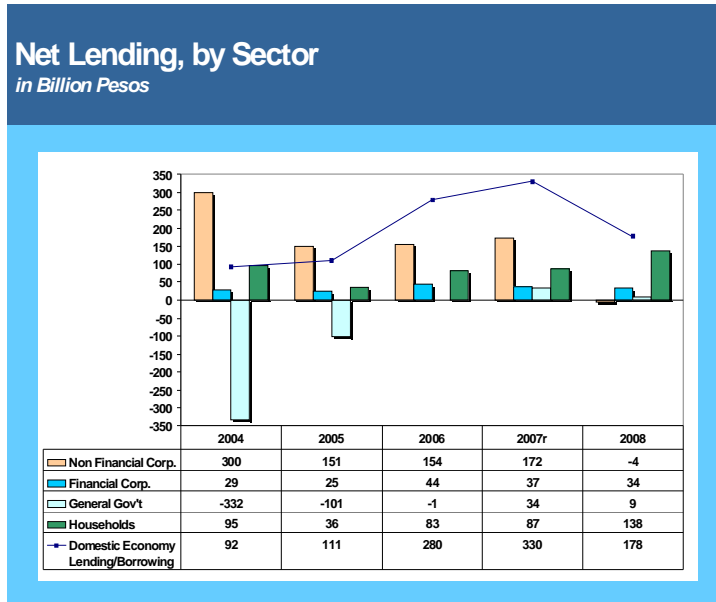
⁸ Source: Real Estate Loans, Philippine Banking System, Supervisory Data Center, SES.

⁹ Source: A Status Report on the Philippine Financial System, Second Semester 2008, Office of Supervisory Policy Development (OSPD), SES, BSP.

¹⁰ Conversely, Rest of the World increased its borrowing from the domestic economy by 46.0 percent in 2008.

Households replace non-financial corporations as top lender.

The household sector emerged as the highest net lender in 2008, replacing the non-financial corporations sector. Net lending of households stood at ₱138.2 billion, 58.8 percent higher than the ₱87.1 billion level posted in 2007. This was traced to the rise in households' investments in securities other than shares at ₱120.7 billion compared to the previous year's ₱28.5 billion. Given the cautious investment sentiment and higher risk aversion, households shifted their placements away from equity shares to safer instruments, particularly government securities and currencies and deposits.



BSP's acquisition of foreign securities propels the financial sector to net lending position.

The financial corporations sector continued to be a net lender at ₱34.4 billion in 2008, boosted by the Bangko Sentral's investments in foreign securities. However, net lending by the sector was 6.6 percent lower compared to its 2007 level, as the financial sector's investments in other instruments contracted.

The increased capitalization of banks provided strong support to the banks' lending activities, in addition to deposits. Paid-in capital of universal and commercial banks rose by 25.1 percent in 2008.

The general government continues to be a net lender due to SSAs' favorable balance sheets.

For the second consecutive year, the GG sector ended as a net lender. However, the GG net lending, which reached ₱8.8 billion in 2008, was considerably lower than the ₱33.8 billion net lending in 2007. The GG sector's net lender position could be traced to the strong balance sheets of SSAs. SSAs' net lending of ₱66.3 billion more than offset the NG's net borrowing of ₱61.2 billion. This augmented its savings in financing its infrastructure projects. Net lending by the GG sector continued to be mainly in the form of currency and deposits which increased by 17.5 percent to ₱106.6 billion.

Non-financial corporations sector turns around to being a net borrower.

The non-financial corporations sector ended as a net borrower at ₱3.6 billion, after four consecutive years of being a net lender, as corporate income declined due to the economic downturn. With the crisis pulling down investments particularly in equity instruments, the sector's net funding source consisted mainly of their loan availments, internally generated funds (currency and deposits), and accounts payables. The large accumulation of accounts payable was mainly in the form of trade credits and advances.

Financial Instruments Used in the Economy

Securities are the most widely used financing instrument.

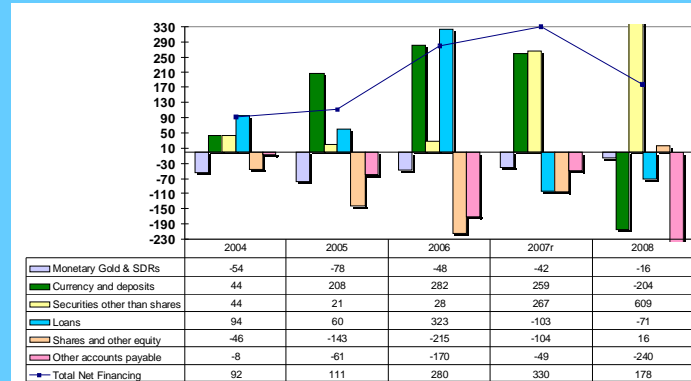
Securities other than shares remained to be the most widely-used instrument. Net financing through securities in both the foreign and domestic debt markets increased to ₱608.7 billion in 2008 from ₱267.0 billion in 2007. This could be traced to the 56.6 percent increase in BSP's investments in debt papers of foreign governments and international organizations as part of its reserve management. This was also evident in the household sector's investment preferences which showed a shift from shares and other equity to fixed income instruments such as securities and deposits, reflecting a

cautious stance given the uncertainties in the capital market.

Lower goods export causes drop in accounts receivables

Meanwhile, net account receivables and currency and deposit placements vis-a-vis non-residents declined significantly primarily reflecting the decline in goods exports.

Net Lending/ Net Borrowing by Financial Instrument
in Billion Pesos



As in the past, transactions in assets with the rest of the world were dominated by banks, while transactions in liabilities largely involved non-financial corporations and the general government.¹¹

About the Flow of Funds

The FOF presents a summary of financial transactions among the different institutions of the economy, and between these institutions and the rest of the world. It identifies which institutions are net borrowers and net lenders in the series of financial transactions. Institutions are categorized into four, namely, 1) financial corporations; 2) non-financial corporations; 3) general government; and 4) household sector.

¹¹ Based on the Balance of Payments statistics.

FLOW OF FUNDS SUMMARY MATRIX, BY SECTOR
2008
in million pesos

TRANSACTION CATEGORIES	Non-Financial	Financial	General	Households ¹	DOMESTIC	Rest of the	TOTAL
	Corporations	Corp.	Government		ECONOMY ²	World	VOLUME
CAPITAL ACCOUNT							
Gross Saving and Capital Transfers	440,400	54,163	243,289	571,470	1,309,323	-177,930	1,131,393
Saving	440,400	54,040	239,248	573,234	1,306,923	-175,530	1,131,393
Net capital transfers	0	123	4,041	-1,764	2,400	-2,400	0
Capital Accumulation	443,989	19,720	234,529	433,252	1,131,490	-97	1,131,393
Gross Capital formation	442,005	19,720	232,580	437,088	1,131,393	0	1,131,393
Other capital accumulation	1,984	0	1,949	-3,836	97	-97	0
Net Lending (+) / Net Borrowing (-) ³	-3,589	34,444	8,760	138,218	177,833	-177,833	0
FINANCIAL ACCOUNT							
Net Financing ³	-3,589	34,444	8,760	138,218	177,833	-177,833	0
Net Acquisition of Financial Assets	833,848	817,674	311,759	468,449	2,431,729	-252,603	2,179,126
Monetary gold and SDRs		-16,485			-16,485	16,485	0
Currency and deposits	-48,677	69,287	106,606	243,205	370,421	-11,547	358,874
Securities, other than shares	247,017	363,552	183,607	120,741	914,917	-172,493	742,424
Loans	1,379	375,837	-4,740	0	372,476	-72,472	300,004
Shares and other equity	224,811	-42,820	-20,416	-976	160,600	-7,784	152,816
Insurance technical reserves	0	-100	48	28,172	28,120	0	28,120
Other accounts receivable	409,318	68,403	46,653	-6,482	517,891	-4,792	513,099
Unclassified items ⁴				83,789	83,789		83,789
Net Incurrence of Liabilities	837,437	783,230	302,998	330,231	2,253,896	-74,770	2,179,126
Monetary gold and SDRs							
Currency and deposits		574,471			574,471	-215,597	358,874
Securities, other than shares	23,014	28,503	254,717		306,234	436,190	742,424
Loans	142,514	-62,082	32,735	330,231	443,398	-143,394	300,004
Shares and other equity	56,153	88,025			144,178	8,638	152,816
Insurance technical reserves		28,120			28,120	0	28,120
Other accounts payable	615,756	126,193	15,546		757,495	-244,396	513,099
Unclassified items ⁴						83,789	83,789
NET LENDING / NET FINANCING BY FINANCIAL INSTRUMENT							
Net Financing ³	-3,589	34,444	8,760	138,218	177,833	-177,833	0
Monetary gold and SDRs		-16,485			-16,485	16,485	0
Currency and deposits	-48,677	-505,184	106,606	243,205	-204,050	204,050	0
Securities, other than shares	224,003	335,049	-71,110	120,741	608,683	-608,683	0
Loans	-141,135	437,919	-37,475	-330,231	-70,922	70,922	0
Shares and other equity	168,658	-130,844	-20,416	-976	16,422	-16,422	0
Insurance technical reserves	0	-28,220	48	28,172	0	0	0
Other accounts receivable (+) / payable (-)	-206,438	-57,791	31,107	-6,482	-239,604	239,604	0
Unclassified items ⁴				83,789	83,789	-83,789	0
Memorandum Items:							
M4 ⁵		684,995			684,995		
Net Direct Foreign Investment	33,326				33,326		
Equity	33,326				33,326		

¹ Includes entrepreneurial activities of households as well as all other unaccounted transactions in the domestic economy; also covers non-profit institutions serving households (NPISH)

² Refers to the sum of the domestic sectors' transactions among themselves and with the rest of the world (ROW)

³ Net acquisition of financial assets less net incurrence of financial liabilities

⁴ Represents the unclassified financial assets/liabilities in the Balance of Payments, including derivatives

⁵ Based on the new Depository Corporations Survey data

Sources of Data:

- COA annual reports of NG, LGUs and Government-Owned-and-Controlled Corporations (GOCCs)
- Annual report of the BSP, financial statement of CB-BOL and the consolidated financial statements of banks and other financial institutions submitted to the BSP
- Annual reports of Insurance Commission, Government Service Insurance System (GSIS) and Social Security System (SSS)
- Structured financial statements of private corporations and the Philippines 8000 Corporations, from the Securities and Exchange Commission (SEC)
- Budget of Expenditures and Sources of Financing from the Department of Budget and Management, Bloomberg and Philippine Stock Exchange

FLOW OF FUNDS SUMMARY MATRIX, BY SECTOR
2007¹
in million pesos

TRANSACTION CATEGORIES	Non-Financial Corporations	Financial Corp.	General Government	Households ¹	DOMESTIC ECONOMY ²	Rest of the World	TOTAL VOLUME
CAPITAL ACCOUNT							
Gross Saving and Capital Transfers	641,967	75,848	208,170	426,029	1,352,014	-331,507	1,020,507
Saving	641,967	75,848	204,424	426,718	1,348,957	-328,450	1,020,507
Net capital transfers	0	0	3,746	-689	3,057	-3,057	0
Capital Accumulation	470,102	38,962	174,416	338,966	1,022,446	-1,939	1,020,507
Gross Capital formation	447,530	38,961	169,776	364,240	1,020,507	0	1,020,507
Other capital accumulation	22,572	1	4,640	-25,274	1,939	-1,939	0
Net Lending (+) / Net Borrowing (-) ³	171,865	36,886	33,754	87,063	329,568	-329,568	0
FINANCIAL ACCOUNT							
Net Financing ³	171,865	36,886	33,754	87,063	329,568	-329,568	0
Net Acquisition of Financial Assets	548,846	1,195,116	185,752	177,022	2,106,736	567,071	2,673,807
Monetary gold and SDRs		-42,325			-42,325	42,325	0
Currency and deposits	101,959	518,322	90,714	234,754	945,749	24,546	970,295
Securities, other than shares	33,277	468,708	67,474	28,508	597,967	8,724	606,691
Loans	-166	159,529	16,425	0	175,788	164,306	340,094
Shares and other equity	-3,784	18,568	1,175	17,882	33,841	270,682	304,523
Insurance technical reserves	129	-120	254	31,447	31,710	0	31,710
Other accounts receivable	417,431	72,434	9,710	-237,412	262,163	56,488	318,651
Unclassified items ⁴				101,843	101,843	0	101,843
Net Incurrence of Liabilities	376,981	1,158,230	151,998	89,959	1,777,168	896,639	2,673,807
Monetary gold and SDRs							
Currency and deposits		687,108			687,108	283,187	970,295
Securities, other than shares	-1,730	212,211	120,511		330,992	275,699	606,691
Loans	128,330	31,870	28,396	89,959	278,555	61,539	340,094
Shares and other equity	93,281	44,216			137,497	167,026	304,523
Insurance technical reserves	0	31,710			31,710	0	31,710
Other accounts payable	157,100	151,115	3,091	0	311,306	7,345	318,651
Unclassified items ⁴						101,843	101,843
NET LENDING / NET FINANCING BY FINANCIAL INSTRUMENT							
Net Financing ³	171,865	36,886	33,754	87,063	329,568	-329,568	0
Monetary gold and SDRs		-42,325			-42,325	42,325	0
Currency and deposits	101,959	-168,786	90,714	234,754	258,641	-258,641	0
Securities, other than shares	35,007	256,497	-53,037	28,508	266,975	-266,975	0
Loans	-128,496	127,659	-11,971	-89,959	-102,767	102,767	0
Shares and other equity	-97,065	-25,648	1,175	17,882	-103,656	103,656	0
Insurance technical reserves	129	-31,830	254	31,447	0	0	0
Other accounts receivable (+) / payable (-)	260,331	-78,681	6,619	-237,412	-49,143	49,143	0
Unclassified items ⁴				101,843	101,843	-101,843	0
Memorandum Items:							
M4 ⁵		203,323			203,323		
Net Direct Foreign Investment	-42,373				-42,373		
Equity	-42,373				-42,373		

¹ Revised

² Includes entrepreneurial activities of households as well as all other unaccounted transactions in the domestic economy; also covers non-profit institutions serving households (NPISH)

³ Refers to the sum of the domestic sectors' transactions among themselves and with the rest of the world (ROW)

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5. Budget of Expenditures and Sources of Financing from the Department of Budget and Management, Bloomberg and Philippine Stock Exchange

FLOW OF FUNDS SUMMARY MATRIX, BY SECTOR
2007¹ - 2008
Growth rates

TRANSACTION CATEGORIES	Non-Financial Corporations	Financial Corp.	General Government	Households ¹	DOMESTIC ECONOMY ²	Rest of the World	TOTAL VOLUME
CAPITAL ACCOUNT							
Gross Saving and Capital Transfers	-31.4	-28.6	16.9	34.1	-3.2	46.3	10.9
Saving	-31.4	-28.8	17.0	34.3	-3.1	46.6	10.9
Net capital transfers	-	-	7.9	-156.0	-21.5	21.5	
Capital Accumulation	-5.6	-49.4	34.5	27.8	10.7	95.0	10.9
Gross Capital formation	-1.2	-49.4	37.0	20.0	10.9	-	10.9
Other capital accumulation	-91.2	-103.0	-58.0	84.8	-95.0	95.0	
Net Lending (+) / Net Borrowing (-) ³	-102.1	-6.6	-74.0	58.8	-46.0	46.0	
FINANCIAL ACCOUNT							
Net Financing ³	-102.1	-6.6	-74.0	58.8	-46.0	46.0	-
Net Acquisition of Financial Assets	51.9	-31.6	67.8	164.6	15.4	-144.5	-18.5
Monetary gold and SDRs		61.1			61.1	-61.1	
Currency and deposits	-147.7	-86.6	17.5	3.6	-60.8	-147.0	-63.0
Securities, other than shares	642.3	-22.4	172.1	323.5	53.0	-2,077.2	22.4
Loans	930.7	135.6	-128.9	-	111.9	-144.1	-11.8
Shares and other equity	6,041.1	-330.6	-1,837.5	-105.5	374.6	-102.9	-49.8
Insurance technical reserves	-100.0	16.7	-81.1	-10.4	-11.3	-	-11.3
Other accounts receivable	-1.9	-5.6	380.5	97.3	97.5	-108.5	61.0
Unclassified items ⁴				-17.7	-17.7	-	-17.7
Net Incurrence of Liabilities	122.1	-32.4	99.3	267.1	26.8	-108.3	-18.5
Monetary gold and SDRs							
Currency and deposits	-	-16.4	-	-	-16.4	-176.1	-63.0
Securities, other than shares	1,430.3	-86.6	111.4	-	-7.5	58.2	22.4
Loans	11.1	-294.8	15.3	267.1	59.2	-333.0	-11.8
Shares and other equity	-39.8	99.1	-	-	4.9	-94.8	-49.8
Insurance technical reserves	0.0	-11.3	-	-	-11.3	-	-11.3
Other accounts payable	292.0	-16.5	402.9	-	143.3	-3,427.4	61.0
Unclassified items ⁴						-17.7	-17.7
NET LENDING / NET FINANCING BY FINANCIAL INSTRUMENT							
Net Financing ³	-102.1	-6.6	-74.0	58.8	-46.0	46.0	
Monetary gold and SDRs		61.1			61.1	-61.1	
Currency and deposits	-147.7	-199.3	17.5	3.6	-178.9	178.9	
Securities, other than shares	539.9	30.6	-34.1	323.5	128.0	-128.0	
Loans	-9.8	243.0	-213.0	-267.1	31.0	-31.0	
Shares and other equity	273.8	-410.2	-1,837.5	-105.5	115.8	-115.8	
Insurance technical reserves	-100.0	11.3	-81.1	-10.4	-	-	
Other accounts receivable (+) / payable (-)	-179.3	26.6	370.0	97.3	-387.6	387.6	
Unclassified items ⁴				-17.7	-17.7	17.7	

- ¹ Revised
- ² Includes entrepreneurial activities of households as well as all other unaccounted transactions in the domestic economy; also covers non-profit institutions serving households (NPISH)
- ³ Refers to the sum of the domestic sectors' transactions among themselves and with the rest of the world (ROW)
- ⁴ Net acquisition of financial assets less net incurrence of financial liabilities
- ⁵ Represents the unclassified financial assets/liabilities in the Balance of Payments, including derivatives

Net Lenders in the Economy (Source of Funds)			Net Fund Provision/Availment (in P Billions)	Net Borrowers in the Economy (Users of Funds)		
Net Lending				Net Borrowing		
	P Billions	% to Total			P Billions	% to Total
2002						
Households	169	92%	184	General Government	141	76%
Rest of the World	16	8%		Non-Financial Corporations	24	13%
				Financial Corporations	19	10%
2003						
Households	264	95%	277	General Government	162	59%
Financial Corporations	14	5%		Non-Financial Corporations	95	34%
				Rest of the World	20	7%
2004						
Non-Financial Corporations	300	71%	425	General Government	332	78%
Households	95	22%		Rest of the World	92	22%
Financial Corporations	29	7%				
2005						
Non-Financial Corporations	151	71%	212	General Government	101	48%
Households	36	17%		Rest of the World	111	52%
Financial Corporations	25	12%				
2006						
Non-Financial Corporations	154	54.8%	281	General Government	1	0.3%
Households	83	29.7%		Rest of the World	280	99.7%
Financial Corporations	44	15.5%				
2007 r						
Non-Financial Corporations	172	52.1%	330	Rest of the World	330	100.0%
Households	87	26.4%				
General Government	34	10.2%				
Financial Corporations	37	11.2%				
2008						
Households	138	76.2%	181	Non-Financial Corporation	4	2.0%
General Government	9	5.0%		Rest of the World	178	98.0%
Financial Corporations	34	18.8%				

Note: Details may not add up to total due to rounding, rounded off to billions.

B O P vs F O F : 2 0 0 8

B O P		F O F			
	\$ million	\$ million	\$ million	₱ million	
Current Account Balance	3,897	3,897	S - I gap		} = 3,950 = 177,833 ← Net Lending
<i>plus:</i>					
Capital Account Balance	53	53	net other Capital Account transactions		} = 3,950 = 177,833 ← Net Lending
Net Capital Transfers	55				
Less: Other Capital Accumulation	-2				
<i>plus:</i>					
Financial Account	-1,951	1,951			} ⇒ 3,950 = 177,833 ← Δ NFA
<i>plus:</i>					
Errors and Omissions*	-1910	1910			
===== (above the line) =====					
<i>equals:</i>					
Overall BOP Position or Δ NIR	89	89			
	0				

* errors and omission assumed to be emanating from financial account