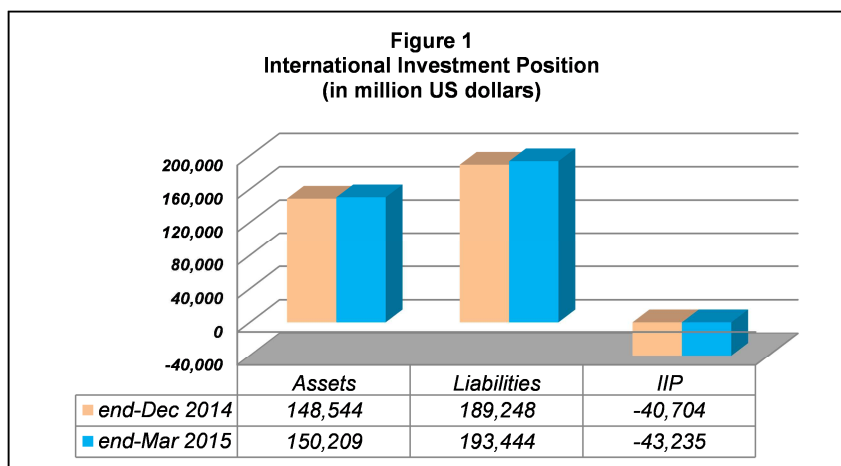


INTERNATIONAL INVESTMENT POSITION OF THE PHILIPPINES

End – March 2015

The country's IIP registers net liability position. The country's preliminary International Investment Position (IIP), based on the Balance of Payments and International Investment Position Manual, 6th edition (BPM6), registered a net liability position of US\$43.2 billion as of end-March 2015, higher by US\$2.5 billion than the end-December 2014 net liability position of US\$40.7 billion. This developed as the increase in total external financial liabilities (US\$4.2 billion) exceeded the increment in total external financial assets (US\$1.7 billion). Total outstanding external financial liabilities reached US\$193.4 billion as of end-March 2015, while total outstanding external financial assets amounted to US\$150.2 billion (Figure 1).



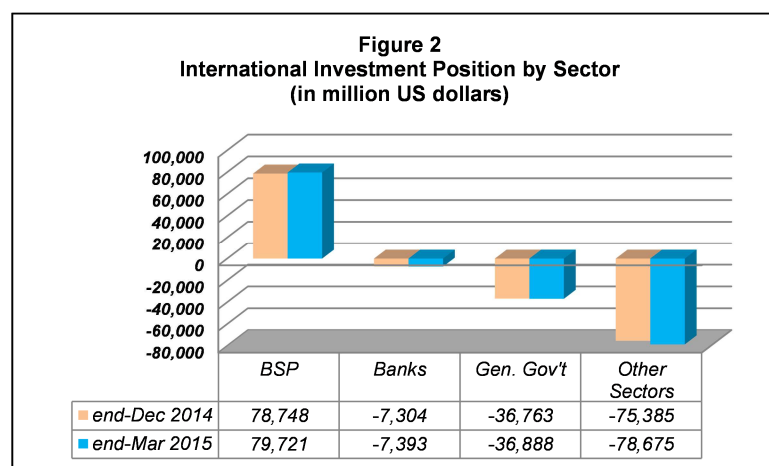
The increase in total external financial liabilities was due mainly to revaluation adjustments arising from changes in market prices. Moreover, net inflows from non-residents' investments in equity securities (portfolio investments) and equity capital (direct investments) during the quarter contributed to the increase in financial liabilities as investors' appetite improved given the country's strong macroeconomic fundamentals. Meanwhile, the increase in total external financial assets was primarily on account of investments in debt securities (portfolio investments) and in debt instruments (direct investments) that were issued by non-resident affiliates.

On a year-on-year basis, the country's net liability position increased by US\$3.9 billion from US\$39.3 billion as of end-March 2014 as the rise in total external financial liabilities exceeded that of total external financial assets.

End-March 2015 International Investment Position

The BSP maintains a net asset position, while Banks, the General Government and Other Sectors remain net users of foreign resources.

Across sectors, only the BSP maintained a net external asset position as of end-March 2015 while the rest of the sectors—Banks (i.e., Deposit-taking Corporations except the Central Bank), General Government and Other Sectors—posted higher net external liability positions. (Figure 2).



The BSP's net external asset position increased by US\$1 billion (by 1.2 percent) to US\$79.7 billion as of end-March 2015 from US\$78.7 billion as of end-December 2014. This was mainly attributed to the increase in the BSP's reserve assets to US\$80.5 billion from US\$79.5 billion as of end-December 2014.

Meanwhile, the net liability position of Banks increased marginally to US\$7.4 billion as of end-March 2015 from US\$7.3 billion as of end-December 2014. The increase was mainly due to the 15.7 percent rise in non-residents' holdings of equity securities issued by local banks. This was partially offset by the increase in resident banks' portfolio investments abroad.

The General Government also recorded a slightly higher net liability position of US\$36.9 billion as of end-March 2015 compared with the US\$36.8 billion recorded as of end-December 2014 as the National Government (NG) continued to borrow from non-residents in the form of loans and bond issuances.

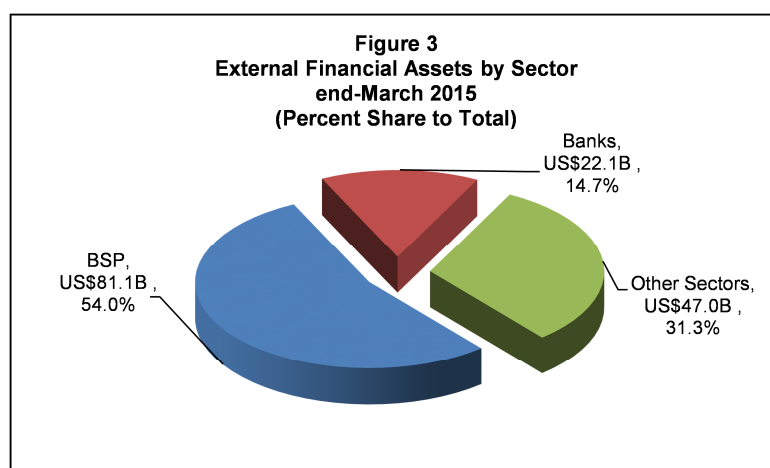
The Other Sectors' net liability position likewise increased to US\$78.7 billion as of end-March 2015 (or an increment of US\$3.3 billion) from US\$75.4 billion as of end-December 2014. This was on account of the significant increase in residents' liabilities to foreign direct and portfolio investors, particularly, placements in equity capital and equity securities, respectively.

External Financial Assets

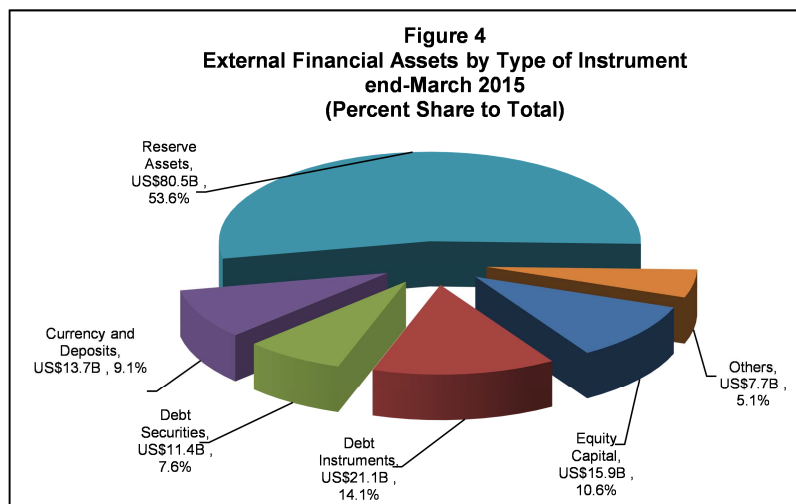
The BSP holds the highest stock of external financial assets. The BSP continued to hold the largest share (54 percent) of residents' total claims on the rest of the world, amounting to US\$81.1 billion as of end-March 2015 (Figure 3).

The Other Sectors accounted for 31.3 percent (or US\$47 billion) of total outstanding financial assets. Its external assets as of end-March 2015 were higher by 4.5 percent than the US\$45 billion recorded in end-December 2014. These were mostly in the form of residents' direct investments abroad.

Banks held the remaining US\$22.1 billion (14.7 percent) of the total external financial assets as of end-March 2015. This was lower by 5.5 percent compared to the previous quarter's level. Banks' assets were comprised mostly of debt securities holdings, loans to non-residents, and currency and deposits abroad.

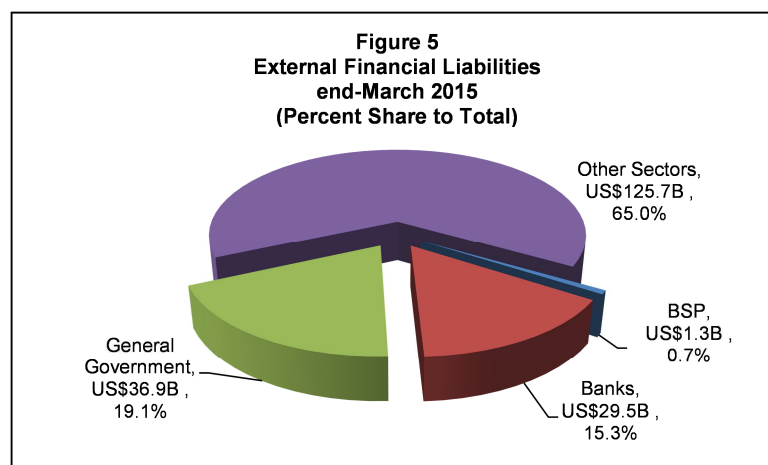


The bulk of residents' financial assets are in the form of reserve assets held by the BSP. More than half (53.6 percent) of residents' total holdings of external assets as of end-March 2015 were reserve assets held by the BSP, amounting to US\$80.5 billion. Investments in debt instruments issued by foreign affiliates (or intercompany loans) accounted for 14.1 percent of total external financial assets. The rest were residents' placements in equity capital (10.6 percent), deposits abroad (9.1 percent), and holdings of non-resident issued debt securities (7.6 percent) (Figure 4).



External Financial Liabilities

The Other Sectors hold the highest financial exposure to the rest of the world. The Other Sectors continued to hold the majority of residents' total liabilities to non-residents, with a 65 percent share as of end-March 2015 (Figure 5). The sector's outstanding liabilities increased by US\$5.3 billion (4.4 percent) to US\$125.7 billion from US\$120.4 billion as of end-December 2014. These were largely in the form of equity capital placements by non-residents (34.8 percent), issuances of equity securities (34.7 percent) and of debt instruments to foreign affiliates (11.2 percent), and foreign loans (10.7 percent).



The General Government's outstanding external liabilities amounted to US\$36.9 billion as of end-March 2015, accounting for 19.1 percent of total external liabilities to non-residents. The sector's outstanding external liabilities comprised of issuances of debt securities (58.5 percent) and loans (41.5 percent).

End-March 2015 International Investment Position

The external liabilities of Banks amounting to US\$29.5 billion accounted for 15.3 percent of the country's total external liabilities as of end-March 2015. This was lower by US\$1.2 billion than the end-December 2014 outstanding level of US\$30.7 billion. The sector's liabilities were mostly in the form of issuances of equity securities (38.1 percent) and loans (37.5 percent).

Financial liabilities are predominantly in the form of equity securities, equity capital and foreign loans. Outstanding financial liabilities of residents to the rest of the world consisted largely of non-residents' holdings of equity securities (US\$54.9 billion), non-residents' placements of equity capital (US\$45.7 billion), and foreign loans (US\$39.8 billion) equivalent to 28.4 percent, 23.6 percent and 20.6 percent, respectively. Debt securities, mostly issued by the NG comprised 15.8 percent (US\$30.5 billion) of these foreign obligations (Figure 6).

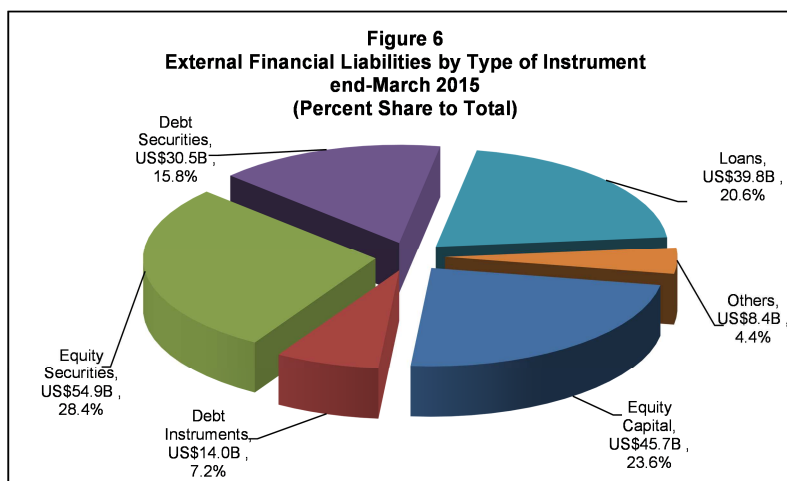


Table 1. International Investment Position by Sector
as of end periods indicated
(in million US dollars)

	Mar -14			Dec -14			Mar -15		
	Assets	Liabilities	IIP	Assets	Liabilities	IIP	Assets	Liabilities	IIP
Levels									
Cental Bank (CB)	79769	1460	78308	80135	1387	78748	81052	1332	79721
Deposit-taking corporations, except CB	18561	28136	-9575	23411	30715	-7304	22115	29508	-7393
General Government	0	37095	-37095	0	36763	-36763	0	36888	-36888
Other Sectors	38606	109583	-70977	44997	120382	-75385	47042	125717	-78675
Total	136936	176274	-39338	148544	189248	-40704	150209	193444	-43235
Percent Share to Total									
Cental Bank (CB)	58.3	0.8		53.9	0.7		54.0	0.7	
Deposit-taking corporations, except CB	13.6	16.0		15.8	16.2		14.7	15.3	
General Government	0.0	21.0		0.0	19.4		0.0	19.1	
Other Sectors	28.2	62.2		30.3	63.6		31.3	65.0	
Total	100.0	100.0		100.0	100.0		100.0	100.0	
Growth Rates (Quarter-on-Quarter)									
Cental Bank (CB)	-4.2	0.4		0.2	-2.2		1.1	-4.0	
Deposit-taking corporations, except CB	14.4	1.9		19.1	10.0		-5.5	-3.9	
General Government	--	-5.3		--	-1.7		--	0.3	
Other Sectors	5.4	5.5		7.7	0.3		4.5	4.4	
Total	0.6	2.4		5.0	1.3		1.1	2.2	
Growth Rates (Year-on-Year)									
Cental Bank (CB)	-5.1	2.6		-3.8	-4.7		1.6	-8.8	
Deposit-taking corporations, except CB	29.3	-9.4		44.3	11.2		19.1	4.9	
General Government	--	-10.6		--	-6.1		--	-0.6	
Other Sectors	21.3	-1.1		22.8	15.9		21.9	14.7	
Total	5.2	-4.6		9.1	10.0		9.7	9.7	

Note: Details may not add up to totals due to rounding

- Rounds off to zero

-- Infinite growth rate

Table 2. External Financial Assets
as of end periods indicated
(in million US dollars)

Instrument/Sector	Central Bank (CB)			Deposit-taking corporations, except CB			General Government			Other Sectors			Total			% to Total		
	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15
	Levels																	
Direct Investment	0	0	0	653	697	698	0	0	0	29600	34906	36316	30252	35603	37013	22.1	24.0	24.6
Equity Capital	0	0	0	653	697	698	0	0	0	12233	14651	15185	12885	15348	15883	9.4	10.3	10.6
Debt Instruments	0	0	0	0	0	0	0	0	0	17367	20255	21131	17367	20255	21131	12.7	13.6	14.1
Portfolio Investment	54	530	532	6638	7318	8231	0	0	0	2398	2460	3073	9090	10308	11836	6.6	6.9	7.9
Equity Securities	50	52	53	7	8	9	0	0	0	205	319	372	262	380	434	0.2	0.3	0.3
Debt Securities	4	477	479	6630	7310	8221	0	0	0	2193	2141	2702	8828	9928	11402	6.4	6.7	7.6
Financial Derivatives	0	0	0	335	632	645	0	0	0	2	-	44	337	632	689	0.2	0.4	0.5
Other Investment	69	65	62	10936	14764	12541	0	0	0	6606	7630	7609	17611	22460	20211	12.9	15.1	13.5
Other Equity	69	65	62	0	0	0	0	0	0	0	0	0	69	65	62	0.1	-	-
Currency and Deposits	0	0	0	5153	7326	6147	0	0	0	6528	7556	7532	11681	14882	13679	8.5	10.0	9.1
Loans	0	0	0	5734	7391	6353	0	0	0	0	0	0	5734	7391	6353	4.2	5.0	4.2
Insurance, pension, and standardized guarantee schemes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Trade Credit and Advances	0	0	0	0	0	0	0	0	0	78	75	76	78	75	76	0.1	0.1	0.1
Other Accounts Receivable	0	0	0	50	47	40	0	0	0	0	0	0	50	47	40	-	-	-
Reserve Assets	79645	79541	80459	0	0	0	0	0	0	0	0	0	79645	79541	80459	58.2	53.5	53.6
Total	79769	80135	81052	18561	23411	22115	0	0	0	38606	44997	47042	136936	148544	150209	100.0	100.0	100.0
Growth Rates (Quarter-on-Quarter)																		
Direct Investment	--	--	--	0.1	0.5	0.1	--	--	--	4.4	6.4	4.0	4.3	6.3	4.0			
Equity Capital	--	--	--	0.1	0.5	0.1	--	--	--	1.9	10.7	3.6	1.8	10.2	3.5			
Debt Instruments	--	--	--	--	--	--	--	--	--	6.2	3.5	4.3	6.2	3.5	4.3			
Portfolio Investment	1119.3	45.7	0.4	11.6	11.9	12.5	--	--	--	26.5	-0.5	24.9	15.8	9.9	14.8			
Equity Securities	--	1.5	0.8	-35.3	-3.0	9.0	--	--	--	46.1	7.2	16.5	73.1	6.1	14.1			
Debt Securities	-2.6	53.1	0.4	11.7	11.9	12.5	--	--	--	24.9	-1.6	26.2	14.7	10.1	14.9			
Financial Derivatives	--	--	--	12.2	12.3	2.1	--	--	--	-60.6	0.3	10018.5	10.9	12.3	9.0			
Other Investment	0.4	-2.3	-4.8	17.3	24.5	-15.1	--	--	--	3.7	16.9	-0.3	11.7	21.7	-10.0			
Other Equity	0.4	-2.3	-4.8	--	--	--	--	--	--	--	--	--	0.4	-2.3	-4.8			
Currency and Deposits	--	--	--	12.2	27.3	-16.1	--	--	--	3.7	17.1	-0.3	7.3	21.9	-8.1			
Loans	--	--	--	21.8	22.4	-14.0	--	--	--	--	--	--	21.8	22.4	-14.0			
Insurance, pension, and standardized guarantee schemes	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
Trade Credit and Advances	--	--	--	--	--	--	--	--	--	0.5	-3.6	2.4	0.5	-3.6	2.4			
Other Accounts Receivable	--	--	--	91.3	-30.9	-14.3	--	--	--	--	--	--	91.3	-30.9	-14.3			
Reserve Assets	-4.3	-	1.2	--	--	--	--	--	--	--	--	--	-4.3	-	1.2			
Total	-4.2	0.2	1.1	14.4	19.1	-5.5	--	--	--	5.4	7.7	4.5	0.6	5.0	1.1			
Growth Rates (Year-on-Year)																		
Direct Investment	--	--	--	2.8	6.9	6.9	--	--	--	17.9	23.1	22.7	17.5	22.7	22.3			
Equity Capital	--	--	--	2.8	6.9	6.9	--	--	--	14.6	22.0	24.1	13.9	21.2	23.3			
Debt Instruments	--	--	--	--	--	--	--	--	--	20.3	23.9	21.7	20.3	23.9	21.7			
Portfolio Investment	--	11786.2	878.8	0.3	23.0	24.0	--	--	--	57.7	29.7	28.2	11.7	31.3	30.2			
Equity Securities	--	--	5.8	-35.7	-24.6	26.9	--	--	--	166.0	127.8	81.6	196.9	151.2	65.6			
Debt Securities	--	10609.0	10929.0	0.4	23.1	24.0	--	--	--	52.0	21.9	23.2	9.7	28.9	29.2			
Financial Derivatives	--	--	--	108.1	111.8	92.7	--	--	--	-71.7	-92.0	1968.6	100.1	108.2	104.5			
Other Investment	3.1	-5.9	-10.7	57.4	58.3	14.7	--	--	--	27.2	19.8	15.2	44.3	42.5	14.8			
Other Equity	3.1	-5.9	-10.7	--	--	--	--	--	--	--	--	--	3.1	-5.9	-10.7			
Currency and Deposits	--	--	--	23.7	59.6	19.3	--	--	--	27.6	20.1	15.4	25.8	36.7	17.1			
Loans	--	--	--	110.6	57.0	10.8	--	--	--	--	--	--	110.6	57.0	10.8			
Insurance, pension, and standardized guarantee schemes	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
Trade Credit and Advances	--	--	--	--	--	--	--	--	--	-0.2	-4.1	-2.3	-0.2	-4.1	-2.3			
Other Accounts Receivable	--	--	--	-13.7	82.1	-18.4	--	--	--	--	--	--	-13.7	82.1	-18.4			
Reserve Assets	-5.1	-4.4	1.0	--	--	--	--	--	--	--	--	--	-5.1	-4.4	1.0			
Total	-5.1	-3.8	1.6	29.3	44.3	19.1	--	--	--	21.3	22.8	21.9	5.2	9.1	9.7			

Note: Details may not add up to totals due to rounding.
 - Rounds off to zero
 -- Infinite growth rate

Table 3. External Financial Liabilities
as of end periods indicated
(in million US dollars)

Instrument/Sector	Deposit-taking corporations, except CB									Other Sectors			Total			% to Total		
	Central Bank (CB)			General Government			Other Sectors			Total			% to Total					
	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15	Mar -14	Dec -14	Mar -15
Levels																		
Direct Investment	0	0	0	1618	2182	1995	0	0	0	48642	54911	57767	50260	57093	59762	28.5	30.2	30.9
Equity Capital	0	0	0	1618	2182	1995	0	0	0	37441	41282	43748	39059	43465	45743	22.2	23.0	23.6
Debt Instruments	0	0	0	0	0	0	0	0	0	11201	13628	14019	11201	13628	14019	6.4	7.2	7.2
Portfolio Investment	167	173	172	9599	10835	12605	20879	21535	21567	43413	49036	51085	74058	81579	85429	42.0	43.1	44.2
Equity Securities	0	0	0	8418	9726	11254	0	0	0	35736	41499	43630	44154	51225	54884	25.0	27.1	28.4
Debt Securities	167	173	172	1182	1109	1351	20879	21535	21567	7677	7537	7454	29904	30354	30544	17.0	16.0	15.8
Financial Derivatives	0	0	0	308	581	582	0	0	0	1	9	61	309	590	643	0.2	0.3	0.3
Other Investment	1294	1214	1159	16610	17117	14326	16216	15228	15321	17527	16426	16804	51647	49986	47610	29.3	26.4	24.6
Other Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Currency and Deposits	0	0	0	2658	2625	2322	0	0	0	0	0	0	2658	2625	2322	1.5	1.4	1.2
Loans	-	-	-	13143	13881	11068	16216	15228	15321	13532	13360	13443	42891	42469	39832	24.3	22.4	20.6
Insurance, pension, and standardized guarantee schemes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Trade Credit and Advances	0	0	0	0	0	0	0	0	0	3995	3066	3361	3995	3066	3361	2.3	1.6	1.7
Other Accounts Payable	0	0	0	809	611	936	0	0	0	0	0	0	809	611	936	0.5	0.3	0.5
Special drawing rights	1294	1214	1159	0	0	0	0	0	0	0	0	0	1294	1214	1159	0.7	0.6	0.6
Total	1460	1387	1332	28136	30715	29508	37095	36763	36888	109583	120382	125717	176274	189248	193444	100.0	100.0	100.0
Growth Rates (Quarter-on-Quarter)																		
Direct Investment	--	--	--	8.7	26.8	-8.6	--	--	--	6.2	1.6	5.2	6.3	2.4	4.7			
Equity Capital	--	--	--	8.7	26.8	-8.6	--	--	--	5.5	1.3	6.0	5.7	2.4	5.2			
Debt Instruments	--	--	--	--	--	--	--	--	--	8.6	2.5	2.9	8.6	2.5	2.9			
Portfolio Investment	-0.3	0.6	-0.6	9.4	-0.2	16.3	-10.4	-0.1	0.1	5.8	-	4.2	1.1	-0.1	4.7			
Equity Securities	--	--	--	10.5	-0.1	15.7	--	--	--	6.5	0.2	5.1	7.3	0.2	7.1			
Debt Securities	-0.3	0.6	-0.6	2.0	-0.9	21.8	-10.4	-0.1	0.1	2.6	-1.6	-1.1	-6.9	-0.5	0.6			
Financial Derivatives	--	--	--	11.7	19.4	0.3	--	--	--	-11.0	0.3	547.0	11.7	19.0	9.0			
Other Investment	0.4	-2.6	-4.5	-2.7	15.1	-16.3	2.2	-3.8	0.6	3.0	-3.3	2.3	0.8	2.2	-4.8			
Other Equity	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
Currency and Deposits	--	--	--	-9.3	7.2	-11.6	--	--	--	--	--	--	-9.3	7.2	-11.6			
Loans	0.0	0.0	0.0	-2.3	19.9	-20.3	2.2	-3.8	0.6	-0.7	1.7	0.6	-0.1	4.8	-6.2			
Insurance, pension, and standardized guarantee schemes	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
Trade Credit and Advances	--	--	--	--	--	--	--	--	--	17.8	-20.2	9.6	17.8	-20.2	9.6			
Other Accounts Payable	--	--	--	16.3	-27.7	53.2	--	--	--	--	--	--	16.3	-27.7	53.2			
Special drawing rights	0.4	-2.6	-4.5	--	--	--	--	--	--	--	--	--	0.4	-2.6	-4.5			
Total	0.4	-2.2	-4.0	1.9	10.0	-3.9	-5.3	-1.7	0.3	5.5	0.3	4.4	2.4	1.3	2.2			
Growth Rates (Year-on-Year)																		
Direct Investment	--	--	--	-6.5	46.6	23.3	--	--	--	0.7	19.9	18.8	0.5	20.8	18.9			
Equity Capital	--	--	--	-6.5	46.6	23.3	--	--	--	-7.5	16.4	16.8	-7.5	17.6	17.1			
Debt Instruments	--	--	--	--	--	--	--	--	--	43.5	32.2	25.2	43.5	32.2	25.2			
Portfolio Investment	-0.1	3.5	3.2	-19.6	23.5	31.3	-13.2	-7.6	3.3	-5.9	19.5	17.7	-10.0	11.3	15.4			
Equity Securities	--	--	--	-21.6	27.7	33.7	--	--	--	-7.3	23.7	22.1	-10.4	24.5	24.3			
Debt Securities	-0.1	3.5	3.2	-2.2	-4.3	14.3	-13.2	-7.6	3.3	1.1	0.7	-2.9	-9.5	-5.5	2.1			
Financial Derivatives	--	--	--	62.8	110.7	89.1	--	--	--	-87.6	1062.2	8347.3	58.4	113.5	108.4			
Other Investment	2.9	-5.7	-10.4	-3.4	0.3	-13.8	-7.0	-4.0	-5.5	7.5	-3.5	-4.1	-1.1	-2.5	-7.8			
Other Equity	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
Currency and Deposits	--	--	--	10.6	-10.4	-12.7	--	--	--	--	--	--	10.6	-10.4	-12.7			
Loans	0.0	0.0	0.0	-4.5	3.2	-15.8	-7.0	-4.0	-5.5	3.9	-2.0	-0.7	-3.0	-1.1	-7.1			
Insurance, pension, and standardized guarantee schemes	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
Trade Credit and Advances	--	--	--	--	--	--	--	--	--	21.5	-9.6	-15.9	21.5	-9.6	-15.9			
Other Accounts Payable	--	--	--	-21.4	-12.1	15.7	--	--	--	--	--	--	-21.4	-12.1	15.7			
Special drawing rights	2.9	-5.7	-10.4	--	--	--	--	--	--	--	--	--	2.9	-5.7	-10.4			
Total	2.6	-4.7	-8.8	-9.4	11.2	4.9	-10.6	-6.1	-0.6	-1.1	15.9	14.7	-4.6	10.0	9.7			

Note: Details may not add up to totals due to rounding.
-- Rounds off to zero
-- Infinite growth rate