



BANGKO SENTRAL NG PILIPINAS

Report on

# Economic and Financial Developments

First Quarter 2021



# Foreword

The Bangko Sentral ng Pilipinas (BSP) is mandated under its Charter as embodied in Republic Act no. 7653 to publish and submit to the President and to the Congress, not later than ninety (90) days after the end of each quarter, an analysis of economic and financial developments, including the condition of net international reserves and monetary aggregates.

To this end, the BSP publishes the Report on Economic and Financial Development as a quarterly report on the major developments in the real, monetary and fiscal sectors of the Philippine economy. The Report also provides the latest developments on the external front by including discussions on the country's balance of payments and external debt position as well as the recent developments in the global economy. The Report presents a factual assessment of the factors that shaped the performance of the different sectors in the domestic economy. It provides the public with updates on the BSP's policy actions, reforms and advocacies in response to emerging economic and financial challenges. In addition, the Report publishes the financial condition of the BSP, in line with the BSP's thrust toward transparency and accountability.



**BANGKO SENTRAL NG PILIPINAS**

DEPARTMENT OF ECONOMIC RESEARCH

# Report on Economic and Financial Developments

## First Quarter 2021

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# Executive Summary

**The Philippine economy contracts by 4.2 percent in Q1 2021.** Real gross domestic product (GDP) declined by 4.2 percent year-on-year (y-o-y) in Q1 2021, a slight improvement from the -8.3 percent in Q4 2020 but lower than -0.7 percent recorded in Q1 2020. On a seasonally adjusted quarter-on-quarter (q-o-q) basis, the economy improved by 0.3 percent. Quarantine measures were looser for the most part of Q1 but were tightened beginning in the last week of March for the National Capital Region (NCR) and adjacent provinces due to a surge in COVID-19 cases. On the expenditure side of the economy, government spending accelerated by 16.1 percent while household consumption, net exports, and investments contracted by 4.8 percent, 6.1 percent and 18.3 percent, respectively. On the production side, the services, industry and agriculture sectors declined by 4.4 percent, 4.7 percent and 1.2 percent, respectively.

**Nevertheless, labor market shows improvement.** Based on the Labor Force Survey (LFS) as of January 2021, unemployment rate remained at 8.7 percent, unchanged from the results of the October 2020 LFS. Meanwhile, employment rate improved by 3.5 percent as the number of employed persons increased to 41.2 million from 39.8 million in October 2020.

**Fiscal deficit widens to 7.4 percent of GDP.** The National Government's (NG) cash operations recorded a ₱321.5-billion deficit in the first quarter of the year,

wider than the ₱86.2-billion shortfall a year ago. Consequently, the fiscal gap as a percent of GDP widened to 7.4 percent in Q1 2021 from 1.9 percent in Q1 2020. Total NG revenues declined by 8.7 percent from last year due mainly to lower non-tax revenues collections. On the other hand, total NG expenditures increased by 19.9 percent owing to the continued implementation of programs in response to the COVID-19 pandemic.

**Inflation accelerates to 4.5 percent in Q1 2021.** Average headline inflation nationwide increased to 4.5 percent y-o-y, driven mainly by sharper price increases in food items. This was higher than the year- and quarter-ago inflation rate of 2.7 percent and 3.1 percent, respectively. Meanwhile, the NG has set a 2-4 percent target range for average headline inflation in 2021. Core inflation, which measures underlying demand-side price pressures, also rose albeit at a more muted pace of 3.5 percent y-o-y from 3.2 percent in the previous quarter.

**Domestic liquidity remains ample, grows at slower rate of 8.3 percent.** Money supply (M3) grew by 8.3 percent y-o-y as of end-March 2021 to about ₱14.2 trillion, slower than the 9.6-percent expansion as of end-December 2020. The easing in M3 growth was due mainly to the sustained decline in claims on the private sector as credit to the sector declined by 2.7 percent, reflecting weak bank lending activity. Meanwhile, net claims on the central government grew by 47.4 percent due in part to the NG's sustained borrowings. Net foreign assets (NFA) in

peso terms rose by 18.1 percent y-o-y, due mainly to the increase in the BSP's level of gross international reserves.

**The BSP keeps policy rate steady in Q1 2021.** At its monetary policy meetings on 11 February and 25 March, the BSP decided to maintain the key policy interest rate at 2.0 percent for the overnight reverse repurchase or RRP facility. The corresponding interest rates on the overnight deposit and lending facilities were also kept at 1.5 percent and 2.5 percent, respectively. During the review period, the BSP noted that latest inflation forecasts have shifted higher over the policy horizon. Inflation may breach the upper end of the target range of 2-4 percent in 2021 but is still seen to return within the target band in 2022 as supply-side influences subside. The balance of risks to the inflation outlook remains broadly balanced around the baseline path in 2021 while leaning toward the downside in 2022. Given these considerations, the BSP is of the view that prevailing monetary policy settings remain appropriate. Looking ahead, the BSP reiterated that it will remain watchful for any signs of inflation becoming broader based.

**Domestic interest rates continue to decline.** Interest rates in the primary market continued to decrease in Q1 2021 due to strong demand for government securities (GS). The interbank call loan (IBCL) rate likewise fell to 1.55 percent from 1.90 percent in Q4 2020. The generally low domestic interest rates during the quarter reflected the sustained ample liquidity conditions in the financial system.

**The Philippine banking system remains sound and stable.** Outstanding loans of universal and commercial banks (U/KBs), net of RRP placements with the BSP, declined y-o-y by 4.5 percent in March 2021. Non-performing loans also rose although these remain manageable.

Capital adequacy ratios on solo and consolidated basis stood at 16.6 percent and 17.1 percent, respectively, well above the BSP's regulatory threshold of 10.0 percent and the international standard of 8.0 percent.

**Philippine stock market records gains in Q1 2021.** The Philippine Stock Exchange index (PSEi) rose by 2.5 percent q-o-q to average 6,886.50 index points during the quarter. The q-o-q rise was due mainly to market optimism over the arrival of several COVID-19 vaccines, start of the government's vaccination program, announcement of the provision of additional cash stimulus as well as several key legislative measures.

**The country's external position posts higher deficit.** The balance of payments (BOP) position recorded a US\$2.8-billion deficit in Q1 2021, higher than the previous year's US\$68-million deficit. The wider BOP deficit could be attributed to the reversal to deficit of the current account from a surplus a year ago as the trade sector gains momentum. In addition, the financial account recorded net outflows primarily in portfolio investments, owing partly to higher residents' investments abroad.

**International reserves remain adequate.** The gross international reserves (GIR) stood at US\$104.48 billion as of end-March 2021. At this level, the GIR remains adequate as it can cover 12 months' worth of imports of goods and payments of services and primary income. It is also equivalent to 7.3 times the country's short-term external debt based on original maturity and 5.2 times based on residual maturity.

**External debt remains manageable.** Outstanding external debt declined slightly to US\$97.0 billion as of end-March 2021 from US\$98.5 billion as of end-December 2020. The lower debt stock could be attributed to repayments of

obligations by private domestic banks and redemption by the NG of its maturing bonds. In terms of maturity profile, the external debt remained predominantly medium- to long-term. Moreover, debt service ratio remained prudent at 13.5 percent for January-March 2021. Similarly, total outstanding debt as share to GDP decreased to 26.7 percent.

**The peso depreciates slightly against the US dollar.** The peso averaged ₱48.28/US\$1 in Q1 2021, a marginal depreciation from the Q4 2020 average of ₱48.27/US\$1 due partly to the rise in COVID-19 infections in the country. The country's manageable inflation environment, strong and resilient banking system, prudent fiscal position, and high level of international reserve buffer continued to provide support to the peso.

**Pace of global economic recovery diverges.** The varying scope and speed of the response of each country to the pandemic led to divergent recovery paths in Q1 2021. Increased economic activities in most advanced economies (AEs) were observed during the review quarter. These were attributed mainly to the reopening of businesses and sustained response to the COVID-19 pandemic. Real GDP growth were seen in the US, South Korea and Singapore. In Asia, China and India recorded expansions during the quarter. Meanwhile, countries in the ASEAN-5 region showed recovery momentum but remained in contraction. Upward price pressures were noted across the globe, stemming mostly from higher energy prices. Nevertheless, the still-weak economic activity prompted central banks to maintain an accommodative monetary policy.

# Introduction

The impact of the COVID-19 pandemic still weighed considerably on the Philippine economy in Q1 2021. Nevertheless, green shoots of recovery can already be observed in several sectors. The Q1 2021 growth outturn was below the private sector's expectations but improvements can be noted on the production side, with the modest growth in manufacturing, and on the expenditure side, with milder contractions in consumption and investment. The labor market likewise remained stable, with notable increase in the number of employed persons.

Inflation was higher during the review quarter, stoked by supply-side constraints in several food items. Supply of pork was tighter due to African Swine Fever (ASF) outbreak and fish harvest was limited due to seasonal factors. Nonetheless, core inflation, which excludes selected volatile food and energy items, suggests that underlying demand-side price pressures was relatively subdued.

For Q1 2021, the BSP noted that inflation forecasts have shifted higher over the policy horizon. This reflected the impact of supply-side constraints on domestic prices of key food commodities as well as the uptick in international oil prices. Nevertheless, inflation is still seen to return within the target band in 2022 as supply-side influences subside. Given these considerations, the BSP kept the policy rate steady. The BSP is of the view that prevailing monetary policy settings remain appropriate. At the same time, however, the BSP emphasized that the timely implementation of non-monetary interventions is crucial in mitigating the impact of supply-side pressures on inflation and thereby preventing them from spilling over as second-round effects.

Financial market conditions remained stable, characterized by ample financial system liquidity and low interest rates. However, bank lending remained tepid due to uncertainties on the lingering impact of the pandemic on economic activity. Nevertheless, domestic bond market activity remained robust and the equities market generally recorded modest gains. Meanwhile, Philippine banks' non-performing loan (NPL) ratios increased, although these remain manageable. Moreover, capital adequacy ratios have remained well above international standards.

The Philippine economy has shown nascent signs of recovery during the review quarter. There is general optimism as businesses adapt more to the "new normal" amid looser quarantine measures as vaccination programs continue to be rolled out. The Development Budget Coordination Committee (DBCC) has projected real GDP to expand by 6.0-7.0 percent for 2021 and by 7.0-9.0 percent in 2022. The projected return to the growth trajectory rests largely on the accelerated implementation of the country's recovery package and rollout of the national vaccination deployment. For its part, the BSP affirms that maintaining an accommodative stance should quicken the economy's transition toward a sustainable recovery. The BSP remains committed to deploying its full range of instruments as appropriate in support of its price and financial stability mandates.

# Real Sector

## Aggregate Supply and Demand

The Philippine economy posted a decline of 4.2 percent in Q1 2021, lower than the 0.7-percent contraction in Q1 2020, but an improvement from the 8.3-percent decline in Q4 2020, which can be attributed to the continued safe reopening of the economy in the first three months of the year and with calibrated reimposition of quarantine restrictions as these were implemented only in areas with the highest source of risks of COVID-19 spread. To mitigate the spread of the virus as well as to improve to health system capacity, the government imposed the Enhanced Community Quarantine (ECQ) for NCR, Bulacan, Cavite, Laguna, and Rizal on 29 March 2021.<sup>1</sup>

## Domestic economy records lower contraction in Q4 2020

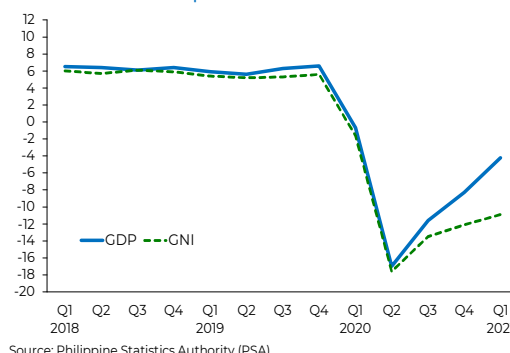
All three major production sectors showed smaller contractions in Q1 2021 relative to Q4 2020, reflecting some recovery. The agriculture, fishery and forestry (AFF) sector declined by 1.2 percent as the African Swine Fever (ASF) continued to hit the hog industry hard. Meanwhile, the services and industry sectors contracted by 4.4 percent and 4.7 percent, respectively, attributed to the decline in other services (-38.0 percent), construction (-24.2 percent), accommodation and food services activities (-20.6 percent), and transport and storage (-18.8 percent). On the expenditure side, while government

<sup>1</sup> During the period, COVID-19 cases increased to 747,279 cases as of 31 March 2021 from 474,055 total cases as of end-2020, which overwhelmed the hospital beds and intensive care units capacity in Metro Manila and neighboring provinces. The surge in COVID-19 cases may also be attributed to the new COVID-19 variants detected in the country,

spending posted a double-digit growth of 16.1 percent, this was fully offset by the fall in household consumption and investments (gross capital formation) by 4.8 percent and 18.3 percent, respectively.

## Chart 1. Gross Domestic Product and Gross National Income

annual growth rate in percent  
at constant 2018 prices



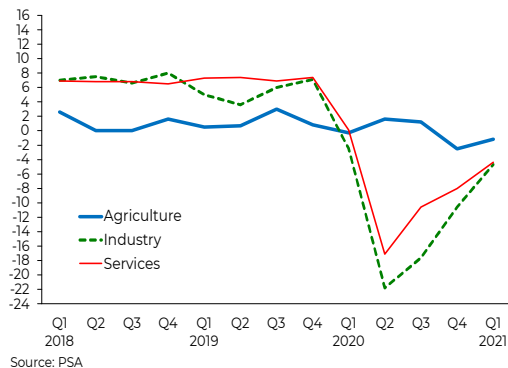
## GDP by Industry

The services sector contracted by 4.4 percent, an improvement from the quarter-ago decline of 8.0 percent as the economy improved with the relaxation of restrictions during the first couple of months of the year (*Table 1*). Accounting for 59.8 percent of GDP, the services sector contributed the most to the fall in overall GDP for Q1 2021, shaving 2.6 percentage points (ppts) from the GDP outturn for the quarter. Other services, which include provision of personal care and entertainment, arts and recreation services, among others, as well as the accommodation and services activities continued to have poor performance during the quarter, declining by 38.0 percent and 20.6 percent, respectively, due to low demand amid entry of new COVID-19 variants that was assumed to be more contagious. Transportation and storage

such as the UK variant (B.1.1.7 variant), South African variant (B.1.351 variant), Brazil variant (P.1 variant), and the P.3 variant that was first found in the Philippines but is not a variant of concern. According to the Centers for Disease Control and Prevention, these variants seem to spread more easily and quickly.

subsector also posted a double-digit contraction of 18.8 percent as public transportation and passenger capacity remained limited.

**Chart 2. Gross Domestic Product, by Industry**  
annual growth rate in percent  
at constant 2018 prices



Meanwhile, four subsectors posted positive performance during the quarter, namely, human health and social work activities (11.7 percent), public administration and defense and compulsory social activities (7.5 percent), information and communication (6.3 percent), and financial and insurance activities (5.2 percent).

The industry sector contracted by 4.7 percent, a greater decline than the year-ago contraction of 2.5 percent, but better than the quarter-ago decline of 10.6 percent. The decline in the industry sector shaved 1.4 ppts off the overall economic output owing mainly to weak construction activities. Construction continued to post double-digit contraction of 24.2 percent from 26.8 percent decline in Q4 2020. While public construction significantly improved by 26.2 percent in Q1 2021 in line with the government's acceleration of its infrastructure projects, this was fully offset by the subdued private sector construction activities due to labor and travel restrictions. On the other hand, after four consecutive quarters of contraction, the manufacturing subsector inched up by 0.5 percent. The top

contributors to the growth in manufacturing were the following: computer, electronic and optical products, 17.5 percent; other manufacturing, 11.5 percent; printing and reproduction of recorded media, 9.4 percent; chemical and chemical products, 7.3 percent; and basic metals, 4.7 percent. During the quarter, the Purchasing Managers' Index (PMI) rose above the 50.0 neutral value, signaling a solid uptick in business conditions and a move towards the recovery in manufacturing activities.

The AFF sector declined by 1.2 percent in Q1 2021, a further decline from the 0.3-percent contraction in Q1 2020 but an improvement from the 2.5 percent contraction in Q4 2020. The decline in the sector reflects the ongoing crisis in the hog industry due to the continued presence of ASF. Livestock continued to contract for four consecutive quarters with its record low in Q1 2021 at -23.2 percent (from -13.0 percent in Q4 2020). Lower output was also recorded in poultry and production (-7.4 percent) due to low demand amid limited operation of fast-food chains and restaurants. Meanwhile, *palay* production rebounded in Q1 2021, posting an 8.6 percent growth from 1.1 percent contraction in Q4 2020 due to improvements in both areas harvested and yield. Other crops that contributed positively to the AFF were coffee (12.3 percent), cacao (11.8 percent), corn (6.4 percent), pineapple (5.3 percent), mango (4.1 percent), and banana (1.2 percent), among others.

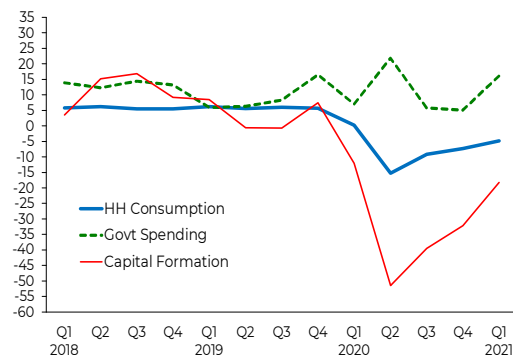
### GDP by expenditure

While private consumption and investment remained weak during the review period, there were some signs of recovery moving forward as business and consumer sentiments have been more optimistic driven mainly by easing quarantine restrictions, reopening of

businesses, adapting to the “new normal”, rollout of vaccines against COVID-19, and regaining of jobs and income sources. Government spending, on the other hand, has been ramped up in Q1 2021 to help fund COVID-19 response and recovery measures.

### Chart 3. Gross Domestic Product, by Expenditure

annual growth rate in percent  
at constant 2018 prices



Source: PSA

Household spending declined by 4.8 percent, lower than the 0.2 percent growth recorded in Q1 2020, but better than the 7.3 percent contraction in Q4 2020 (*Table 1a*). Accounting for about three fourths of the economy, the decline in the sector clipped 3.6 ppts off the overall Philippine economic output. Contributing the most to the decline in private consumption were recreation and culture (-32.5 percent) and transport (-26.7 percent) sub-sectors, which were both adversely affected by the restrictions that limit non-essential travel and activities. Meanwhile, food and non-alcoholic beverages grew by 2.2 percent, slower than the year-ago and quarter-ago rates of 4.7 percent and 5.3 percent, respectively, due to higher meat inflation driven by the persistence of the ASF as well as fish inflation following the three-month closed fishing season imposed late last year.

Government spending rose by 16.1 percent, significantly higher than the 7.0-percent growth in Q1 2020 and 5.1- percent expansion in Q4 2020.

This could be attributed to the implementation of various COVID-19 response and recovery measures.

Gross capital formation (GCF) has declined at a slower rate of 18.3 percent from the 32.2 percent contraction posted in Q4 2020 due to more upbeat business sentiment. While construction continued to post double-digit contraction, the 27.2 decline in Q1 2021 was an improvement from the 36.0 percent contraction in Q4 2020. This was driven mainly by the 26.2 percent increase in public construction, after two consecutive quarterly contractions of 27.1 percent in Q3 2020 and 17.7 percent in Q4 2020, to accelerate the economic recovery through the completion of the government's big ticket infrastructure projects. Likewise, durable equipment posted smaller contraction of 13.8 percent from 24.5 percent decline a quarter ago due mainly to the slower decline in transport equipment (-25.1 percent from -34.3 percent).

Both exports and imports posted a contraction of 9.0 percent and 8.3 percent, respectively, in Q1 2021. The contractions were smaller vis-a-vis those recorded in Q4 2020 due largely to the economic recovery in the country's major trading partners, particularly China. While there were signs of recovery in international trade, the opening of global economic activities remain challenged by the resurgence of COVID-19 cases along with the new variants of the disease that led to the reimposition of lockdowns and travel bans.

Despite the country's GDP outturn in Q1 2021 remaining in the negative territory, the impact of the COVID-19 crisis on the Philippine economy is seen to be transitory. The country's economic fundamentals remain solid, and these are expected to carry the economy through full recovery. The national government (NG) has been implementing various

COVID-19 response and recovery measures in line with the extended validity of the Bayanihan Act II until end-June 2021, which should complement the ₱4.5 trillion approved national budget for the year. Furthermore, the NG is now ramping up the country's vaccination program, targeting about 70 million of the eligible population by end-2021. Due to the uncertainties brought about by the pandemic, the NG continues with its pursuit of a whole-of-government approach in implementing measures to balance economic recovery and the safety of the people.

## Labor and Employment

The Philippine employment situation improved in January 2021 as the number of employed persons increased by 3.5 percent to 41.2 million from 39.8 million in October 2020, based on the preliminary results of the January 2021 LFS<sup>2</sup> (Table 2). On a y-o-y basis, however, the employment rate of 91.3 percent in the January 2021 LFS was 3.4 ppts lower than the January 2020 employment rate of 94.7 percent.

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### Labor market improves in January 2021

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All the major sectors of the economy posted employment increments (January 2021 LFS versus October 2020 LFS). Employment in the services sector rose by 3.6 percent (with additional 826,800 workers) as employment expanded in the following subsectors: wholesale and retail trade, repair of motor vehicles and motorcycles (253,300 workers); transportation and storage (114,900 workers); accommodation and food services (65,400 workers); public administration and defense and compulsory social security

(55,300 workers); arts, entertainment and recreation (54,900 workers); human health and social work (31,300 workers); and administrative and support services (30,600 workers), among others. Conversely, employment losses were registered in the education subsector (22,000 workers) as well as in professional, scientific and technical activities (5,800 workers).

Meanwhile, employment in the industry sector increased by 4.1 percent (302,500 workers), driven by employment gains in the construction (176,600 workers); manufacturing (111,400 workers); and mining and quarrying (21,900 workers) subsectors. Employment in the agriculture sector also rose by 2.9 percent (282,200 workers). Of the total employed persons, the services sector accounted for the largest share at 57.2 percent, followed by the agriculture sector at 24.4 percent, and the industry sector at 18.4 percent.

Employed persons are also classified as: (1) wage and salary workers; (2) self-employed workers without any paid employee; (3) employers in own family-operated farm or business; and (4) unpaid family workers. In January 2021, the number of employed persons in the wage and salary workers category increased by 4.0 percent due to employment increments recorded for those who worked in private establishments (761,500 workers), those who worked in private households (150,100 workers), those who worked in government/government corporations (64,500 workers), and those who worked with pay in own family-operated farm or business (16,600 workers). Similarly, the number of those who are self-employed without any paid employee rose by 136,100. Only the number of employers in own family-operated farm or business declined. Meanwhile, the number of

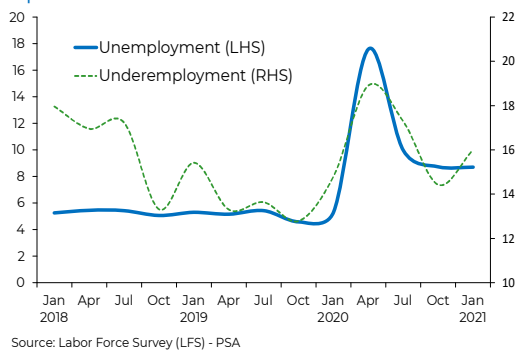
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<sup>2</sup> Released on 9 March 2021

unpaid family workers increased (459,900 workers). Of the total employed, wage and salary workers made up 62.8 percent, self-employed comprised 28.6 percent, unpaid family workers accounted for 5.9 percent, and employers in own family-operated farm or business accounted for the remaining 2.7 percent.

Workers are also classified into full-time, part-time, and those with jobs but not at work.<sup>3</sup> In January 2021, the number of part-time workers increased by 18.9 percent (2.5 million workers) while the number of full-time workers decreased by 3.5 percent (-917,000 workers). Meanwhile, the number of workers with jobs but not at work decreased by 45.5 percent.

**Chart 4. Unemployment and Underemployment Rates in percent**



The unemployment rate was estimated at 8.7 percent in January 2021, same as the October 2020 figure. The number of unemployed persons reached almost 4.0 million during the survey round. Most of the unemployed were males (61.3 percent), aged between 15 to 24 years old (34.8 percent), and are junior high school graduates (26.9 percent). On a y-o-y basis, the unemployment rate was 3.4 ppts higher than the January 2020 rate of 5.3 percent.

<sup>3</sup> Those who worked for 40 hours or more during the reference week are considered full-time workers, while those who worked for less than 40 hours are considered part-time workers. "With a job but not at work" are those who have a job or business but are not at work because of temporary illness/injury, on

Meanwhile, the underemployment rate was estimated at 16.0 percent to reach 6.6 million in January 2021, higher by 1.5 ppts from the 14.4 percent recorded in October 2020 but lower by 1.2 ppts compared to January 2020. Of the total underemployed, those belonging to the services sector comprised 48.1 percent, the agriculture sector comprised 33.0 percent and the industry sector accounted for 19.0 percent.

Underemployment can be categorized by hours worked in a week and considered as either visibly underemployed persons (part-time workers) and invisibly underemployed persons (full-time workers). The visibly underemployed persons comprised 68.8 percent of the total underemployed, while the invisibly underemployed persons comprised 31.2 percent.

The labor force participation rate (LFPR)<sup>4</sup> rose to 60.5 percent in January 2021, 1.7 ppts. higher than the 58.7 percent in October 2020. Out of the 74.7 million Filipinos who are 15 years old and over, about 45.2 million were reported as either employed or unemployed. The LFPR in January 2020 was 1.2 ppts higher at 61.7 percent.

vacation, or other reasons.

<sup>4</sup> LFPR refers to the percentage of the total number of persons in the labor force to the total population 15 years old and over. The labor force consists of employed and unemployed persons.

# Fiscal Sector

## National Government Cash Operations

The cash operations of the National Government (NG) yielded a deficit of ₱321.5 billion in Q1 2021, a significant widening from the year-ago deficit level of ₱86.2 billion. Consequently, the fiscal gap as a percent of GDP widened to 7.4 percent in Q1 2021 from the 1.9 percent deficit ratio registered in Q1 2020 (*Table 3*).

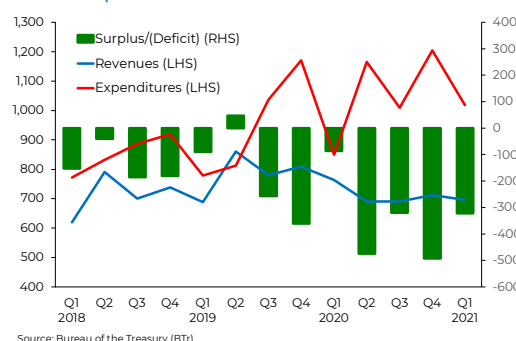
### NG cash operations post larger deficit y-o-y

Total NG revenues for Q1 2021 reached ₱696.5 billion, 8.7 percent lower than the Q1 2020 level of ₱763.1 billion. Likewise, total revenues as a share of GDP were recorded at 16.0 percent in Q1 2021, lower than the Q1 2020 share of 17.2 percent. The y-o-y decline in revenues was due mainly to decreased collection from non-tax revenues, which consisted mainly of collections made by the Bureau of the Treasury (BTr), which decreased by 50.6 percent y-o-y to reach ₱70.4 billion. On the other hand, the Bureau of Customs (BOC) and Bureau of Internal Revenue (BIR) posted increased collection by 2.7 percent and 0.2 percent, respectively. Tax collections, which constituted 89.9 percent of total revenues, amounted to ₱626.0 billion, 0.8 percent higher than the comparable figure a year ago.

Meanwhile, total NG expenditures in Q1 2021 reached ₱1,017.9 billion, 19.9 percent higher than the ₱849.2 billion expenditures in Q1 2020. Relative to the size of the economy, total NG disbursements were recorded at 23.4 percent of GDP in Q1 2021, an increase from the previous year's ratio of 19.1 percent. The increase in spending for

the period was due to the continued implementation of various COVID-19 mitigation and recovery measures.

**Chart 5. Cash Operations of the National Government**  
in billion pesos



Netting out the interest payments from total expenditures, the resulting primary deficit amounted to ₱195.6 billion, representing -4.5 percent of GDP during the review quarter. In terms of financing the deficit, the NG incurred net borrowings in Q1 2021 of ₱1,186.9 billion mostly coming from domestic sources.

Fiscal discipline has generated sufficient fiscal space which can be allocated mainly into funding health and social protection programs as well as economic stimulus measures against the widespread and profound impact of the COVID-19 pandemic.

# Monetary Sector

## Prices

**Headline inflation.** Headline inflation nationwide increased to 4.5 percent y-o-y in the first quarter of 2021, which was above the NG's 2-4 percent target range for the year. This was also higher than the year- and quarter-ago inflation rates of 2.7 percent and 3.1 percent, respectively (*Table 4*).

### Headline inflation in Q1 2021 exceeds target for the year

Core inflation, which excludes selected volatile food and energy items to depict underlying demand-side price pressures, also went up to 3.5 percent y-o-y in Q1 2021 from 3.2 percent in the previous quarter. Similarly, two of the alternative core inflation estimates were also higher in Q1 2021 relative to the previous quarter.

**Table A. Alternative Core Inflation Measures (2012=100)**  
in percent

| Quarter     | Official Headline Inflation | Official Core Inflation | Trimmed Mean <sup>1</sup> | Weighted Median <sup>2</sup> | Net of Volatile Items <sup>3</sup> |
|-------------|-----------------------------|-------------------------|---------------------------|------------------------------|------------------------------------|
| <b>2018</b> | <b>5.2</b>                  | <b>4.2</b>              | <b>4.2</b>                | <b>4.1</b>                   | <b>4.5</b>                         |
| Q1          | 3.8                         | 3.0                     | 2.9                       | 2.8                          | 3.8                                |
| Q2          | 4.8                         | 3.8                     | 3.6                       | 3.8                          | 4.3                                |
| Q3          | 6.2                         | 4.7                     | 5.0                       | 4.6                          | 4.7                                |
| Q4          | 5.9                         | 4.9                     | 5.2                       | 5.2                          | 4.9                                |
| <b>2019</b> | <b>2.5</b>                  | <b>3.2</b>              | <b>2.6</b>                | <b>2.9</b>                   | <b>3.3</b>                         |
| Q1          | 3.8                         | 3.9                     | 3.8                       | 3.4                          | 3.7                                |
| Q2          | 3.0                         | 3.4                     | 2.9                       | 3.0                          | 3.0                                |
| Q3          | 1.7                         | 2.9                     | 1.9                       | 2.8                          | 3.3                                |
| Q4          | 1.6                         | 2.7                     | 1.7                       | 2.6                          | 3.3                                |
| <b>2020</b> | <b>2.6</b>                  | <b>3.2</b>              | <b>2.1</b>                | <b>2.3</b>                   | <b>3.4</b>                         |
| Q1          | 2.7                         | 3.2                     | 2.2                       | 2.6                          | 3.8                                |
| Q2          | 2.3                         | 2.9                     | 2.1                       | 2.3                          | 3.5                                |
| Q3          | 2.5                         | 3.2                     | 2.0                       | 2.2                          | 3.0                                |
| Q4          | 3.1                         | 3.2                     | 2.2                       | 2.2                          | 3.1                                |
| <b>2021</b> |                             |                         |                           |                              |                                    |
| Q1          | <b>4.5</b>                  | <b>3.5</b>              | <b>2.5</b>                | <b>1.9</b>                   | <b>4.2</b>                         |

<sup>1</sup> The trimmed mean represents the average inflation rate of the (weighted) middle 70 percent in a lowest-to-highest ranking of year-on-year inflation rates for all CPI components.

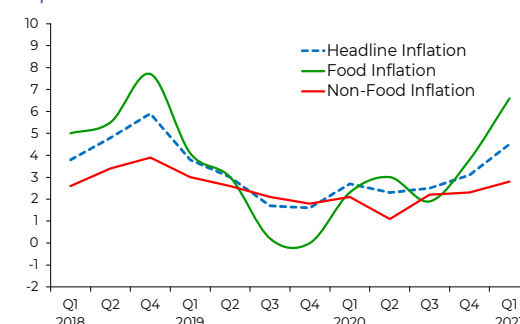
<sup>2</sup> The weighted median represents the middle inflation rate (corresponding to a cumulative CPI weight of 50 percent) in a lowest-to-highest ranking of year-on-year inflation rates.

<sup>3</sup> The net of volatile items method excludes the following items: bread and cereals, vegetables, sugar, jam, honey, chocolate, and confectionery, electricity, gas, fuel and lubricants for personal transport equipment, and passenger transport by road, which represents 29.5 percent of all items.

Source: PSA, BSP estimates

Inflation in the first quarter of 2021 was driven mainly by higher price increases for food items particularly, meat and fish. Meat inflation reached double-digit rates in Q1 2021 due to the adverse impact of the ASF on pork supply. Meanwhile, the closed fishing season imposed late in 2020 combined with colder weather conditions also limited the supply of fish. Inflation for fruits and vegetables also remained elevated during the quarter.

**Chart 6. Food and Non-Food Inflation in the Philippines (2012=100)**  
in percent



Source: PSA

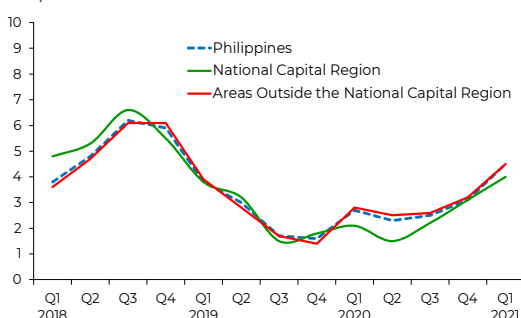
Non-food inflation also accelerated in Q1 2021 to 2.8 percent y-o-y from 2.3 percent in the previous quarter due in part to higher transport inflation amid still-elevated inflation for transport services and upward price adjustments of domestic petroleum products, reflecting higher oil prices in the international market. At the same time, inflation for restaurants and miscellaneous goods and services also rose markedly, further contributing to the increase in non-food inflation.

By area, headline inflation in the NCR also rose to 4.0 percent y-o-y in Q1 2021 from 3.1 percent in the previous quarter as both food and non-food inflation increased during the quarter (*Table 4a*). Food inflation surged in Q1 2021 as meat inflation rose significantly during the quarter. The acceleration in meat inflation was brought about by the tight supply of pork due to the ASF outbreak, which prompted authorities to

implement various non-monetary interventions.<sup>5</sup> Meanwhile, vegetable inflation continued to post double-digit rates in Q1 2021 albeit slower compared to the previous quarter.

Non-food inflation also went up as inflation for fuel and lubricants for personal transport equipment turned positive after posting negative inflation rates for the previous six quarters. This, combined with higher transport services inflation also contributed to the increase.

**Chart 7. Inflation Rate by Region (2012=100)**  
in percent



Source: PSA

Headline inflation in areas outside the NCR (AONCR) increased to 4.5 percent in Q1 2021, similar to the national inflation rate and was also higher than the 3.2 percent rate in the previous quarter (*Table 4b*). The higher food inflation in AONCR was traced mainly to increased inflation for key food items such as, meat, fish, fruits, and vegetables. Similarly, non-food inflation also accelerated in Q1 2021 as inflation for transport as well as restaurants and miscellaneous goods and services increased in Q1 2021 relative to the previous quarter.

<sup>5</sup> These non-monetary measures included imposing a 60-day (8 February-8 April 2021) price ceiling on selected pork and chicken products in NCR as well as mobilization of pork supply from surplus provinces to NCR.

## Domestic Liquidity<sup>6</sup>

Money supply or M3 grew by 8.3 percent (preliminary) y-o-y as of end-March 2021 to about ₱14.2 trillion, slower than the 9.6-percent expansion as of end-December 2020 (*Table 5*).

### Domestic liquidity growth eases

The deceleration in M3 growth in March was due mainly to the sustained decline in claims on the private sector. In particular, credit extended to the private sector declined by 2.7 percent in March following a 0.3-percent contraction in the previous quarter as bank lending remained weak. Meanwhile, net claims on the central government grew by 47.4 percent in March from 30.6 percent as of end-December 2020 due in part to the NC's sustained borrowings.

**Table B. Domestic Liquidity (M3)**

| PARTICULARS                      | Levels<br>(in billion pesos) |                 |                 | Growth Rates<br>(in percent) |            |
|----------------------------------|------------------------------|-----------------|-----------------|------------------------------|------------|
|                                  | Mar 2021                     | Dec 2020        | Mar 2020        | Q-o-Q                        | Y-o-Y      |
| <b>Domestic Liquidity (M3)</b>   | <b>14,150.5</b>              | <b>14,217.3</b> | <b>13,064.8</b> | <b>-0.5</b>                  | <b>8.3</b> |
| of which:                        |                              |                 |                 |                              |            |
| Net Foreign Assets               | 6,082.1                      | 6,095.8         | 5,149.6         | -0.2                         | 18.1       |
| Domestic Claims                  | 13,852.4                     | 13,934.3        | 13,115.5        | -0.6                         | 5.6        |
| of which:                        |                              |                 |                 |                              |            |
| Net Claims on Central Government | 3,192.6                      | 3,087.1         | 2,166.4         | 3.4                          | 47.4       |
| Claims on the Private Sector     | 9,166.6                      | 9,332.0         | 9,424.3         | -1.8                         | -2.7       |

<sup>1</sup> Revised  
Source: BSP

Net foreign assets (NFA) in peso terms rose by 18.1 percent y-o-y in March 2021. The BSP's NFA position continued to expand during the quarter, reflecting the increase in the country's level of gross international reserves relative to the same period a year ago. Meanwhile, the NFA of banks expanded at a slower pace, as

<sup>6</sup> The indicators used for money supply are: M1 (or narrow money), comprised of currency in circulation and demand deposits; M2, composed of M1 plus savings and time deposits (quasi-money); M3, consisting of M2 plus deposit substitutes; and M4, consisting of M3 plus foreign currency deposits.

banks' foreign liabilities fell on account of lower bills payables.

Similarly, growth in M4, a broader concept of domestic liquidity comprising broad money liabilities and foreign currency deposits of residents, eased to 6.8 percent y-o-y in March from 8.6 percent in December.

### Bank Lending

Outstanding loans of U/KBs, net of RRP placements with the BSP, declined y-o-y by 4.5 percent in March 2021.<sup>7</sup>

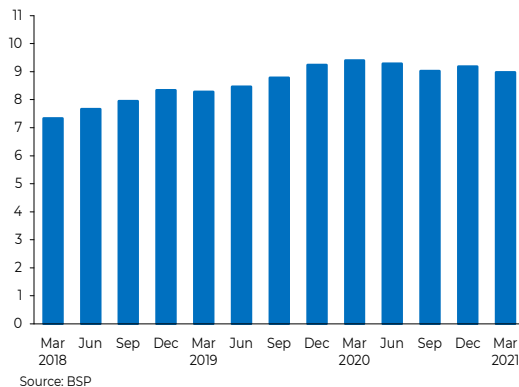
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### Bank lending continues to contract

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Under loans to residents, consumer loans decreased by 9.9 percent y-o-y in March 2021 due to the slowdown in credit card and motor vehicle loans.

**Chart 8. Loans Outstanding of Commercial Banks (Net of RRP)**  
in trillion pesos



Similarly, outstanding loans to major industries decreased, particularly to wholesale and retail trade and repair of motor vehicles and motorcycles (-9.7 percent), manufacturing (-5.5 percent), and financial and insurance

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<sup>7</sup>The slowdown in bank lending reflects in part the weak domestic economic prospects and constrained economic activity following the imposition of quarantine measures to contain the COVID-19 outbreak. In this regard, the BSP

activities (-5.1 percent). These declines were partially tempered by the expansion in loans to some key production sectors such as electricity, gas, steam, and air-conditioning supply (2.9 percent), real estate activities (1.5 percent), and human health and social work activities (11.6 percent). Overall outstanding loans for production activities, net of RRP, fell by 3.2 percent in March 2021.

### Monetary Policy Developments

At its monetary policy meetings on 11 February and 25 March, the BSP decided to maintain the key policy interest rate at 2.0 percent for the overnight reverse repurchase (RRP) facility. The corresponding interest rates on the overnight deposit and lending facilities were also kept at 1.5 percent and 2.5 percent, respectively.

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### BSP maintains monetary policy settings during the quarter

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During the review period, the BSP noted that latest inflation forecasts have shifted higher over the policy horizon. Inflation may breach the upper end of the target range of 2-4 percent in 2021, reflecting the impact of supply-side constraints on domestic prices of key food commodities such as meat as well as the continuing uptick in international oil prices. Nevertheless, inflation is still seen to return within the target band in 2022 as supply-side influences subside.

Equally important, the balance of risks to the inflation outlook remains broadly balanced around the baseline path in

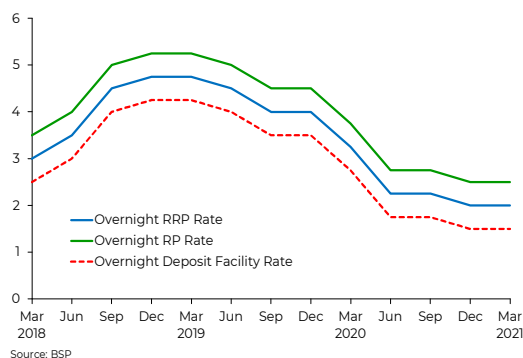
continues to adopt measures to ensure the flow of credit to affected businesses and households, including a further reduction in the monetary policy rate.

2021 while leaning toward the downside in 2022. Tighter domestic supply of meat products and improved global economic activity could lend further upside pressures on inflation. However, the ongoing pandemic also continues to pose downside risks to the inflation outlook, as the recent surge in virus infections and challenges over mass vaccination programs continue to temper prospects for domestic demand.

Given these considerations, the BSP is of the view that prevailing monetary policy settings remain appropriate to support the Government's broader efforts to facilitate the recovery of the economy. At the same time, however, the BSP emphasizes that the timely implementation of non-monetary interventions is crucial in mitigating the impact of supply-side pressures on inflation and thereby preventing them from spilling over as second-round effects.

Looking ahead, the BSP reiterated that it will remain watchful for any signs of inflation becoming broader based. The BSP is prepared to take immediate measures as appropriate to ensure that the monetary policy stance continues to support the BSP's price and financial stability objectives.

**Chart 9. BSP Policy Rates**  
in percent



## Monetary Operations

As of end-Q1 2021,<sup>1</sup> total outstanding amount absorbed in the BSP liquidity facilities stood at about ₱2.1 trillion. Bulk of the BSP's liquidity-absorbing monetary operations had been through the term deposit facility (TDF), comprising about 39.4 percent of the combined outstanding amount of liquidity absorbed through the BSP liquidity facilities. Meanwhile, placements in the RRP facility, BSP Securities facility (BSP-SF) and overnight deposit facility (ODF) made up 14.6 percent, 14.3 percent, and 31.7 percent, respectively.

The average weekly total offer volume in the TDF auctions was higher at about ₱561.5 billion in Q1 2021 relative to around ₱480.8 billion average weekly volume offered in the previous quarter. The average weekly bid-to-cover ratios for the 7-day and 14-day in Q1 2021 were recorded at 1.3x and 1.2x, respectively. There were no 28-day term deposits offered during the quarter as the BSP started migrating funds from the 28-day TDF to 28-day BSP Securities starting with the 16 October 2020 auction. Meanwhile, the average bid-to-cover ratio for the daily RRP offerings remained at around 4.0x during the quarter. Moreover, the results of the weekly auctions of BSP Securities reflected sustained strong demand amid ample liquidity in the financial system, with average bid-to-cover ratio for the quarter recorded at 1.4x.

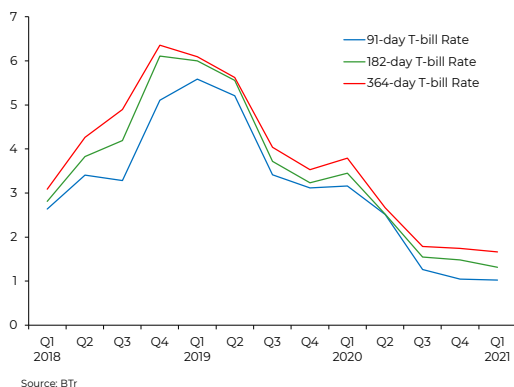
## Domestic Interest Rates

Primary market rates continued to decline in Q1 2021 reflecting ample liquidity conditions in the financial system.

### Primary market interest rates fall further in Q1 2021

An increase in yields was observed from the middle to the latter part of the quarter due to concerns over accelerating domestic inflation and rising US Treasury bond yields. Nevertheless, rates fell across tenors during the last auction of Q1 2021 reflecting the strong demand for safe-haven assets as the NCR and its neighboring provinces reverted to stricter quarantine classifications. The weighted average interest rates for the 91-day, 182-day, and 364-day Treasury bill (T-bill) fell to 1.02 percent, 1.32 percent, and 1.67 percent in Q1 2021 from 1.05 percent, 1.48 percent, and 1.75 percent in the previous quarter, respectively (*Table 6*).

**Chart 10. Treasury Bill Rates in percent**



The interbank call loan rate declined to 1.55 percent in Q1 2021, lower by about 34.7 basis points (bps) from the 1.90 percent recorded in Q4 2020. The lower rate also reflected the liquid tone of the financial system.

## Interbank call loan rate declines

Compared to their end-December 2020 levels, interest rates in the 7-day and 14-day TDFs increased in end-March 2021 by 11.7 bps and 17.2 bps to settle at 1.83 percent and 1.87 percent, respectively. Meanwhile, the 28-day BSP bill increased by 25.1 bps to settle at 1.93 percent in end-March 2021.

## Interest rates in BSP security and term deposit facility increase

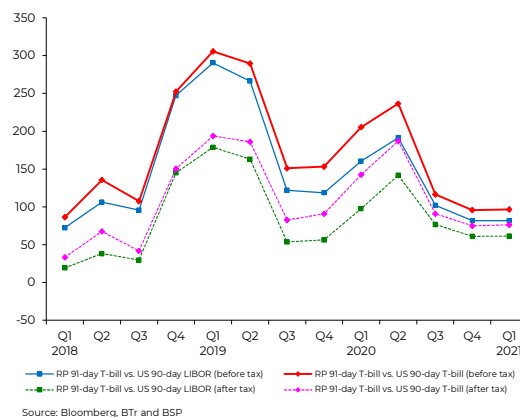
The higher rates reflected the general uptrend seen in secondary market rates, related to the settlement of the recent retail treasury bond issuance as well as rising global interest rates and higher inflation expectations. Meanwhile, the auction volume in the BSP 28-day TDF had been set at zero in Q1 2021 as the BSP started migrating funds from the 28-day TDF to the 28-day BSP bill since 16 October 2020.

Average interest rate differentials (net of tax) between domestic and US yields widened in Q1 2021.

## Interest rate differentials widen

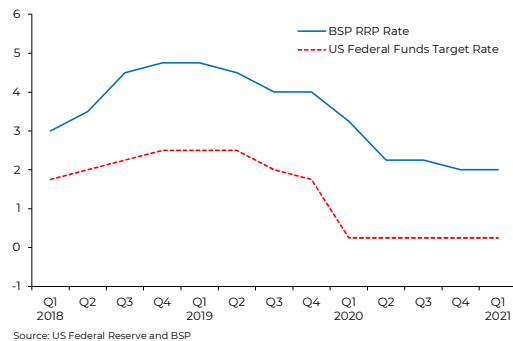
The wider differentials were due to the slightly lower drop in the 91-day RP T-bill rate of 2.4 bps against the 2.4 bps and 3.3 bps decline in the US 90-day LIBOR and US 90-day T-bill rate, respectively. The average 91-day RP T-bill rate declined to 1.02 percent, while average US 90-day LIBOR and US 90-day T-bill rate dropped to 0.20 percent and 0.05 percent, respectively, during the quarter.

**Chart 11. Interest Rate Differentials quarterly averages; in basis points**



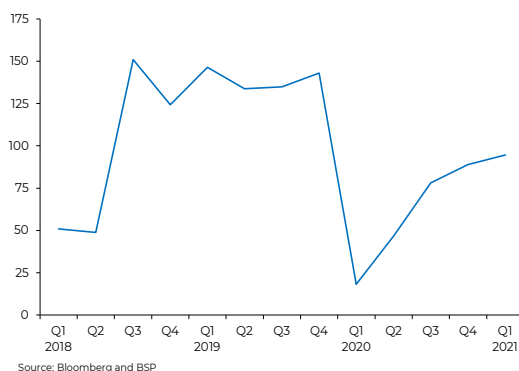
The positive differential between the BSP's RRP rate and the US Fed Funds target rate remained at 175.0 bps in end-March 2021 as both the BSP and the US Fed maintained its policy rate at 2.0 percent and 0.25 percent, respectively.

**Chart 12. BSP RRP Rate and US Federal Funds Target Rate in percent**



Meanwhile, the risk-adjusted spread further widened to 94.6 bps in end-March 2021 from 89.0 bps in end-December 2020 owing to the 5.6-bp decline in the country risk premium (measured as the difference between the 10-year ROP and the 10-year US note). The lower risk premium was a result of the slightly lower increase in the 10-year ROP note yield by 71.0 bps against the rise in the 10-year US Treasury note yield by 76.5 bps.

**Chart 13. Risk-Adjusted Differentials end of period; in basis points**



# Financial Sector

## Banking System

The Philippine banking system showed resilience and stability in Q1 2021 as the country's economic activities and financial transactions continued to recover amidst the disruption caused by the pandemic and implementation of stricter quarantine measures in late March 2021.

### Banking system assets and deposits maintain their moderate growth

During the review period, banks' balance sheets sustained moderate annual growth in assets and deposits. However, on a q-o-q basis, assets and deposits were almost unchanged. Meanwhile, asset quality registered some mild deterioration while capital adequacy ratios stayed above international standards. Banks maintained dominance in the financial sector, with U/KBs accounting for about 92.6 percent of total banks' resources. In terms of the number of head offices and branches/agencies, non-bank financial intermediaries have the widest physical network, consisting mainly of pawnshops.

### Performance of the Banking System

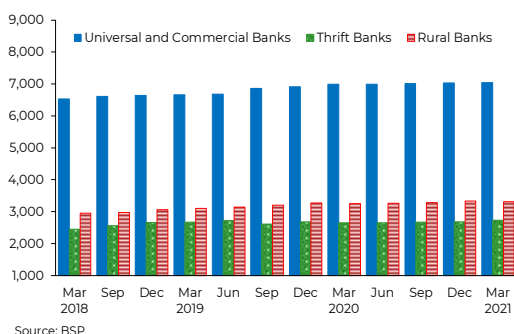
#### Market Size

The number of banking institutions (head offices) as of end-March 2021 decreased to 528 offices from 542 a year ago and 535 a quarter ago (*Table 7*). The banks' head offices are comprised of 46 U/KBs, 48 thrift banks (TBs), and 434 rural banks (RBs). This indicated continued consolidation of banks.

## Banks' operating network continues to expand

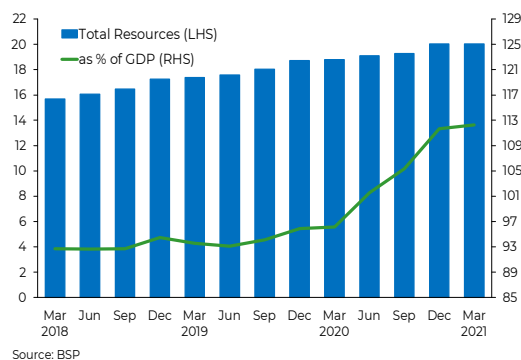
During the same period, the operating network (head offices and branches/agencies) of the banking system expanded to 13,089 offices from 12,905 offices a year ago and 13,044 offices a quarter ago.

**Chart 14. Number of Banking Institutions**



As of end-March 2021, the total resources of the banking system reached ₱20.0 trillion, almost unchanged from end-December 2020 but 6.6 percent higher relative to its level a year ago (*Table 8*). As a percent of GDP, total resources stood at 112.3 percent.<sup>8</sup>

**Chart 15. Total Resources of the Banking System**  
levels in trillion pesos; share in percent



<sup>8</sup> GDP as of end-March 2021.

<sup>9</sup> This refers to the total peso-denominated deposits of the banking system.

<sup>10</sup> FCD-Residents, along with M3, forms part of a

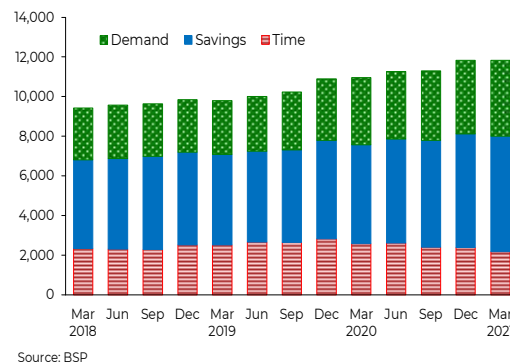
## Savings Mobilization

As of end-March 2021, banks' total deposits reached ₱11.8 trillion, higher than the year-ago level by 7.9 percent, but remained relatively unchanged from the previous quarter.<sup>9</sup>

## Deposits appear steady for three months

For the same period, demand and savings deposits increased q-o-q by 2.8 percent and 1.8 percent, respectively, while time deposits decreased by 8.9 percent. Meanwhile, foreign-currency deposits (FCDs) owned by residents likewise decreased q-o-q by 0.5 percent to ₱2.0 trillion.<sup>10</sup>

**Chart 16. Deposit Liabilities of Banks in trillion pesos**



## Credit Card Receivables

The credit card receivables (CCRs) of the banking system as of end-December 2020 reached ₱420.0 billion, which is 13.5 percent and 3.5 percent higher than the levels a year- and a quarter-ago.

## Credit card receivables grew in December 2020

money supply measure called M4. Meanwhile, M3 consists of savings deposits, time deposits, demand deposits, currency in circulation, and deposit substitutes.

The ratio of CCRs to the total loan portfolio (TLP) rose to 4.0 percent as of end-December 2020 relative to the year-ago ratio of 3.5 percent but remained unchanged relative to the previous quarter. In terms of loan quality, the ratio of non-performing CCRs to total CCRs increased to 8.9 percent relative to the year- and quarter-ago ratios of 5.3 percent and 7.5 percent, respectively.

### Motor Vehicle Loans<sup>11</sup>

As of end-December 2020, the banking system's motor vehicle loans (MVLs) decreased marginally to ₱543.7 billion, registering a y-o-y decline of 6.9 percent. Relative to the previous quarter, MVLs likewise decreased by 3.4 percent.

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## Vehicle loans decelerate in December 2020

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The share of total MVLs to TLP decreased to 5.2 percent from 5.5 percent recorded a year- and quarter-ago. In terms of loan quality, the ratio of non-performing MVLs to total MVLs rose to 10.7 percent from the 4.0 percent and 9.7 percent posted in the previous year and a quarter ago.

### Salary-Based General-Purpose Consumption Loans<sup>12</sup>

The banking system's Salary-Based General-Purpose Consumption Loans (SBGPCL) rose to ₱169.4 billion as of end-December 2020, 8.8 percent and 1.7 percent higher than the year- and quarter-ago levels, respectively.<sup>13</sup>

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## Salary loans quality improves q-o-q in December 2020

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The share of total SBGPCLs to TLP remained steady at 1.6 percent relative

to its quarter-ago ratio, but slightly higher than its year-ago ratio of 1.5 percent. In terms of loan quality, the ratio of non-performing SBGPCLs to total SBGPCLs improved to 6.6 percent from the 7.2 percent recorded in the previous quarter, but deteriorated relative to the 5.7 percent recorded a year ago.

### Residential Real Estate Loans

As of end-December 2020, the total residential real estate loans (RREs) of the banking system reached ₱825.5 billion, growing by 8.7 percent y-o-y and by 2.1 percent q-o-q.

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## Residential real estate loans sustain growth in December 2020

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Sustained household investments in residential properties and the increase in the number of projects unveiled by real estate developers supported the growth in real estate purchases during the review period. Total RREs to TLP inched up to 7.9 percent relative to the year-ago ratio of 7.2 percent, but remained unchanged on q-o-q basis. In terms of loan quality, non-performing RREs to total RREs increased to 9.2 percent from the 3.1 percent and 8.4 percent recorded a year- and a quarter- ago, respectively.

### Asset Quality and Capital Adequacy

The Philippine banking system's Gross Non-Performing Loan (GNPL) ratio rose to 4.2 percent as of end-March 2021 from the year- and quarter-ago ratios of 2.2 percent and 3.6 percent, respectively (*Table 9a*).

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## Non-performing loans rise but remain manageable

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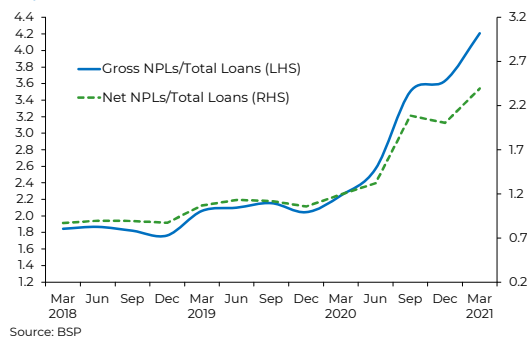
<sup>11</sup> Formerly "Auto Loans", renamed effective September 2015.

<sup>12</sup> Formerly "Salary Loans"

<sup>13</sup> Data collection started with June 2014 data.

Likewise, the net non-performing loans (NNPL) ratio increased to 2.4 percent, as of end-March 2021, relative to the 1.2 percent and 2.0 percent recorded in the previous year and quarter, respectively.

**Chart 17. Ratios of Gross NPLs and Net NPLs to Total Loans of the Banking System in percent**



In computing for the NNPLs, specific allowance for credit losses on NPLs are deducted from the GNPLs. Said allowances increased to ₱193.0 billion as of end-March 2021 from the recorded ₱116.9 billion a year ago and ₱177.0 billion a quarter ago.<sup>14</sup>

Compared with regional counterparts, the Philippine banking system's GNPL ratio of 4.2 percent was higher with respect to South Korea (0.6 percent), Malaysia (1.0 percent), Indonesia (2.8 percent) and Thailand (3.1 percent).<sup>15</sup>

The loan exposures of banks remain generally covered despite the NPL coverage ratio dropping to 83.2 percent, as of end-March 2021, from the 91.3 percent and 93.0 percent recorded a year- and a quarter-ago, respectively.

<sup>14</sup> This type of provisioning applies to loan accounts classified under loans especially mentioned (LEM), substandard-secured loans, substandard-unsecured loans, doubtful accounts and loans considered as loss accounts.

<sup>15</sup> Sources: Malaysia (Banking System's Ratio of net impaired loans to net total loans, March 2021); South Korea (Domestic Banks' Substandard or Below Loans [SBLs] ratio, March 2021); Indonesia (Commercial Banks' Nonperforming Loans to Gross Loans Ratio, March 2021); and Thailand (Total

The capital adequacy ratio (CAR) of U/KBs at end-December 2020, on solo basis, declined slightly to 16.6 percent from the 16.8 percent posted a quarter ago. Similarly, on a consolidated basis, CAR of U/KBs decreased to 17.1 percent from the 17.2 percent registered in the previous quarter. Nonetheless, these figures remained well above the BSP's regulatory threshold of 10.0 percent and international standard of 8.0 percent.

## U/KBs' CAR remains well above international and regulatory standards

The CAR of Philippine U/KBs, on a consolidated basis, of 17.1 percent was higher than that of South Korea (15.3 percent) but lower than those of Malaysia (18.1 percent), Thailand (20.0 percent) and Indonesia (24.1 percent).<sup>16</sup>

**Chart 18. Capital Adequacy Ratio of UKBs in percent**



Commercial Banks' Gross NPL ratio, June 2020).

<sup>16</sup> Sources: South Korea (Domestic Banks' Total Capital Ratio, March 2021); Malaysia (Banking System's Total Capital Ratio, March 2021); Thailand (Commercial Banks' Capital Funds Percentage of Risk Assets, March 2021); and Indonesia (Commercial Banks' Regulatory Capital to Risk-Weighted Assets Ratio, March 2021).

## Banking Policies

Banking policies implemented during the review quarter were aimed at enhancing/providing guidelines/regulations on the following: (1) reputational risk management; (2) recovery plan of a Domestic Systemically Important Bank (D-SIB); (3) operational risk management and internal control measures; (4) mandatory credit allocation for agriculture and agrarian reform credit; (5) prudential reporting requirements; (6) investment management activities; and (7) virtual asset service providers (VASP) (Annex A).

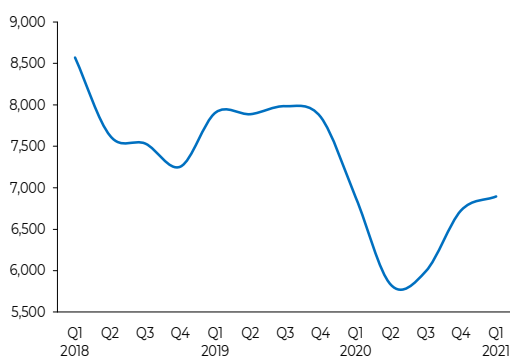
## Capital Market Reforms

In Q1 2021, capital market policies were focused on providing an enabling regulatory environment for the development of the digital financial economy (Annex B).

## Stock Market

The Philippine Stock Exchange index rose by 2.5 percent q-o-q to average 6,886.50 index points in Q1 2021.

**Chart 19. Average PSEi in index points**



Source: Philippine Stock Exchange (PSE), BSP

Positive Covid-19-related developments combined with the BSP's accommodative monetary policy lifted the benchmark index during the period in review. However, gains were tempered by the

periodic spike in the daily COVID-19 cases and the subsequent implementation of stricter quarantine restrictions. By end-March 2021, the main index declined by 9.8 percent year-to-date (y-t-d) to close at 6,443.09 index points (*Table 10*).

The q-o-q rise in the average benchmark index was due mainly to market optimism over the arrival of several COVID-19 vaccines in the country, the start of the government's vaccination program as well the announcement of the provision of additional cash stimulus. These developments, combined with the passage of key legislative measures including the Bayanihan to Arise as One Act (Bayanihan III) to help revive the Philippine economy; the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, which reduces the corporate income tax rate of companies; and the Financial Institutions Strategic Transfer (FIST) Act, which aims to reduce non-performing assets (NPAs) and NPLs of banks and financial institutions (FIs), supported investors' positive sentiment. Moreover, the BSP's decision to keep the policy rate steady, the initial public offering of the real estate investment trust (REIT) of Double Dragon Properties Corp., and investors' bargain hunting helped lift the main index higher. The rally in the US stock market following the successful rollout of Covid-19 vaccines across the globe, US Federal Reserve's decision to keep its key interest rate near zero and the approval of US\$1.9-trillion economic stimulus package to support the US economy likewise contributed to the rise in the PSEi.

Month on month, however, the market trended with a downward bias since peaking above 7,300 index points in mid-January 2021 amidst negative developments regarding the pandemic and reports of weak economic data. In particular, the benchmark index was weighed down by risk-off sentiment following the periodic surge in daily

coronavirus cases nationwide and the slow pace of the vaccine rollout that resulted in the reimposition of targeted lockdown measures towards the end of the quarter. Recovery expectations were also clouded by the decline in the country's GDP growth in Q4 2020, the rise in the Philippines' external debt to US\$98.5 billion in end-2020, uncertainty over the release of Q4 2020 corporate earnings report and the continued increase in domestic inflation in the first two months of the year. The realignment of local funds given the rebalancing in the Financial Times Stock Exchange (FTSE)<sup>17</sup> during the quarter also added to the weakening of the index. Other stock market indicators mirrored the y-t-d decline in the benchmark index. Total market capitalization fell by 3.3 percent from ₱15.89 trillion in end-2020 to reach ₱15.37 trillion in end-March 2021. Except for the financial sector, the rest of the sectoral capitalization dropped during the review period. Foreign investors also continued to withdraw from the stock market in Q1 2021 with net sales of ₱47.8 billion. This is nearly twice the ₱24.7-billion net sales registered in the previous quarter. In contrast, the price-to-earnings (P/E) ratio of listed firms increased from 28.4x in end-2020 to 29.6x in end-March 2021.

Meanwhile, on the external front, the average benchmark indices in most Southeast Asian stock markets went up q-o-q in the first three months of 2021. The positive developments in the global distribution of Covid-19 vaccines lifted recovery expectations, pushing equity indices up. The uptick was led Thailand's benchmark index (SET), which increased by 13.3 percent. This was followed by Indonesia's JCI (12.8 percent), Singapore's

FSSTI (11.1 percent), the Philippine's PSEi (2.5 percent) and Malaysia's FBMKLCI (1.7 percent).

## Bond Market

### Local Currency Bond Market

#### Size and Composition<sup>18</sup>

Local currency (LCY) bonds issued by both the public and private sectors amounted to ₱1,068.8 billion in the first quarter of 2021. This was almost double than the ₱553.6 billion registered in the previous quarter and 25.9 percent higher than the ₱848.7 billion recorded in the same period last year.

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#### LCY bond issuances of the public sector increase

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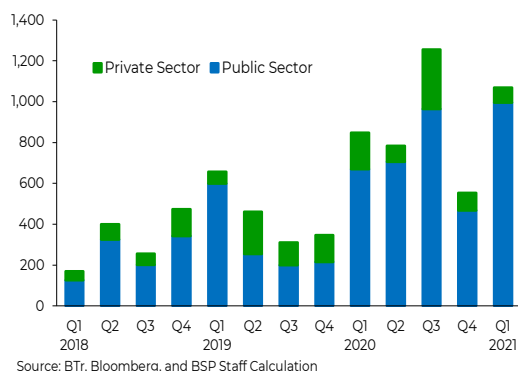
The NG-issued T-bills, Fixed-rate Treasury bonds (T-bonds) and Retail Treasury bonds (RTBs) reached a total of ₱995.3 billion to increase by 112.9 percent from its Q4 2020 level. The increase in government issuances reflects the need of the NG to finance its budget requirements.

Meanwhile, the private sector issuance of LCY bonds amounted to ₱73.4 billion, 14.7 percent lower than that in the previous quarter and 58.9 percent lower than that in the previous year. Local firms continue to be cautious in accumulating debt as they start to recover slowly from their revenue losses due to the pandemic.

<sup>17</sup> FTSE indices provide the basis for worldwide investment analysis, performance measurement, asset allocation and hedging. Its rebalancing typically results in fund managers reallocating their funds depending on the change in the weight for each index stock.

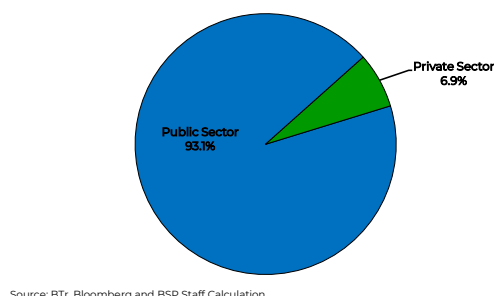
<sup>18</sup> This refers to the peso-denominated bond issuances by both public and private sectors. Public sector issuances of LCY bonds include issuances in the primary market and rollovers of maturing series which were issued by the BTr and Government-Owned and Controlled Corporations (GOCCs).

**Chart 20. LCY Bond Issuances**  
in billion pesos



In terms of market share, issuances from the public sector comprised 93.1 percent share of the total bond issuances while the private sector took the remaining 6.9 percent. Bonds issued by the BTr accounted for the entire public sector issuance while issuers from the private sector came from banks, real estate firms and holding companies.

**Chart 21. LCY Bond Issuances**  
as percent of market share; Q1 2021



### Primary Market<sup>19</sup>

In the primary auctions conducted for both T-bills and T-bonds, the NG offered a total of ₱721.0 billion short- and long-term debt securities. Demand was robust as tenders were oversubscribed by about 2.2 times. The market showed preference for short-term dated debt securities as tenders for T-bills reached ₱982.0 billion as against the NG's offering of

<sup>19</sup> The discussion includes primary market for government issuances only.

₱286.0 billion. Such tenders were higher than the tenders for T-bonds, which reached ₱632.7 billion against the ₱435.0 billion offering. The relatively high demand for short-term debt indicates investors' risk-averse attitude amid the uncertain and challenging market environment.

### The NG partially awards auction offerings

The NG partially awarded the ₱721.0 billion offering of government securities in Q1 2021, indicating that bid rates for T-bills and T-bonds were found to be relatively higher than the NG's preferred rates.

### Secondary Market

Trading of both government and private corporate bonds at the secondary market increased by 34.5 percent to ₱1,511.0 billion from ₱1,123.7 billion registered in the previous quarter. Meanwhile, trading in the secondary market decreased by 14.0 percent on a y-o-y basis.

### Trading increases at the secondary market

Trading was dominated mostly by Fixed Income Treasury Notes (FXTNs) and T-bills which accounted for 35.4 percent and 33.8 percent, respectively, of the total trading. Meanwhile, the share of corporate bonds traded at the Philippine Dealing and Exchange Corporation (PDEX) remained marginal at 1.7 percent. The overall increase in activity at the secondary market (q-o-q) partly reflected the recovery in the operations of many businesses.

**Chart 22. Secondary Market Volume**  
in billion pesos



### Foreign Currency Bond Market

During the quarter, the government borrowed in the offshore market with the issuance of JPY55 billion 3-Year Senior Unsecured Zero-coupon Fixed Rate Samurai bonds. The funds will be used to spend for COVID-19 responses, infrastructure and other priority programs to revive the domestic economy.

### The NG taps international bond market for funds

Similarly, for the private sector, some firms relied on foreign financing sources than on domestic creditors. In particular, a bank issued dollar bonds amounting to about US\$300 million.

### Credit Rating Assessment

On 11 January 2021, Fitch Ratings has kept the Philippines' investment grade credit rating of "BBB" with a 'stable' outlook.<sup>20</sup> The rating agency cited the country's manageable fiscal situation despite the COVID-19 crisis and favorable growth prospects amid a declining number of daily confirmed COVID-19 cases.

<sup>20</sup> "BBB" is one step above the minimum investment grade, while a "stable outlook indicates absence of factors that could trigger adjustment in the rating with the short term.

<sup>21</sup> In 2020, Fitch implemented 51 credit rating downgrades affecting 33 sovereigns (some

## Fitch affirms 'BBB' investment grade rating with a 'stable' outlook

The Philippines was able to keep its investment grade rating amid the waves of negative credit rating actions as the pandemic weighed down the performance and credit profiles of many economies.<sup>21</sup>

Fitch noted the country's "modest government debt levels relative to peers, robust external buffers, and still-strong medium-term growth prospects." Fitch further said that the Philippines is expected to recover in the coming quarters placing its GDP growth projection at 6.9 percent for 2021 and 8.0 percent for 2022.

### Bond spreads

In January, debt spreads slightly widened as new variants of Covid-19 virus spread across the globe. In February, debt spreads narrowed marginally reflecting the improved investor sentiment over positive developments on the availability and the successful inoculation of coronavirus vaccines particularly on advanced economies. In March, debt spreads widened as Covid-19 cases in the Philippines recorded an alarming spike that led to another round of re-imposition of quarantine measures such as curfews and isolated lockdowns.

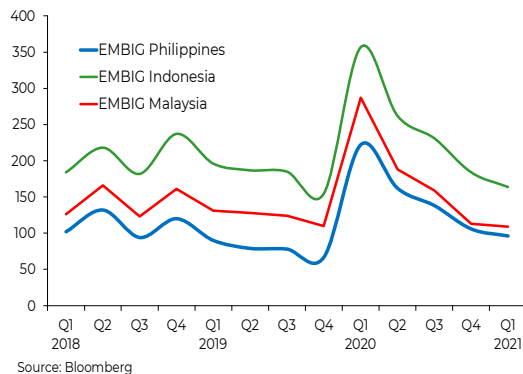
### Debt spreads widen

As of 31 March 2021, the extra yield investors demanded to own Philippine sovereign debt over U.S. Treasuries,

sovereigns were downgraded more than once). These include countries that previously had the same rating as the Philippines, such as Mexico, Colombia, and Italy—whose ratings were downgraded by a notch to the minimum investment grade of "BBB."

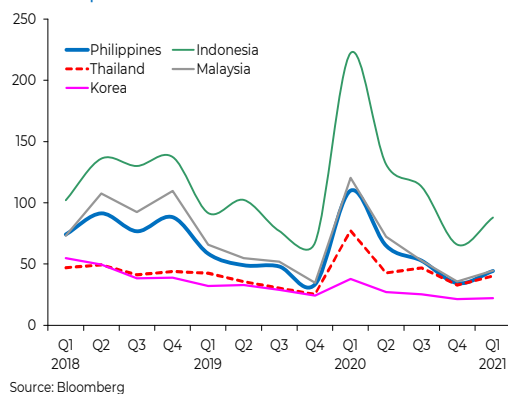
or the Emerging Market Bond Index Global (EMBIG) Philippines spread, stood at 96 bps from end-December 2020 level of 105 bps.

**Chart 23. Emerging Market Bond Index Global Spreads of Selected ASEAN Countries**  
in basis points



Meanwhile, the country's five-year sovereign credit default swap (CDS) increased to 44 bps from its end-December level of 34 bps. Against other neighboring economies, the Philippine CDS was narrower than Malaysia's 45 bps and Indonesia's 88 bps but wider than Thailand's 40 bps and Korea's 22 bps spreads.

**Chart 24. 5-Year CDS Spreads Selected ASEAN Countries**  
in basis points



<sup>22</sup> Starting 1 April 2014, the volume and value of transactions exclude payment transfers to BSP Payments Unit.

## Payments and Settlements System<sup>22</sup>

In Q1 2021, the total number of transactions settled and processed in the Philippine Payments and Settlements System (*PhilPaSS*) reached 331,788, a 4.4-percent increase from the previous quarter's level of 317,896 transactions. The higher number of transactions was due mainly to the q-o-q increase in the peso leg of peso/US dollar trades (25.8 percent), GS trades (20.4 percent), and automated clearing houses transactions (9.4 percent), namely, PESONet (10.3 percent) and InstaPay (9.0 percent).

### The value and volume of PhilPaSS transactions increase

Similarly, the total value of transactions increased by 15.3 percent to reach ₱158.65 trillion from the quarter-ago level of ₱137.66 trillion. The higher value of transactions was due to the rise in GS trades (52.6 percent), monetary operations transactions (16.6 percent) and peso leg of peso/US dollar trades (12.9 percent).

**Table C. PhilPaSS Transactions**

|  | 2020    |         | 2021    | Growth Rates<br>(in percent) |       |
|--|---------|---------|---------|------------------------------|-------|
|  | Q1      | Q4      | Q1      | Q-o-Q                        | Y-o-Y |
| Volume                                 | 311,247 | 317,896 | 331,788 | 4.4                          | 6.6   |
| Value<br>(in trillion pesos)           | 96.14   | 137.66  | 158.65  | 15.3                         | 65.0  |
| Transaction Fees<br>(in million pesos) | 49.55   | 0.02    | 0.03    | 18.2                         | -99.9 |

Source: Payment and Settlements Office (PSO)

During the quarter, the following accounted for 83.3 percent of the total volume of transactions: interbank transactions, peso leg of the peso/US dollar trades, monetary operations

transactions, and GS trades. In terms of value, monetary operations transactions, interbank dealings, and peso leg of the peso/US dollar trades comprised 97.7 percent of the total value of transactions.

On a y-o-y basis, both the volume and value of transactions increased by 6.6 percent and 65.0 percent, respectively.

Meanwhile, total revenue derived from *PhilPaSS* operations reached ₱0.03 million in Q1 2021, slightly higher than the ₱0.02 million recorded in the previous quarter, as most fees for fund transfer transactions made through the *PhilPaSS* were waived or suspended during the reporting period.

## External Sector

### Balance of Payments

The country's balance of payments (BOP) position recorded a deficit of US\$2.8 billion in Q1 2021, significantly higher than the US\$68 million deficit posted in the same quarter in 2020 (*Table 11*).<sup>23</sup>

### Q1 2021 BOP position posts a higher deficit

The sharp increase in the BOP deficit stemmed from the uptick in net outflows in the financial account, coupled with the reversal of the current account from a

<sup>23</sup> The overall BOP position was computed based on final data on the country's Gross International Reserves (GIR). However, the balances of the current, capital, and financial accounts and their components are preliminary as these were based on partial and preliminary data and estimates, considering the operational constraints of our data sources amid the community quarantine.

<sup>24</sup> Other Sectors cover the following economic sectors: (a) other financial corporations, which include private and public insurance corporations, holding companies, government financial institutions, investment companies, other financial

surplus to a deficit during the period. The increase in net outflows in the financial account emanated mainly from the portfolio investment account, primarily due to the rise in the Central Bank's net investments in non-reserve assets as well as the Government's and Other Sectors' higher net repayments of maturing bond issuances.<sup>24</sup> Meanwhile, the current account reversed to a deficit as the merchandise trade gap widened on account of the growth in imports amid the gradual reopening of the domestic economy due to the easing of COVID-19 containment measures. Lower net receipts of primary income also contributed to the current account deficit.

**Table D. Balance of Payments**  
in million US\$

|                        | Q1         |               |
|------------------------|------------|---------------|
|                        | 2020       | 2021          |
| Current Account        | 225        | -614          |
| Capital Account        | 12         | 17            |
| Financial Account *    | 2,973      | 4,089         |
| Net Unclassified Items | 2,668      | 1,841         |
| <b>Overall BOP **</b>  | <b>-68</b> | <b>-2,844</b> |

Details may not add up due to rounding.

\* In the Financial Account, a positive (negative) balance indicates an outflow (inflow).

\*\* The overall BOP position, therefore, is equal to the current account plus the capital account minus the financial account plus net unclassified items.

**Current Account.** The current account posted a deficit of US\$614 million in Q1 2021, a reversal from the US\$225 million surplus recorded in the same quarter in the previous year. This developed on account of the widening of the trade in goods deficit coupled with the drop in net receipts recorded in the primary income account.

intermediaries except insurance, trust institutions/corporations, financing companies, securities dealers/brokers, lending investor, Authorized Agent Banks (AAB) forex corporations, investment houses, pawnshops, credit card companies, offshore banking units (OBUs); (b) non-financial corporations, which refer to public and private corporations and quasi-corporations, whose principal activity is the production of market goods or non-financial services; and (c) households and non-profit institutions serving households (NPISHs).

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## Current account reverses to a deficit

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**Trade-in-Goods.** The trade in goods deficit increased by 8.9 percent to US\$11.1 billion in the first quarter of 2021 from US\$10.2 billion in the same quarter last year.

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## Trade gap widens

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This development reflected the sustained recovery momentum of the trade sector after hitting a trough in Q2 2020, owing to the strict containment measures imposed by the government at the onset of the COVID-19 pandemic in the Philippines.

**Exports of Goods.** Exports of goods increased by 11.1 percent to US\$12.9 billion in the first quarter of 2021, on account mainly of stronger external demand from the Philippines' largest export markets, most notably China and the United States.

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## Exports of goods register double-digit expansion

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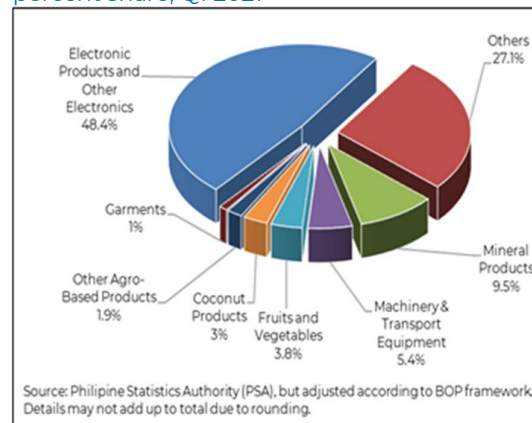
During the first quarter of 2021, China posted a double-digit year-on-year domestic output growth, while the US growth rebounded to the positive territory after being in a recession from Q2 2020 to Q4 2020.

On a by-commodity basis, the improvement in trade in goods exports was buoyed by manufactures, which rose by 20.2 percent to US\$10.3 billion in Q1 2021. Electronic products accounted for the bulk of the growth in the exports of manufactured goods, as shipments rose by 19.3 percent, owing mainly to

increased external demand for semiconductors and electronic data processing units. Other commodity groups that showed improvement during the period were coconut, forest, other agro-based, and sugar products. Meanwhile, exports of other commodity groups such as fruits and vegetables, petroleum, and mineral products were on the downtrend.

**Chart 25. Exports by Major Commodity Group**<sup>25</sup>

percent share, Q1 2021



**Imports of Goods.** Imports of goods during the first quarter of 2021 amounted to US\$24 billion, 10 percent higher than the US\$21.8 billion recorded in the same period in the previous year.

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## Imports of goods continue its uptrend

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This stemmed from stronger domestic demand for raw materials and intermediate goods, and capital goods, which posted double-digit year-on-year growth rates of 17.7 percent and 18.1 percent, respectively, in the first quarter of 2021. In particular, imports of telecommunications equipment and electrical machineries rose by 50 percent during the quarter, reflecting service

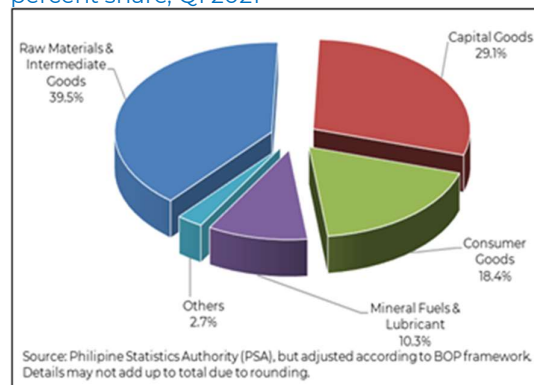
ownership), 2) consigned goods, 3) returned/replacement goods, and 3) temporarily imported/exported goods.

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<sup>25</sup> Based on the BPM6 concept, trade in goods is computed from the Philippine Statistics Authority (PSA) foreign trade statistics, excluding the following items: 1) goods that did not involve change in

providers' continuous efforts to improve their services in response to stronger market demand for higher quality internet services. Likewise, manufactured goods, which increased by 19.7 percent to US\$3.5 billion, and chemical products, which posted an 18.6 percent growth to US\$2.8 billion in the same period, also supported the expansion in total imports. Similarly, consumer goods imports increased by 10.3 percent to US\$4.4 billion on account of the growth recorded in food and live animals (19.5 percent), and other durable miscellaneous manufactures (9.8 percent). Meanwhile, mineral fuels and lubricants dropped by 6.4 percent to US\$2.5 billion during the quarter, reflecting subdued demand for such imports.

**Chart 26. Imports by Major Commodity Group**  
percent share, Q1 2021



**Trade-in-Services.** Net receipts of trade in services increased by 6.2 percent to US\$2.9 billion in Q1 2021 from US\$2.8 billion in Q1 2020 as services imports posted a larger drop than services exports.

## Trade in services posts higher net receipts

Total payments for services imports contracted by 26.6 percent to

<sup>26</sup> Technical, trade-related and other business services are comprised largely of earnings from business process outsourcing (BPO) related transactions. Total estimated BPO export revenues,

US\$4.6 billion in Q1 2021 from US\$6.2 billion in Q1 2020. Meanwhile, total receipts from services exports declined by 16.5 percent to US\$7.5 billion from US\$9 billion.

The downtrend in services imports was due primarily to the declines recorded in travel (61.8 percent), passenger transport (65.9 percent), and charges for the use of intellectual property, n.i.e. (47.8 percent). This was mitigated partly by the improvements registered in telecommunication (63.2 percent), insurance and pension (29.2 percent), computer (37.9 percent), and other personal, cultural, and recreational (674.2 percent) services imports. Meanwhile, the shortfall in services exports was on account of the decreases recorded in travel (90.6 percent), passenger transport (83.5 percent) and computer (6.7 percent) services. It may be noted that the tourism industry is one of the sectors most severely affected by the pandemic following the lockdown measures and travel restrictions implemented, which resulted in the substantial decrease in tourism export revenues. The drop in services exports was tempered partly by the increase in receipts in technical, trade-related and other business services (7 percent), and manufacturing services on physical inputs owned by others (21.1 percent).<sup>26</sup>

**Primary Income.** Net primary income receipts declined by almost half from the year-ago level of US\$1.1 billion to US\$567 million.

## Net receipts of primary income decline

This was due mainly to the combined effects of lower income receipts,

consisting of computer and other business services, amounted to US\$5.5 billion in Q1 2021, 3 percent higher than the US\$5.4 billion total revenues registered in Q1 2020.

particularly on direct investments (by 70.1 percent), and higher income payments, particularly on portfolio investments (by 14.9 percent).

**Secondary Income.** Net receipts from the secondary income account recorded a modest increase from US\$6.6 billion in Q1 2020 to US\$7 billion in Q1 2021, leveraging on the steady inflow of remittances from non-resident overseas Filipino (OF) workers, which amounted to US\$6.5 billion in the first quarter of 2021, up by 3.2 percent from the US\$6.3 billion recorded in the comparable period in the previous year.

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### Net receipts of secondary income rise

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**Capital Account.** Net receipts in the capital account rose to US\$17 million in Q1 2021 from US\$12 million in Q1 2020.

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### Capital account net receipts increase

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This resulted from the lower gross acquisition of non-produced non-financial assets (e.g., patents, trademarks, and copyrights).

**Financial Account.**<sup>27</sup> The financial account posted net outflows of US\$4.1 billion in Q1 2021, 37.5 percent higher than the US\$3 billion net outflows registered in the same quarter last year.

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### Financial account records higher net outflows

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This developed mainly on account of the substantial increase in net outflows of portfolio investments to US\$7.9 billion from US\$793 million. These net outflows

were tempered by the reversal of other investments to net inflows and the increase in net inflows of direct investments.

**Direct Investments.** Direct investments posted a 91.4 percent expansion in net inflows to reach US\$1.7 billion in the first quarter of 2021 from US\$883 million recorded in the comparable period in 2020.

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### Net inflows of direct investments increase

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This resulted from the marked increase in foreign direct investments (FDI) along with the decline in residents' net investments in foreign financial assets. FDI grew by 45.1 percent to US\$2.4 billion due mainly to the 113.2 percent rise in non-residents' net investments in debt instruments to US\$1.4 billion from US\$671 million.

Likewise, reinvestment of earnings increased by 5.4 percent to US\$225 million from US\$213 million. The net inflows were tempered, however, by the 4.3 percent decrease in non-residents' net investments in equity capital to US\$721 million (from US\$754 million) as placements dipped to US\$828 million (from US\$887 million), but was mitigated by the drop in withdrawals to US\$107 million (from US\$134 million). Equity capital placements during the quarter came mostly from Singapore, Japan, the United States, and the Netherlands. These placements were infused primarily into electricity, gas, steam, and airconditioning; financial and insurance; and manufacturing industries.

Meanwhile, residents' direct investments abroad declined by 9.1 percent to US\$686 million from US\$755 million.

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<sup>27</sup> Residents' investments abroad pertain to acquisition of financial assets, while non-residents'

investments in the Philippines refer to incurrence of liabilities.

This was brought mainly by the reversal of residents' net investments in equity and investment fund shares to net withdrawals of US\$30 million from US\$130 million net placements posted in the same quarter of the previous year.

**Portfolio Investments.** Portfolio investments recorded net outflows of US\$7.9 billion in Q1 2021, markedly higher than the US\$793 million net outflows registered in Q1 2020.

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### Net outflows of portfolio investments surge

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This stemmed from the surge in residents' portfolio investments abroad amounting to US\$3.9 billion (from net withdrawals of US\$459 million), coupled with the sharp increase in net outflows of foreign portfolio investments (FPI) to US\$4 billion (from US\$1.3 billion). In particular, residents' placements in debt securities rose, notably those of the Bangko Sentral ng Pilipinas (BSP) to US\$3.3 billion (from US\$520 million) and the Other Sectors to US\$1.1 billion (from US\$409 million).

Meanwhile, the net outflows in FPI expanded as the National Government (NG) and local corporates repaid their debt obligations amounting to US\$2.3 billion and US\$1.1 billion, respectively.

**Other Investments.** The other investment account recorded net inflows of US\$2 billion, a turnaround from the US\$3.1 billion net outflows in the same quarter last year. This emanated mainly from the residents' net withdrawals of investments in foreign financial assets to US\$2 billion (from net investments of US\$2.5 billion). Specifically, residents' net withdrawals of their currency and deposits abroad amounted to US\$1.8 billion (from net placements of US\$1.3 billion) while net loan repayments

reached US\$200 million (from loan availments of US\$1.1 billion).

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### Other investment account reverses to net inflows

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In addition, lower net outflows were recorded in the liability side on account of increased inflows arising from trade credits and advances extended by non-residents to local corporates (US\$269 million) and non-residents' net placements of currency and deposits in local banks (US\$301 million). These inflows, however, were tempered by residents' net repayments of loans extended by non-residents, amounting to US\$640 million, which was a reversal from their net loan availments of US\$463 million in Q1 2020.

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### Net gains from trading in financial derivatives grow

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**Financial Derivatives.** Net gains from trading in financial derivatives were higher by 49.5 percent at US\$111 million in Q1 2021 from US\$74 million in the same quarter last year.

### International Reserves

The country's gross international reserves (GIR) amounted to US\$104.48 billion as of end-March 2021, lower than the US\$110.12 billion in end-December 2020 (*Table 12*). At this level, the GIR remains adequate as it can cover 12 months' worth of imports of goods and payments of services and primary income. It is also equivalent to 7.3 times the country's short-term external debt based on original maturity and 5.2 times based on residual maturity.

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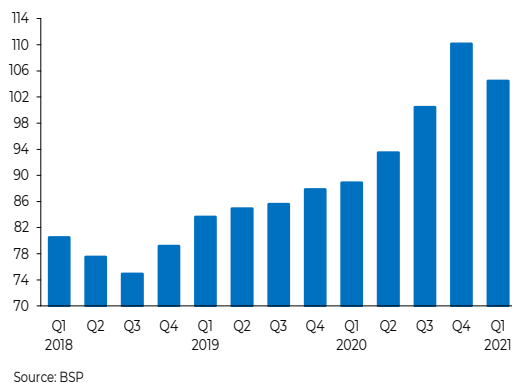
### Reserves settle lower

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The decrease in reserves was due mainly to outflows from the net withdrawal in the NG's foreign currency deposits with the BSP, which were largely used for debt servicing, and a downward adjustment in the value of BSP's gold holdings due to the decrease in the price of gold in the international market. The decrease was also due to lesser inflows arising from the BSP's income from its investments abroad as well as lower BSP reserve position and holdings of Special Drawing Rights (SDRs) in the International Monetary Fund (IMF). These outflows were partly offset, however, by higher foreign exchange (FX) operations by the BSP.

The bulk of the country's total reserves or 85.88 percent was held in foreign investments. Meanwhile, 8.72 percent were in gold and the remaining 5.40 percent were in holdings of SDRs, the BSP's reserve position in the IMF, as well as FX.

**Chart 27. Gross International Reserves**  
in billion US dollars



Net international reserves (NIR), which refer to the difference between the BSP's GIR and total short-term liabilities, amounted to US\$104.47 billion as of end-March 2021, a decrease of US\$5.6 billion from end-December 2020.

<sup>28</sup> Dollar rates (per peso) or the reciprocal of the peso-dollar rates were used to compute for the

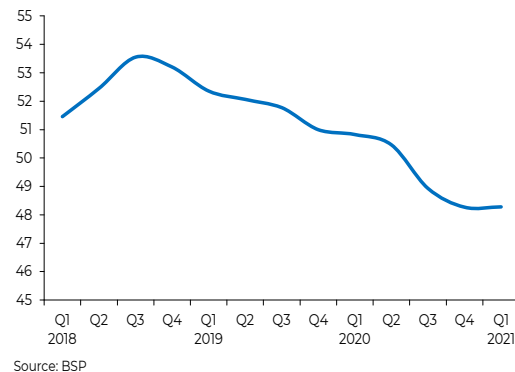
## Exchange Rate

The peso averaged ₱48.28/US\$1 in Q1 2021, depreciating slightly by 0.03 percent from the Q4 2020 average of ₱48.27/US\$1 due partly to the rise in COVID-19 infections locally (*Table 13*).

### Peso depreciates marginally amid new surge in COVID-19 infections

Nonetheless, the country's macroeconomic fundamentals—a manageable inflation environment, strong and resilient banking system, prudent fiscal position, and a high level of international reserve buffer—continued to provide support to the peso. On a y-o-y basis, the peso appreciated by 5.28 percent relative to the ₱50.83/US\$1 average in Q1 2020.<sup>28</sup>

**Chart 28. Quarterly Peso-Dollar Rate**  
PhP/US\$



In January, the peso averaged ₱48.061/US\$1, appreciating marginally by 0.005 percent from the ₱48.064/US\$1 average in December 2020. The peso appreciated partly on positive sentiment amid the country's record-high GIR at end-December 2020 of \$109.8 billion, as well as Fitch Ratings' affirmation of the Philippines' "BBB" investment credit rating. However, market cautiousness

percentage change.

over (i) the continued rise in coronavirus infections locally; (ii) the lower-than-expected FDIs in October 2020; and (iii) increasing global oil prices partly tempered the peso's appreciation.

Meanwhile, in February, the peso averaged ₱48.20/US\$1, depreciating by 0.30 percent from the previous month's average. The peso depreciated on market expectation of a recovery in the country's imports amid growing calls for further reopening of the economy coupled with the release of positive US retail sales and industrial production reports. These factors increased the demand for US dollar, thereby contributing to the depreciation of the peso.

In March, the peso depreciated further to an average of ₱48.57/US\$1, 0.76 percent lower than the average in February. The peso depreciated on risk-off sentiment amid the surge in new coronavirus infections in the country as well as the decline in overseas Filipinos (OF) cash remittances in January given continued repatriations and tighter restriction measures in host economies. Likewise, the negative market sentiment over the reimposition of lockdown measures in the NCR and selected localities as well as the deficit posted in the country's fiscal balance in January (due to lower tax collections) added to the peso's depreciation.

On a y-t-d basis, the peso depreciated against the US dollar by 1.04 percent to

close at ₱48.53/US\$1 on 31 March 2021 from the end-December 2020 closing rate of ₱48.02/US\$1.<sup>29</sup>

Meanwhile, the volatility of the peso's daily closing rates (as measured by the coefficient of variation) stood at 0.54 percent in Q1 2021, higher than the 0.07 percent registered in the previous quarter.<sup>30</sup> The volatility of the peso in the review quarter was, however, lower than the volatility of most currencies in the region.

On a real trade-weighted basis, the peso lost external price competitiveness in Q1 2021 against the basket of currencies of all trading partners (TPI) and trading partners in advanced (TPI-A) and developing (TPI-D) countries relative to Q4 2020 due mainly to the widening of inflation differentials against these currency baskets. As a result, the REER index of the peso increased against the TPI, TPI-A, and TPI-D by 2.84 percent, 5.57 percent, and 1.35 percent, respectively,

Relative to Q1 2020, the peso likewise lost external price competitiveness across currency baskets during the review period. This developed following the nominal appreciation of the peso and the widening of inflation differentials vis-à-vis trading partners, resulting in the increase in the REER index of the peso by 4.63 percent, 4.79 percent, and 4.54 percent against the TPI, TPI-A and TPI-D baskets, respectively.<sup>31,32</sup>

<sup>29</sup> Based on the last done deal transaction in the afternoon.

<sup>30</sup> The coefficient of variation is computed as the standard deviation of the daily closing exchange rate divided by the average exchange rates for the period.

<sup>31</sup> The TPI measures the nominal and real effective exchange rates of the peso across the currencies of 14 major trading partners (MTPs) of the Philippines, which include US, Euro Area, Japan, Australia, China, Singapore, South Korea, Hong Kong, Malaysia, Taiwan, Indonesia, Saudi Arabia, United Arab Emirates, and Thailand. The TPI-A measures the effective exchange rates of the peso across currencies of trading partners in advanced countries comprising of the US, Japan, Euro Area, and

Australia. The TPI-D measures the effective exchange rates of the peso across 10 currencies of partner developing countries which include China, Singapore, South Korea, Hong Kong, Malaysia, Taiwan, Indonesia, Saudi Arabia, United Arab Emirates, and Thailand.

<sup>32</sup> The REER index represents the Nominal Effective Exchange Rate (NEER) index of the peso, adjusted for inflation rate differentials with the countries whose currencies comprise the NEER index basket. A decrease in the REER index indicates some gain in the external price competitiveness of the peso, while a significant increase indicates the opposite. The NEER index, meanwhile, represents the weighted average exchange rate of the peso vis-à-vis a basket of foreign currencies.

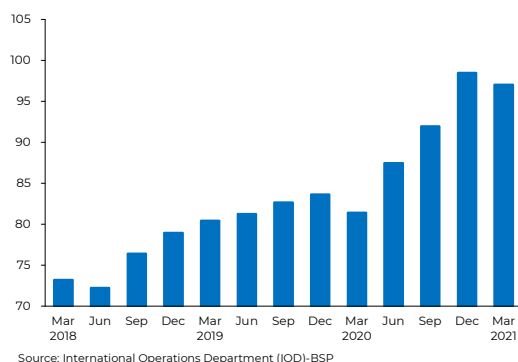
## External Debt<sup>33</sup>

The Philippines' outstanding external debt stood at US\$97.0 billion as of end-March 2021, down by US\$1.4 billion (or 1.5 percent) from the US\$98.5 billion level as of end-December 2020 (*Table 14*).

### External debt decreases

The decline in the debt level during the first quarter of 2021 was due mainly to net repayments of US\$3.1 billion attributed to the settlement of obligations by private domestic banks (US\$2.1 billion) and the redemption by the National Government (NG) of its maturing bonds (US\$2.7 billion). Negative foreign exchange (FX) revaluation of US\$1.0 billion further contributed to the decrease as the US Dollar strengthened against other currencies amid the rise in US Treasury bond yields, among others. The downward impact of the net repayments and FX revaluation more than offset prior periods' adjustments of US\$2.3 billion and increase in non-resident investments in Philippine debt papers issued offshore of US\$365 million.

**Chart 29. Philippine External Debt in billion US dollars**



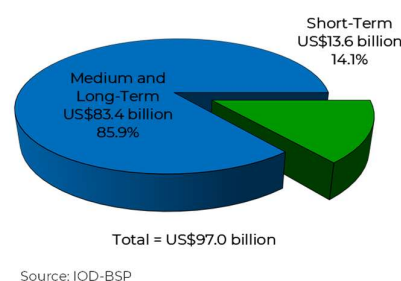
<sup>33</sup> External debt refers to all types of borrowings by Philippine residents from non-residents, following the residency criterion for international statistics. Outstanding external debt valued at exchange rates as of end-December 2020; while transaction amounts (e.g., availment, repayment, interest payment) are converted to US dollar equivalent

On a year-on-year basis, the country's debt stock rose by US\$15.6 billion brought about by: (i) net availments of US\$13.5 billion, mainly by the NG and private non-banks; (ii) transfer of Philippine debt papers from residents to non-residents of US\$1.1 billion; (iii) prior periods' adjustments of US\$687 million; and (iv) positive FX revaluation of US\$390 million.

### By Maturity

As of end-March 2021, the maturity profile of the country's external debt remained predominantly medium- to long-term (MLT) in nature (i.e., those with original maturities longer than one year), with share to total at 85.9 percent (US\$83.4 billion). This renders FX requirements for debt payments well spread out and manageable.

**Chart 30. Philippine External Debt by Maturity as of end-March 2021**



The weighted average maturity for all MLT accounts increased to 17.1 years from 16.6 years during the previous quarter, with public sector borrowings having a longer average term of 20.9 years compared to 7.3 years for the private sector.

Meanwhile, short-term (ST) liabilities comprised the 14.1 percent balance of

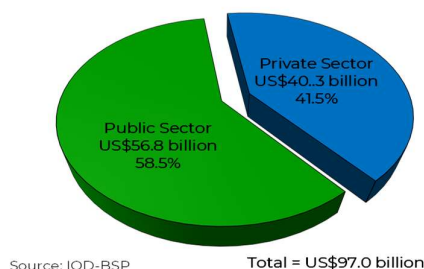
based on exchange rates prevailing on transaction dates. Principal data sources include regular reports from borrowers, banks and other financial institutions, major foreign creditors and news articles in local and international publications, as well as through conduct of external debt surveys.

debt stock, consisting mostly of bank liabilities and trade credits.

### By Borrower

Public sector external debt decreased to US\$56.8 billion as of end-March 2021 (or by US\$1.4 billion) from US\$58.1 billion as of end-December 2020, with share to total likewise decreasing to 58.5 percent from 59.0 percent. The recorded drop was due largely to the full redemption of US\$2.7 billion NG bonds. About US\$50.8 billion (89.6 percent) of public sector obligations were NG borrowings while the remaining US\$5.9 billion pertained to loans of government-owned and controlled corporations, government financial institutions and the BSP.

**Chart 31. Philippine External Debt by Borrower**  
as of end-March 2021



Private sector debt slightly declined from US\$40.4 billion as of end-December 2020 to US\$40.3 billion as of end-March 2021, although the share to total increased from 41.0 percent to 41.5 percent. The contraction was due to: (a) net repayments of US\$1.6 billion attributed to the non-rollover and settlement of maturing obligations (i.e., decrease in bills payable) by private domestic banks; (b) increase in resident investments in Philippine debt papers issued offshore of US\$572 million; and (c) negative FX revaluation of US\$76 million, which slightly offset the increase caused by prior periods' adjustments of US\$2.2 billion.

### By Creditor

Major creditor countries were Japan (US\$15.3 billion), the Netherlands (US\$3.2 billion), US (US\$3.0 billion), and United Kingdom (US\$2.5 billion). Creditor mix continues to be well-diversified.

Borrowings in the form of bonds/notes had the largest share (35.8 percent) of total outstanding debt, followed by loans from official sources [multilateral and bilateral creditors (comprised of Japan: US\$8.7 billion; China: US\$1.1 billion; and France: US\$722 million, among others) – 35.7 percent]; obligations to foreign banks and other financial institutions (22.5 percent); while the rest (6.0 percent) were owed to other creditor types (mainly suppliers/exporters).

The country's debt stock remained largely denominated in US Dollar (US\$55.2 billion or 56.9 percent of total) and Japanese Yen (US\$11.1 billion or 11.4 percent of total). US Dollar-denominated multi-currency loans from the World Bank and ADB (US\$18.9 billion) represented 19.5 percent of the total. The 12.2 percent balance (US\$11.9 billion) pertained to 14 other currencies, including the Philippine Peso (5.4 percent), Euro (4.5 percent) and SDR (1.4 percent).

The debt ratios still remain at prudent levels. The debt service ratio (DSR), which relates principal and interest payments (debt service burden or DSB) to exports of goods and receipts from services and primary income, is a measure of adequacy of the country's FX earnings to meet maturing obligations. For January to March 2021, the ratio increased to 13.5 percent from 4.1 percent recorded in 4Q 2020 due to higher payments and lower receipts.

The external debt ratio, or total outstanding debt (EDT) expressed as a percentage of annual aggregate output (GDP or GNI), is a solvency indicator. EDT to GDP ratio decreased to 26.7 percent from 27.2 percent a quarter ago. The same trend was observed using GNI as denominator. This indicates the country's sustained strong position to service foreign obligations in the medium to long-term.

## Foreign Interest Rates

In Q1 2021, most AEs maintained policy rates and continued to implement monetary easing measures through asset purchases to address the risks posed by COVID-19 to the global economy.

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### AEs maintain policy rates

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The US Federal Reserve maintained the target range for the Federal funds at 0.0-0.25 percent during its January and March meetings. The decision was based on the assessment that the ongoing public health crisis will continue to weigh on economic activity, employment, and inflation in the near term and will pose risks to the economic outlook over the medium term. As part of its monetary policy decision, the Fed decided that it will continue to increase its holdings of Treasury securities by at least US\$80 billion per month and its holdings of agency residential and commercial mortgage-backed securities by at least US\$40 billion per month.<sup>34</sup>

The Bank of England (BOE), during its February and March meetings, maintained the official bank rate paid on

commercial banks' reserves at 0.1 percent. The BOE also maintained the stock of non-financial investment-grade corporate bond purchases at £20 billion. In addition, it continued with its UK bond purchases at £875 billion which will result in a total target stock of asset purchases at £895 billion.<sup>35</sup>

The Bank of Japan (BOJ) decided to continue its "Quantitative and Qualitative Monetary Easing (QQE) with Yield Curve Control," in view of achieving the price stability target of 2 percent. The BOJ decided to continue such policy until the target becomes stable. During its January and March meetings, the BOJ maintained its negative interest rate of 0.1 percent to current accounts that financial institutions hold at the Bank. For the long-term interest rate, the BOJ decided that it will buy Japanese government bonds (JGBs) without setting an upper limit in order for the 10-year JGB yields to remain at around zero percent. In terms of asset purchases, the BOJ will continue to actively purchase exchange-traded funds (ETFs) and Japanese real estate investment trusts (J-REITs) such that their outstanding amount will increase at annual paces with the upper limit of about ¥12 trillion and ¥180 billion, respectively. Meanwhile, the BOJ decided that it will extend the duration of additional purchases of commercial papers (CP) and corporate bonds until the end of September 2021 with an upper limit on the amount outstanding of about ¥20 trillion yen in total. Around ¥15 trillion will be for the additional purchases of CP and corporate bonds while the outstanding amounts of CP and corporate bonds will be maintained at

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<sup>34</sup>Press Release, "Federal Reserve issues Federal Open Market Committee (FOMC) statement", 27 January 2021 and 17 March 2021, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20210127a.htm> & <https://www.federalreserve.gov/newsevents/pressreleases/monetary20210317a.htm>

<sup>35</sup>Press Release, "Monetary Policy Summary and minutes of the Monetary Policy Committee (MPC) meeting", 4 February 2021 and 18 March 2021, <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2021/march-2021> & <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2021/february-2021>

around ¥2.0 trillion and ¥3.0 trillion, respectively.<sup>36</sup>

The European Central Bank (ECB) continued to implement monetary policy measures to counter the risks posed by the COVID-19 outbreak. During its January and March meetings, the ECB decided to maintain the interest rates on the deposit facility, main refinancing operation, and marginal lending facility at -0.50 percent, 0.0 percent, and 0.25 percent, respectively. The ECB likewise decided to continue its net asset purchases under the Pandemic Emergency Purchase Program (PEPP) at €1,850 billion.<sup>37</sup>

## Global Economic Developments

The uncertainty brought by the pandemic resulted in diverging economic recoveries across countries around the globe. Threats of second and third waves of Covid-19 infection remain.<sup>38</sup> In some countries, the surge in commodity prices and improved economic prospects are generating higher consumer inflation. Upticks in economic activities were also observed in most advanced economies (AEs) during the quarter in review which were attributed mainly to the reopening of businesses and sustained response to the COVID-19 pandemic. Meanwhile, China continued to lead the expansion of economic activities in emerging markets (EMs) with exports and manufacturing sectors as their main drivers of growth. Stronger growth in 2021 and 2022 is projected following the additional

fiscal support and the anticipated vaccine-powered recovery in the second half of the year.

In Q1 2021, real gross domestic product (GDP) in the US was recorded at 0.4 percent, an improvement from the 2.4-percent contraction in the previous quarter, reflecting the continued economic recovery due to reopening of establishments and the government's response related to the COVID-19 pandemic.<sup>39</sup> Meanwhile, Japan's GDP declined by 1.6 percent in Q1 2021 from the 1.1-percent revised contraction in Q4 2020<sup>40</sup> following the resurgence of COVID-19 outbreak. Likewise, contraction in GDP growth was recorded in the Euro area at 1.3 percent in Q1 2021 albeit softer than the 4.7-percent decline in Q4 2020. The slowdown was mainly attributed to the reimposition of COVID-19 containment measures which heavily weighed down business activities, particularly on the services sector and on household spending.<sup>41</sup>

Meanwhile, Hong Kong's GDP expanded by 7.9 percent in Q1 2021, a reversal from the 2.8-percent decline in the previous quarter. The sharp economic rebound mainly reflected the strong growth of goods exports amid the global economic recovery.<sup>42</sup> Likewise, South Korea recorded a faster-than-expected expansion during the review quarter at 1.9 percent, a reversal from the 0.7-percent contraction in the previous quarter. The expansion was largely due to corporate investment in facilities, private consumption, and government

<sup>36</sup> Press Release "Statement on Monetary Policy" 21 January 2021 and 19 March 2021, [https://www.boj.or.jp/en/mopo/mpmdeci/state\\_2021/k210121a.htm&https://www.boj.or.jp/en/announcements/release\\_2021/k210319a.pdf](https://www.boj.or.jp/en/mopo/mpmdeci/state_2021/k210121a.htm&https://www.boj.or.jp/en/announcements/release_2021/k210319a.pdf)

<sup>37</sup> Press Release, "Monetary policy decisions" 21 January 2021 and 11 March 2021, [https://www.ecb.europa.eu/press/pr/date/2021/html/ecb.mp210121~eb9154682e.en.htmlhtml & https://www.ecb.europa.eu/press/pr/date/2021/html/ecb.mp210311~35ba71f535.en.html](https://www.ecb.europa.eu/press/pr/date/2021/html/ecb.mp210121~eb9154682e.en.htmlhtml&https://www.ecb.europa.eu/press/pr/date/2021/html/ecb.mp210311~35ba71f535.en.html)

<sup>38</sup> "Managing Divergent Recoveries," IMF World

Economic Outlook (WEO), April 2021

<sup>39</sup> "Gross Domestic Product, First Quarter 2021 (Second Estimate)," U.S. Bureau of Economic Analysis (BEA), 27 May 2021

<sup>40</sup> "Quarterly Estimates of GDP for Jan-March 2021 (Second Preliminary Estimates)," Economic and Social Research Institute, Cabinet Office, Government of Japan, 8 June 2021

<sup>41</sup> "Euro Area: GDP contracts again in Q1 amid tighter lockdowns", Focus-Economics, 30 April 2021

<sup>42</sup> Press release on "Economic Situation in the First Quarter of 2021 and Latest GDP and Price Forecasts for 2021," Hong Kong Economy 14 May 2021

spending.<sup>43</sup> Singapore's economy grew by 1.3 percent in Q1 2021, a turnaround from the 2.4-percent contraction recorded in the previous quarter. The rebound in economic activity was attributed to output expansion in the manufacturing, information and communications, finance and insurance and professional services sector.<sup>44</sup>

**Table E. Real GDP in Selected Economies y-o-y growth, in percent**

| Country Grouping <sup>1</sup>       | 2020 |      | 2021 |
|-------------------------------------|------|------|------|
|                                     | Q1   | Q4   | Q1   |
| <b>Advanced Economies</b>           |      |      |      |
| US                                  | 0.3  | -2.4 | 0.4  |
| Japan                               | -2.1 | -1.1 | -1.6 |
| Euro Area                           | -3.3 | -4.7 | -1.3 |
| Hong Kong                           | -9.1 | -2.8 | 7.9  |
| South Korea                         | 1.5  | -0.7 | 1.9  |
| Singapore                           | 0.0  | -2.4 | 1.3  |
| <b>Emerging and Developing Asia</b> |      |      |      |
| China                               | -6.8 | 6.5  | 18.3 |
| India                               | 3.0  | 0.5  | 1.6  |
| <b>ASEAN-5</b>                      |      |      |      |
| Indonesia                           | 3.0  | -2.2 | -0.7 |
| Malaysia                            | 0.7  | -3.4 | -0.5 |
| Philippines                         | -0.7 | -8.3 | -4.2 |
| Thailand                            | -2.1 | -4.2 | -2.6 |
| Vietnam                             | 3.8  | 2.9  | n.a. |

<sup>1</sup> Country grouping is based on the IMF World Economic Outlook Database, April 2020

<sup>r</sup> Revised

n.a. - Not Available

Source: Bloomberg and Country Websites

In China, the economy reported a record high growth of 18.3 percent in Q1 2021<sup>45</sup> from the 6.5 percent growth in the previous quarter. This record was supported by the surge in retail sales—which benefited from improved consumer confidence—as well as sharp rises in industrial production, investment, and exports amid strong demand from abroad.<sup>46</sup> Similarly, India's growth rate picked up by 1.6 percent in Q1 2021 compared to 0.5 percent growth recorded

in the previous quarter, mainly driven by government spending and manufacturing sector growth.<sup>47</sup>

Countries in the ASEAN-5 region showed a recovery momentum in economic activities during the review quarter. Indonesian economy contracted by 0.7 percent in Q1 2021, softer than the slowdown in the previous quarter at 2.2 percent. This was attributed to the rapid external sector gains in response to the stronger global economic recovery and ongoing acceleration of fiscal stimuli.<sup>48</sup> Likewise, the Malaysian economy registered a modest decline in growth at 0.5 percent, an improvement from the 3.4 percent slump in Q4 2020. The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical and electronic (E&E) products,<sup>49</sup> as well as support from the continued policy measures. The Philippines posted a decline of 4.2 percent in Q1 2021, better than the 8.3 percent contraction in Q4 2020. This was mostly attributed to the slowdown in the following sectors: construction, other services, and real estate and ownership of dwellings.<sup>50</sup> In Thailand, the economy contracted by 2.6 percent in Q1 2021, a slight recovery from the 4.2-percent decrease in the previous quarter. This was supported by positive growth in exports of goods and private investment, and the continued increase in government expenditure.<sup>51</sup>

<sup>43</sup> Press release on "Real Gross Domestic Product: First Quarter of 2021 (Advance Estimate)," Bank of Korea, 27 April 2021

<sup>44</sup> "Singapore's GDP Grew by 0.2 Percent in the First Quarter of 2021" Ministry of Trade and Industry Singapore, 14 April 2021

<sup>45</sup> "Preliminary Accounting Results of GDP for the first quarter of 2021", National Bureau of Statistics of China, 20 April 2021.

<sup>46</sup> "Growth hits record high in annual terms in Q1, although underlying momentum eases," Focus-Economics, 16 April 2021

<sup>47</sup> "Press Note on Provisional estimates of National Income 2020-21 and Quarterly Estimates of GDP for the fourth quarter of 2020-2021" 31 May 2021

<sup>48</sup> Government Press Release, "Economic Recovery Momentum Building," Bank Indonesia, 5 May 2021.

<sup>49</sup> Publication on "Economic and Financial Developments in Malaysia in the First Quarter of 2021," Bank Negara Malaysia, 11 May 2021

<sup>50</sup> "GDP declines by -4.2 percent in the first quarter of 2021 (at Constant 2018 Prices)," Philippine Statistics Authority Press Release, 11 May 2021

<sup>51</sup> "The Thai Economy in Q1/2021 and the Outlook for 2021," Office of the National Economic and Social Development Council (NESDC), 17 May 2021.

Increase in the average headline inflation was recorded in the US at 1.9 percent in Q1 2021. The upward pressure was attributed to the rise in prices of energy products such as gasoline, electricity and utility gas services. Meanwhile, Japan's inflation rate dropped by 0.4 percent following cuts in mobile phone fees by major carriers. In the Euro area, average inflation rate stood at 1.0 percent due mainly to rising prices from the energy sector, services, food, alcohol and tobacco and non-energy industrial goods.

**Table F. Inflation in Selected Economies**  
quarterly average, in percent

| Country Grouping <sup>1</sup>       | 2020 |      | 2021 |
|-------------------------------------|------|------|------|
|                                     | Q1   | Q4   | Q1   |
| <b>Advanced Economies</b>           |      |      |      |
| US                                  | 2.1  | 1.3  | 1.9  |
| Japan                               | 0.5  | -0.8 | -0.4 |
| Euro Area                           | 1.1  | -0.3 | 1.0  |
| Hong Kong                           | 2.0  | -0.4 | 0.9  |
| South Korea                         | 1.2  | 0.4  | 1.1  |
| Singapore                           | 0.4  | -0.1 | 0.7  |
| <b>Emerging and Developing Asia</b> |      |      |      |
| China                               | 5.0  | 0.1  | 0.0  |
| India                               | 6.7  | 6.4  | 4.9  |
| <b>ASEAN-5</b>                      |      |      |      |
| Indonesia                           | 2.9  | 1.6  | 1.4  |
| Malaysia                            | 0.9  | -1.5 | 0.5  |
| Philippines                         | 2.7  | 0.0  | 4.5  |
| Thailand                            | 0.4  | -0.4 | -0.5 |
| Vietnam                             | 5.6  | 1.4  | 0.3  |

<sup>1</sup> Country grouping is based on the IMF World Economic Outlook Database, April 2020  
Source: Bloomberg and Country Websites

Rising prices were also recorded in most Asian countries in Q1 2021. Inflation in Hong Kong rose by 0.9 percent in Q1 2021, a reversal from the 0.4 percent deflation recorded in Q4 2020. This was driven by surging commodity prices particularly on local transport fares and motor fuel. In South Korea, the increase in the price of non-food components (faster increase in the prices of housing and utilities) resulted in the average inflation rate of 1.1 percent, higher than the 0.4 percent recorded in Q4 2020. In Singapore, the upward pressure from prices of food, transport, recreation, and culture has contributed to the 0.7 percent average inflation rate in Q1 2021. On the contrary, consumer prices in China dropped to its

25-month low in March 2021, causing inflation to ease to zero percent from the previous quarter's 0.1 percent. Similarly, India's average inflation rate eased to 4.9 percent in Q1 2021 due to a sharp decline in food prices.

Meanwhile, average inflation rates were mixed in the ASEAN-5 region. In Indonesia, inflation rate slightly decreased to 1.4 percent as demand for food and clothes during the Islamic fasting month of Ramadan picked up. In Malaysia, inflation rate rose to 0.5 percent from the 1.5 percent deflation in Q4 2020, driven primarily by the increase in transport prices. In the Philippines, consumer prices rose to 4.5 percent in Q1 2021 from 3.1 percent in the previous quarter amid weather-related supply disruptions and upward price pressures from various components such as food and non-alcoholic beverages; transport; housing; alcoholic beverages; clothing; furnishing; health; communication, etc. Meanwhile, in Thailand, average deflation was recorded at 0.5 percent due to government measures to lower electricity and water charges in February and March. Vietnam's inflation rate continued to drop to 0.3 percent due to the decline in the prices of food and education.

The global labor market relatively improved in AEs while labor conditions in EMs remained weak since the worldwide health crisis broke out a year ago. Improvement in unemployment rate was seen in the US, Japan, and Euro area at 6.2 percent, 2.8 percent, and 8.2 percent, respectively.

In Hongkong and South Korea, upticks in Q1 2021 unemployment rates were recorded at 7.0 percent and 4.4 percent, respectively, while Singapore recorded lower unemployment rate at 2.9 percent.

**Table G. Unemployment Rates in Selected Economies**  
in percent

| Country Grouping <sup>2</sup>       | 2020 |      | 2021 |
|-------------------------------------|------|------|------|
|                                     | Q1   | Q4   | Q1   |
| <b>Advanced Economies</b>           |      |      |      |
| US                                  | 3.8  | 6.8  | 6.2  |
| Japan                               | 2.4  | 3.0  | 2.8  |
| Euro Area                           | 7.3  | 8.3  | 8.2  |
| Hong Kong                           | 3.8  | 6.4  | 7.0  |
| South Korea                         | 3.7  | 4.3  | 4.4  |
| Singapore                           | 2.5  | 3.3  | 2.9  |
| <b>Emerging and Developing Asia</b> |      |      |      |
| China                               | 3.7  | 4.2  | 0.0  |
| India                               | 8.8  | 9.1  | 6.5  |
| <b>ASEAN-5</b>                      |      |      |      |
| Indonesia                           | n.a. | n.a. | n.a. |
| Malaysia                            | 3.5  | 4.8  | 4.8  |
| Philippines                         | 5.3  | 8.7  | 7.1  |
| Thailand                            | 1.1  | 0.0  | 0.0  |
| Vietnam                             | 2.2  | 2.5  | n.a. |

<sup>1</sup> Unemployment rate is the proportion (in percent) of the total number of unemployed as a percentage of the labor force.  
<sup>2</sup> Country grouping is based on the IMF World Economic Outlook Database, April 2020  
Source: Bloomberg; CEIC; and Country Websites

Similarly, most emerging economies recorded a recovery in the labor sector during the review quarter. India and Philippines recorded lower unemployment rates at 6.5 percent and 7.1 percent, respectively, while unemployment rate in Malaysia remained at 4.8 percent.

# Financial Condition of the BSP

## Balance Sheet

Preliminary data as of end-March 2021 showed that the BSP's total assets increased by 6.8 percent to ₱7,555.6 billion, from the quarter-ago level of ₱7,071.7 billion. Against its year-ago balance, total assets grew even higher by 38.9 percent from ₱5,441.1 billion (*Table 16*).

During the review period, the BSP's liabilities likewise Increased by 7.7 percent to ₱7,429.2 billion from the previous quarter's balance of ₱6,900.8 billion. Relative to the year-ago level of ₱5,305.5 billion, total liabilities rose significantly by 40.0 percent or by ₱2,123.7 billion.

## BSP's net worth declines

Consequently, the BSP's net worth as of end-March 2021 fell by 26.0 percent to ₱126.4 billion from the quarter-ago level of ₱170.9 billion. Similarly, the resulting net worth was lower by 6.8 percent relative to the ₱135.6 billion figure posted last year.

Nonetheless, the BSP's financial condition remains strong with total assets being dominated by international reserves amounting to ₱5,034.2 billion as of end-March 2021, albeit lower by 4.1 percent or ₱215.7 billion from the quarter-ago balance of ₱5,249.9 billion. The quarterly decline in the reported peso equivalent of international reserves was largely due to outflows from the NG's payments of foreign currency obligations and downward adjustment in the BSP's

gold holdings as the price of gold dropped in the international market. These were partially offset by inflows arising from the BSP's FX operations and income from its investments abroad.<sup>52</sup>

Meanwhile, the BSP's liabilities during the review period were comprised mostly of deposits and currency issues. The deposits were supported largely by placements in reserve deposits of Other Depository Corporations (ODCs), deposits from the Treasurer of the Philippines, and deposits from term deposit facility (TDF) and overnight deposit facility (ODF).

**Table H. Balance Sheet of the BSP**  
in billion pesos

|                    | 2021             | 2020             |         |
|--------------------|------------------|------------------|---------|
|                    | Mar <sup>P</sup> | Dec <sup>P</sup> | Mar     |
| <b>Assets</b>      | 7,555.6          | 7,071.7          | 5,441.1 |
| <b>Liabilities</b> | 7,429.2          | 6,900.8          | 5,305.5 |
| <b>Net Worth</b>   | 126.4            | 170.9            | 135.6   |

Note: Details may not add up to total due to rounding.

<sup>P</sup> Based on the preliminary and unaudited BSP Financial Statements

Source: BSP

## Income Statement

Based on preliminary data, the BSP registered a net income of ₱25.4 billion for the review quarter (*Table 17*). The higher net income, as compared to the previous quarter, was attributed mainly to the significant increase in miscellaneous income.<sup>53</sup>

### BSP registers higher net income

Total revenues for Q1 2021 amounted to ₱48.0 billion or 29.4 percent higher than the ₱37.1 billion posted in the previous quarter. Total revenues were mostly comprised of interest income from reserves and domestic securities, and miscellaneous income.

<sup>52</sup> Also due to the marginal depreciation of the Philippine peso against the US dollar during the quarter.

**Table I. Income Position of the BSP**  
in billion pesos

|  | 2021            | 2020            |              |
|--|-----------------|-----------------|--------------|
|  | Q1 <sup>P</sup> | Q4 <sup>P</sup> | Q1           |
| <b>Revenues</b>  | 47.960          | 37.058          | 26.124       |
| <b>Less: Expenses</b>  | 23.486          | 24.136          | 18.225       |
| <b>Net Income/(Loss) Before Net Gain/(Loss) on FX Rate Fluctuations and Income Tax Expense/(Benefit)</b> | 24.474          | 12.922          | 7.899        |
| Net Gain/(Loss) on FX Rate Fluctuations  | 0.927           | (1.226)         | 2.021        |
| Income Tax Expense/(Benefit)   | -               | (0.028)         | 0.005        |
| <b>Net Income/(Loss) After Tax</b>   | <b>25.401</b>   | <b>11.723</b>   | <b>9.915</b> |

Note: Details may not add up to total due to rounding.

<sup>P</sup> Based on the preliminary and unaudited BSP Financial Statements.

Source: BSP

Total expenditures decreased by ₱0.7 billion, q-o-q, or 2.7 percent to reach ₱23.5 billion. The q-o-q decline in expenditures was due to lower costs of minting/printing of currency and other expenses.

<sup>53</sup> This includes trading gains/losses, fees, penalties, and other operating income, among others.

# Conclusion, Challenges and Policy Directions

The Philippine economy remained in contraction in Q1 2021, performing below expectations amid lingering uncertainty and surge in infection from the new virus variant. Strict quarantine measures were reimposed across NCR and contiguous provinces toward the end of the review quarter, with its dampening effect well likely to spillover to the next quarter. Consequently, on 18 May 2021, the DBCC adjusted the 2021 growth target to 6.0-7.0 percent (from 6.5-7.5 percent) and return to pre-COVID-19 growth rates of 7.0-9.0 percent in 2022.

In Q1 2021, key economic sectors remained weak although to a lesser extent compared to previous quarters. Government spending accelerated strongly, providing the much-needed countercyclical support. A notable improvement was seen in the modest expansion of the manufacturing subsector during the quarter. It may be recalled that manufacturing PMI has hovered above the 50-point expansion threshold since December 2020, averaging 51.31 index points in Q1 2021.<sup>54</sup> This suggests that recovery is possible in the next quarters provided that the health crisis is controlled credibly and the reopening of economic activity steadily pushes forward.

On the other hand, headline inflation during the quarter averaged higher than the 2-4 percent target range for the year. Supply constraints on select food commodities and transport fares,

combined with rising international crude oil prices, led to the nationwide acceleration in food and non-food inflation. Nevertheless, official core inflation during the quarter shows subdued underlying demand-side price pressures, thus far. Moreover, supply-side price pressures are seen to be transitory particularly when these are addressed by timely and targeted interventions from the NG.

The BSP's monetary policy stance was left unchanged in Q1 2021, remaining accommodative and supportive of economic recovery. The BSP noted that latest inflation forecasts have shifted higher over the policy horizon and may breach the upper end of the target range of 2-4 percent in 2021, reflecting the impact of supply-side constraints on food prices as well as the continuing uptick in international crude oil prices. Nevertheless, inflation is still seen to return within the target band in 2022 as supply-side influences subside. The balance of risks to the inflation outlook remains broadly balanced around the baseline path in 2021 while leaning toward the downside in 2022. Given these considerations, the BSP is of the view that prevailing monetary policy settings remain appropriate to support the government's broader efforts to facilitate the recovery of the economy.

Moreover, the BSP's decisive monetary easing policies in 2020, which include a 200-basis point reduction in the key policy rate and various liquidity-enhancing measures, has provided ample liquidity in the financial system and sustained normal market conditions. During the review period, domestic interest rates continued to decline and market participation in both primary and secondary GS markets remained robust. However, bank lending as measured by outstanding loans of universal and

<sup>54</sup> PISM Report on Business PMI Composite, March

2021.

commercial banks (net of RRP placements with the BSP) contracted during the quarter. These developments reflect a general preference for safe and short-dated assets as investors adopt a risk-averse attitude amid the uncertain and challenging operating environment.

The Philippine economy has the essential elements to post a strong recovery although the road remains fragile and uneven. The demand slack seen during the review quarter is rooted deeply to the overall uncertainty surrounding the road to recovery. A foremost challenge herein is the resurgence of COVID-19 cases which led to lockdowns in the last week of March 2021 and may delay the economic rebound. For its part, the NG is ramping up the country's vaccination program, targeting about 70 million of the eligible population by end-2021. This is equivalent to 63 percent of the national population for 2021. However, as of 30 March 2021, the cumulative COVID-19 vaccinations per 100 people stood at 0.67,<sup>55</sup> lagging other countries in the region.

The recent uptick in inflation has fed into near-term inflation expectations. The results of the BSP's survey of private sector economists for March 2021 showed higher mean inflation forecast for 2021 at 4.3 percent from 2.9 percent based on the December 2020 survey. By contrast, mean inflation forecast for 2022 was unchanged at 3.0 percent. The timely and targeted implementation of supply-side, non-monetary policies will help prevent second-round effects and anchor inflation expectations. Key measures to address food inflation include the approval for lower import tariff for pork and administrative controls for the retail price for imported pork products, among others.

The divergent recovery between advanced economies and emerging

market economies also poses a challenge to the country's own rebound. The faster recovery of advanced economies vis-à-vis other countries may drive international commodity prices higher, exerting inflationary pressures on import-dependent countries. On the other hand, a disorderly tapering of stimulus programs such as asset purchases in key economies may result in rise in interest rate and re-balancing of global investment portfolio, which, in turn may lead to massive capital outflows in the region, including the Philippines. Nevertheless, the country's external position remains manageable, with prudent foreign-denominated exposures and robust international reserves. Moreover, the BSP has sufficient policy space to address any risk to the inflation outlook.

Finally, the threat of scarring effects of the pandemic is a challenge that the IMF has warned at the start of this global health crisis. The NG has designed a recovery package supporting the safe reopening of the economy. Among the more recent legislations to this end are as follows: (i) the Financial Institutions Strategic Transfer Act (FIST), which was signed in January 2021 and aims to encourage the private sector, government financial institutions, and government-owned or controlled corporations to incorporate and invest in FIST Corporations and help in the rehabilitation of distressed businesses held as non-performing assets of financial institutions, thereby allowing banks to dispose these assets and generate funds for intermediation, hence, contributing to economic growth; (ii) the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE), which passed into law on 26 March 2021, would lower corporate income tax (CIT) to generate tax savings that may be used by micro, small and medium enterprises (MSMEs) to fund

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<sup>55</sup> Total number of vaccination doses administered per 100 people in the total population. This is counted as a single dose, and may not equal the

total number of people vaccinated, depending on the specific dose regime (e.g., people receive multiple doses). Source: Our World in Data.

their operations and retain employees; and (iii) the proposed Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery Act (GUIDE) which will expand the loan assistance program, rediscounting and other credit accommodation facilities of government financial institutions to help MSMEs cope with the effects of COVID-19.

The pandemic has also highlighted the need for the BSP to remain committed to its reform agenda and advocacies. The BSP proactively builds a regulatory environment that is conducive to digital innovations. Under the “new economy,” the shift towards digital payments has become imperative as the use of online transactions and financial technology platforms is expected to continue to play a big role in the growth of the economy. In line with its thrust to promote financial inclusion and digital payment innovations, current BSP initiatives and strategies in advancing an efficient, inclusive, safe, and secure digital payments ecosystem are embodied in its Digital Payments Transformation Roadmap (DPTR) 2020-2023. The BSP aims for the volume of digital retail payments and the number of Filipino adults with access to financial services to reach 50 percent and 70 percent, respectively, by 2023. The DPTR is anchored on three main pillars, as follows: (i) Digital Payment Streams, which focuses on exploring digital payment use cases that will fuel wider acceptance and use of digital payment services; (ii) Digital Finance Infrastructure which supports the adoption of digital payments systems that are safe, efficient, and interoperable; and (iii) Digital Governance Standards, which ensures that the expansion of use cases is bound by standards that safeguard the integrity and privacy of consumer data.

As part of the roadmap, the BSP likewise approved the recognition of “digital

banks” as a new bank classification distinct from the other bank types. Digital banks will conduct end-to-end processing of financial products and services through digital platforms and electronic channels. Through the expanded and innovative delivery of financial services, digital banks are seen as important players in the envisioned technology-driven and inclusive financial ecosystem.

Maintaining macroeconomic stability amid the COVID-19 pandemic will continue to hinge on an effective mix of monetary and fiscal policy. For its part, the BSP’s monetary policy stance will continue to be supportive of domestic demand while the economy remains in its nascent recovery phase. Providing support to domestic demand remains a key priority for monetary policy given the expected path of inflation and the continued downside risks to economic activity. When the recovery becomes fully self-sustaining, the BSP will aim to implement a pre-planned strategy for the unwinding of policy stimulus, taking care to ensure the sustainability of recovery while also guarding against any emerging threats to the BSP’s price and financial stability objectives.

# Annexes

## Annex A. Banking Policies

### Guidelines on Reputational Risk Management

(BSP Circular No. 1114 dated 16 April 2021)

The BSP Monetary Board (MB) approved the guidelines on reputational risk management which set out the supervisory expectations for BSP supervised financial institutions (BSFIs) on the identification, assessment, and management of reputational risks that are commensurate to their size, nature, and complexity of operations, overall risk profile, and systemic importance. This prudential requirement is part of the BSP's corporate governance reform agenda to foster good governance and encourage prudent management of risks toward building the resilience of the financial system.

As the financial sector continues to evolve and face challenges arising from digital disruption and stiffer competition, financial institutions must be increasingly sensitive to and vigilant in addressing events that could potentially damage their reputation.

With the right tools and perspective, financial institutions will be more equipped in preventing and managing reputational threats. If not properly managed, these reputational concerns may lead to financial losses, negative publicity, and loss of stakeholder confidence, any of which could have lasting debilitating impact on the institution.

Reputational risk is closely interlinked with other risk exposures such as credit, market, liquidity, and operational risks, including those arising from cybersecurity threats and negative information in the

social media. Such risks may trigger reputational risk or vice versa. In this respect, the guidelines expect BSFIs to adopt a framework to holistically and actively manage reputational risk across the organization and within the conglomerate or group to which they belong. The roles and responsibilities of personnel across the organization in relation to the implementation of such framework shall be clearly communicated and disseminated.

BSFIs are afforded with flexibility in designing and implementing their reputational risk management function, which may be a stand-alone function or integrated with other risk management functions depending on how reputational risk exposures are being managed. The BSFIs may continue to use their existing measures or consider adopting the tools suggested in the guidance to identify and assess reputational risks relevant to their business and industry.

BSFIs must report to the BSP within five (5) calendar days from its determination of any reputation event, including issues arising within the different social media platforms, that may have an adverse effect on the relevant stakeholders of the BSFI and lead to a full-blown crisis if not responded to in a timely and effective manner. Meanwhile, in cases of operational risk events, major cyber-related incidents and/or disruption of financial services and operations, or liquidity shortfall, BSFIs shall comply with the notification/reporting requirements prescribed under existing regulations.

### Amendments to the Guidelines on Recovery Plan of a Domestic Systemically Important Bank (D-SIB)

(BSP Circular No. 1113 dated 16 April 2021)

The MB approved the amendments to the guidelines on the recovery plan of a D-SIB, particularly on requiring D-SIBs to submit separately their Internal

Capital Adequacy Assessment Process (ICAAP) document and recovery plan. D-SIBs are expected to ensure that processes and information contained in these documents are consistent, coherent, and up-to-date.

This is in line with the thrust of the BSP to ensure that its capital adequacy framework is consistent with Basel principles. Hence, the BSP is adopting policy measures for D-SIBs, which are essentially aligned with the documents issued by the Basel Committee on Banking Supervision (BCBS) on global systemically important banks (G-SIBs) and D-SIBs. The broad aim of the policies is to reduce the probability of failure of D-SIBs by increasing their going-concern loss absorbency and to reduce the extent or impact of failure of D-SIBs on the domestic/real economy.

The circular states that banks identified as D-SIBs shall prepare concrete and reasonable recovery plans which shall be implemented in case the bank breaches the Higher Loss Absorbency (HLA) capital requirement. Accordingly, D-SIBs shall ensure consistency and coherence of the ICAAP document and recovery plan. The ICAAP outcome and potential measures to address capital needs shall feed in without delay in the recovery plan, and vice versa, to ensure that the processes and information included in the said documents are consistent and up-to-date. The recovery plans shall include guidelines and action plans to be taken to restore the D-SIB's financial condition to viable level in cases of significant deterioration in certain scenarios. This shall include specific initiatives appropriate to the bank's risk profile such as capital raising activities, streamlining of businesses, restructuring and disposal of assets to improve capital position.

### Amendments to Operational Risk Management and Internal Control Measures (BSP Circular No. 1112 dated 8 April 2021)

The BSP issued amendments to relevant sections of the manual of regulations for banks (MORB) and manual of regulations for non-bank financial institutions (MORNBFI) on operational risk management and internal control measures.

The BSP recognizes that one of the major sources of operational risk is "people". The circular states that BSFIs shall embed in their enterprise-wide risk management framework measures to identify, measure, monitor, and control human resource-related risks. BSFIs shall ensure that there are adequate policies and risk management and control measures in the areas of recruitment and selection and performance management.

On recruitment and selection, the board shall establish an efficient process that will facilitate timely recruitment and selection of personnel from a broad pool of candidates with appropriate educational background, skills, experience, character, integrity and competencies to fulfill the duties and responsibilities of the function. This process shall include adoption of a risk-focused screening process, screening the applicants against the BSP records, and alignment with organization culture.

On performance management, the board shall establish effective performance management framework that will ensure the personnel's performance is at par with the standards set by the board/senior management. Results of performance evaluation should be linked to other human resource activities such as training and development,

remuneration, and succession planning. These should likewise form part of the assessment of the continuing fitness and propriety of personnel in carrying out their respective duties and responsibilities.

#### **Amendments to the Rules and Regulations on the Mandatory Credit Allocation for Agriculture and Agrarian Reform Credit** (BSP Circular No. 1111 dated 24 February 2021)

The BSP MB approved the revised rules and regulations governing the mandatory credit allocation for agriculture and agrarian reform credit to implement the provisions of Republic Act (R.A.) No. 10000, otherwise known as “The Agri-Agra Reform Credit Act of 2009”.

The amendments to the Agri-Agra Implementing Rules and Regulations (IRR) are the product of the concerted efforts of the Department of Agriculture (DA), Department of Agrarian Reform (DAR) and the BSP to mobilize bank sector financing towards the agrarian reform, fisheries, and agricultural sector by addressing challenges identified in the operationalization of the law. The timely and positive development will assist this sector to recover from the impact of the COVID-19 pandemic and other natural calamities.

The amendments to the IRR of R.A. No. 10000 will broaden access of the agrarian reform sector to bank financing, streamline banks’ process of investing in agri-agra eligible securities, and promote innovative financing solutions, within the legal ambit of R.A. No. 10000. The following are the amendments to the IRR of R.A. No. 10000:

- Expand the eligible modes of compliance with the ten (10) percent agrarian reform credit requirement by including: (a) loans to members of agrarian reform households; and (b) financing of activities that shall generally benefit agrarian reform beneficiaries (ARBs) and/or ARB households as well as agrarian reform communities;
- Remove the accreditation requirement for debt securities to be considered as agri-agra eligible;
- Allow investments in shares of stock of companies that are primarily engaged in eligible agricultural activities as an eligible mode of alternative compliance; and
- Promote special lending arrangements that consider the holistic requirements of agricultural borrowers such as agricultural value chain financing.

The proposed amendments to the Law are envisioned to strengthen rural development and improve the well-being of agricultural and rural community beneficiaries.

#### **Rationalization of Prudential Reporting Requirements** (BSP Circular No. 1110 dated 24 February 2021)

The BSP, in recognizing the significant developments in the regulatory and business environment, is continuously reviewing the prudential reports required from BSFIs to ensure that information being gathered remains relevant to the surveillance and supervisory functions of the BSP.

The BSP issued amendments to selected appendices (reports required from banks and quasi banks) and other relevant sections of the MORB and MORNBFI as part of the report rationalization initiative of the BSP.

The report rationalization initiative also aims to contribute to continuing adherence to internationally recognized standards and practices on data aggregation and governance as well as to promote ease of doing business of BSFIs.

**Amendments to the Regulations on Investment Management Activities**  
(BSP Circular No. 1109 dated 4 February 2021)

In line with the goal to make financial services more accessible to the public, the BSP MB approved the reduction of the minimum opening amount for investment management activities<sup>56</sup> from P1 million to any lower amount, subject to a floor of ₱100,000. The policy amendment aims to expand the investment opportunities of the public by reaching markets that may not have been able to open investment management accounts (IMAs) due to the high entry requirement.

Another feature of the new policy is the reduction of the required investment of each IMA in a commingled fund<sup>57</sup> from ₱1 million to ₱100,000. This is aimed at increasing the participation of retail investors in the securities markets through IMAs. Furthermore, commingled funds can now invest in a wider range of financial assets, which includes exchange-traded equities and fixed income securities and commercial papers registered with the Securities and Exchange Commission (SEC) and securities issued by banks incorporated in the Philippines. Likewise, corporate accounts can now participate in commingled funds.

Trust entities are expected to have the operational capability to manage

accounts participating in commingled funds and are required to fully disclose to clients the risks associated with the same. This includes the risk that assets in a commingled fund may not, at times, be easily divested at favorable market prices.

The BSP aims to strike a balance between liberalization and prudence. The amendments are expected to support the growth of the trust industry while underscoring the importance of consumer protection.

**Guidelines for Virtual Asset Service Providers (VASP)**  
(BSP Circular No. 1108 dated 26 January 2021)

The MB approved the guidelines on VASP, or entities that facilitate financial services through the conduct of virtual asset (VA) activities, to cover new business models and activities. This is in line with the thrust of the BSP to promote financial innovation while remaining sensitive to the attendant risks. The said guidelines amended the regulations on virtual currency exchanges (VCE) that were issued in 2017.

Given the accelerated growth in the use of VCEs in the past three (3) years, it is high time that the scope of existing regulations in recognition of the evolving nature of this financial innovation be broadened and the commensurate risk management expectations be set out.

The MB-approved framework expanded the activities subject to the licensing regime of the BSP from initially covering those involved in facilitating the exchange of fiat and VA. In particular, the following activities shall likewise be subject to the BSP's licensing requirements, regulatory expectations for

<sup>56</sup> An investment management activity refers to any activity wherein a trust entity (called the investment manager) binds itself to manage investible funds or any investment portfolio on behalf of clients with

the primary objective of achieving financial returns.  
<sup>57</sup> Commingling is the act of combining funds from multiple IMAs for the sole purpose of investing in qualified assets.

money service businesses (MSB), as well as anti-money laundering, countering the financing of terrorism and proliferation financing (AML/CFT/PF) obligations:

- exchange between one or more forms of VAs;
- transfer of VAs; and
- safekeeping and/or administration of VAs or instruments enabling control over VAs.

The VASP regulatory framework is aligned with the fintech industry's best practices and is consistent with risk management standards set by international standard-setting bodies such as the Financial Action Task Force (FATF) on AML/CFT/PF. This will ensure that activities relating to VASP are executed within an unbroken chain of regulated entities.

The new framework also emphasizes that all transactions involving the transfer of VA shall be treated as cross-border wire transfer and that VASPs are expected to comply with corresponding BSP rules governing wire transfer, particularly on the obligation to provide immediate and secure transmittal of originator and beneficiary information from one VASP to another for certain transactions.

Meanwhile, other existing rules and regulations for MSBs, such as those on outsourcing, liquidity risk management, operational risk management, information technology risk management, and financial consumer protection must be complied with upon securing the authority to perform VASP activities from BSP.

The issuance of the VASP guidelines is in line with the BSP's commitment to remain responsive to technological developments by espousing a balanced and coherent approach in supervising financial technology innovation.

## Annex B. Capital Market Reforms

### Introducing Crowdfunding and Online Payment Portal<sup>58</sup>

- In January, the SEC allowed the first crowdfunding platform to operate, that will connect small, medium and emerging enterprises with banks and other lenders.
- Crowdfunding is a fundraising activity typically conducted through an online platform for startups and small and medium enterprises. It basically involves three parties: the entrepreneur or project initiator; the supporters or those willing to fund the business idea or project; and the platform or moderating organization that brings the entrepreneur and supporters together to realize the business idea or project.
- Furthermore, in March, SEC launched the newly developed Payment Portal which is a web-based system that allows online payment of registration and other transaction fees as well as penalties using debit and credit cards, digital wallets and other cashless payment options.
- The online payment system will conveniently and securely pay registration and other fees anytime and anywhere and is aimed at further improving the ease of doing business in the country.

<sup>58</sup> SEC media release, January and March 2021.

### Institutionalization of the Cooperative Oversight Framework on FinTech and Establishment of the Payments and Currency Management Sector (PCMS)<sup>59</sup>

- In February, the Cooperative Oversight Framework on FinTech innovation was established by the BSP to cover all financial institutions performing multiple regulated activities using a single application platform and wherein such activities fall within the regulatory regime of the member-agencies.
- The Framework aims to facilitate seamless regulation and supervision of Fintech companies across the financial sector leveraging on the consultative and collaborative platform. This will ensure that risks attendant to FinTech activities are effectively managed without stifling innovation.
- In the same month, the PCMS was created to manage the interplay of physical currency and digital money. PCMS is tasked to maintain the safety and integrity of the local currency and to ensure a well-functioning payments and cash ecosystem that supports sustained and inclusive economic growth. This is also aligned with the BSP's Digital Payments Transformation Roadmap which aims to achieve efficient, safe and inclusive payments ecosystems.

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<sup>59</sup> BSP press release, February 2021.

## Acronyms, Abbreviations, and Symbols

|            |  |        |  |
|------------|--|--------|--|
| ADB        | Asian Development Bank   | EMBIG  | Emerging Market Bond Index   |
| AE         | Advanced Economies   | EO     | Executive Order  |
| AFF        | Agriculture, Fishery, and Forestry   | ETF    | Exchange-Traded Funds  |
| AML/CFT/PF | Anti-Money Laundering, Countering the Financing of Terrorism and Proliferation Financing | FATF   | Financial Action Task Force  |
| AONCR      | Areas Outside the National Capital Region  | FCD    | Foreign Currency Deposit   |
| ARB        | Agrarian Reform Beneficiaries  | FDI    | Foreign Direct Investment  |
| ASEAN      | Association of Southeast Asian Nations   | FIST   | Financial Institutions Strategic Transfer  |
| ASF        | African Swine Fever  | FOMC   | Federal Open Market Committee  |
| BCBS       | Basel Committee on Banking Supervision   | FPI    | Foreign Portfolio Investment   |
| BEA        | US Bureau of Economic Analysis   | FRTB   | Fixed-Rate Treasury Bond   |
| BIR        | Bureau of Internal Revenue   | FTSE   | Financial Times Stock Exchange   |
| BOC        | Bureau of Customs  | FX     | Foreign Exchange   |
| BOE        | Bank of England  | FXTN   | Fixed-Income Treasury Note   |
| BOJ        | Bank of Japan  | GCF    | Gross Capital Formation  |
| BOP        | Balance of Payments  | GDP    | Gross Domestic Product   |
| BPO        | Business Process Outsourcing   | GIR    | Gross International Reserves   |
| bp         | Basis Point  | GNI    | Gross National Income  |
| BSFI       | Bangko Sentral-Supervised Financial Institutions   | GNPL   | Gross Non-Performing Loan  |
| BSP        | Bangko Sentral ng Pilipinas  | GOCC   | Government Owned- and Controlled Corporations  |
| BSP-SF     | Bangko Sentral ng Pilipinas-Securities Facility  | GS     | Government Securities  |
| BTr        | Bureau of the Treasury   | GSIB   | Global Systemically Important Bank   |
| CAR        | Capital Adequacy Ratio   | GUIDE  | Government Financial Institutions' Unified Initiatives to Distressed Enterprises for Economic Recovery Act |
| CCR        | Credit Card Receivable   | HLA    | Higher Loss Absorbency   |
| CDS        | Credit Default Swap  | IBCL   | Interbank Call Loan Rate   |
| CIT        | Corporate Income Tax   | ICAAP  | Internal Capital Adequacy Assessment Process   |
| COVID-19   | Coronavirus Disease  | IMA    | Investment Management Account  |
| CP         | Commercial Paper   | IMF    | International Monetary Fund  |
| CPI        | Consumer Price Index   | IRR    | Implementing Rules and Regulations   |
| CREATE     | Corporate Recovery and Tax Incentives for Enterprises                                    | JGB    | Japan Government Bond  |
| DA         | Department of Agriculture  | J-REIT | Japanese Real Estate Investment Trust  |
| DAR        | Department of Agrarian Reform  | LCY    | Local Currency   |
| DBCC       | Development Budget Coordination Committee  | LEM    | Loans Especially Mentioned   |
| DPTR       | Digital Payments Transformation Roadmap  | LFPR   | Labor Force Participation Rate   |
| DSB        | Debt Service Burden  | LFS    | Labor Force Survey   |
| DSIB       | Domestic Systemically Important Bank   | LIBOR  | London Interbank Offered Rate  |
| DSR        | Debt Service Ratio   | MB     | Monetary Board   |
| ECB        | European Central Bank  | MLT    | Medium- to Long-Term   |
| ECQ        | Enhanced Community Quarantine  | MORB   | Manual of Regulations for Banks  |
| EDT        | Total External Debt  | MORNBF | Manual of Regulations for Non-Bank Financial Institutions  |
| EM         | Emerging Market  |        |  |

## Acronyms, Abbreviations, and Symbols

|          |  |        |   |
|----------|--|--------|---|
| MTP      | Major Trading Partner                                | SEC    | Securities and Exchange Commission          |
| MPC      | Monetary Policy Committee                            | ST     | Short Term                                  |
| MSB      | Money Service Business                               | TB     | Thrift Bank                                 |
| MSME     | Micro, Small and Medium Enterprises                  | T-bill | Treasury Bill                               |
| MVL      | Motor Vehicle Loan                                   | T-bond | Treasury Bond                               |
| NCR      | National Capital Region                              | TDF    | Term Deposit Facility                       |
| NEER     | Nominal Effective Exchange Rate                      | TLP    | Total Loan Portfolio                        |
| NESDC    | National Economic and Social Development Council     | TPI    | Trading Partners Index                      |
| NFA      | Net Foreign Assets                                   | TPI-A  | Trading Partners Index-Advanced Countries   |
| NG       | National Government                                  | TPI-D  | Trading Partners Index-Developing Countries |
| NIR      | Net International Reserves                           | UK     | United Kingdom                              |
| NNPL     | Net Non-Performing Loan                              | U/KB   | Universal and Commercial Bank               |
| NPA      | Non-Performing Asset                                 | VA     | Virtual Asset                               |
| NPL      | Non-Performing Loan                                  | VASP   | Virtual Asset Service Provider              |
| ODC      | Other Depository Corporation                         | VCE    | Virtual Currency Exchange                   |
| ODF      | Overnight Deposit Facility                           | WB     | World Bank                                  |
| OF       | Overseas Filipino                                    | y-o-y  | Year-on-Year                                |
| OLF      | Overnight Lending Facility                           | y-t-d  | Year-to-Date                                |
| PCMS     | Payments and Currency Management Sector              |        |   |
| PDEx     | Philippine Dealing and Exchange Corporation          |        |   |
| P/E      | Price-to-Earnings Ratio                              |        |   |
| PEPP     | Pandemic Emergency Purchase Program                  |        |   |
| PhilPass | Philippine Payments and Settlements System           |        |   |
| PMI      | Purchasing Managers' Index                           |        |   |
| ppt      | Percentage Point                                     |        |   |
| PSA      | Philippine Statistics Authority                      |        |   |
| PSEi     | Philippine Stock Exchange Index                      |        |   |
| q-o-q    | Quarter-on-Quarter                                   |        |   |
| QQE      | Quantitative and Qualitative and Quantitative Easing |        |   |
| RB       | Rural Bank   |        |   |
| REER     | Real Effective Exchange Rate                         |        |   |
| REIT     | Real Estate Investment Trust                         |        |   |
| ROP      | Republic of the Philippines                          |        |   |
| RREL     | Residential Real Estate Loan                         |        |   |
| RRP      | Reverse Repurchase                                   |        |   |
| RTB      | Retail Treasury Bond                                 |        |   |
| SBL      | Substandard or Below Loans                           |        |   |
| SBGPCL   | Salary-Based General Purpose Consumption Loans       |        |   |
| SDR      | Special Drawing Rights                               |        |   |

## Report on Economic and Financial Developments First Quarter 2021

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| 7   | Number of Financial Institutions   |
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| 9   | Non-Performing Loans, Total Loans and Loan Loss Provisions of the Banking System             |
| 9a  | Ratios of Non-Performing Loans and Loan Loss Provisions to Total Loans of the Banking System |
| 10  | Stock Market Transactions  |
| 11  | Balance of Payments  |
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| 15  | Selected Foreign Debt Service Indicators   |
| 16  | Balance Sheet of the Bangko Sentral ng Pilipinas   |
| 17  | Income Statement of the Bangko Sentral ng Pilipinas  |

| 1 GROSS NATIONAL INCOME AND GROSS DOMESTIC PRODUCT BY INDUSTRIAL ORIGIN |  |                |                |                |                |                |                |                |                |                |                |                |                |
|---|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| for periods indicated   |  |                |                |                |                |                |                |                |                |                |                |                |                |
|   | LEVELS (in billion pesos; at constant 2018 prices) |                |                |                |                |                |                |                |                |                |                |                |                |
|   | 2018   |                |                |                | 2019           |                |                |                | 2020           |                |                |                | 2021           |
|   | Q1   | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             | Q1             |
| Agriculture, Forestry and Fishing                                       | 438.5  | 406.8          | 388.6          | 528.7          | 440.9          | 409.8          | 400.1          | 533.1          | 439.7          | 416.2          | 405.0          | 519.6          | 434.4          |
| Industry  | 1,305.8  | 1,456.8        | 1,274.2        | 1,545.7        | 1,371.6        | 1,509.2        | 1,351.2        | 1,655.9        | 1,337.3        | 1,180.5        | 1,113.4        | 1,481.0        | 1,274.1        |
| Mining and Quarrying  | 43.9   | 49.8           | 30.0           | 39.7           | 45.6           | 56.9           | 29.0           | 37.4           | 35.9           | 44.5           | 25.3           | 31.2           | 35.6           |
| Manufacturing   | 865.4  | 891.6          | 755.2          | 976.2          | 908.3          | 915.5          | 765.8          | 1,030.9        | 878.2          | 721.7          | 686.0          | 980.7          | 882.2          |
| Electricity, Steam, Water and Waste Management                          | 125.3  | 140.8          | 155.7          | 135.3          | 129.5          | 152.2          | 167.0          | 142.6          | 135.9          | 142.5          | 167.3          | 143.4          | 138.5          |
| Construction  | 271.2  | 374.7          | 333.4          | 394.6          | 288.1          | 384.7          | 389.3          | 445.1          | 287.4          | 271.7          | 234.8          | 325.6          | 217.9          |
| Services  | 2,471.2  | 2,856.8        | 2,734.5        | 2,857.6        | 2,650.7        | 3,066.9        | 2,924.3        | 3,069.2        | 2,653.4        | 2,542.6        | 2,615.5        | 2,823.1        | 2,536.2        |
| Wholesale and Retail Trade; Repair of                                   |  |                |                |                |                |                |                |                |                |                |                |                |                |
| Motor Vehicles and Motorcycles  | 666.9  | 798.8          | 863.0          | 908.7          | 713.6          | 867.1          | 934.8          | 973.9          | 723.5          | 744.6          | 876.1          | 935.1          | 695.5          |
| Transportation and Storage  | 177.7  | 199.2          | 156.4          | 164.6          | 189.7          | 211.3          | 168.7          | 172.6          | 168.0          | 87.8           | 119.0          | 138.0          | 136.4          |
| Accommodation and Food Service Activities                               | 100.5  | 94.1           | 100.6          | 108.1          | 106.5          | 98.8           | 106.6          | 113.8          | 89.6           | 32.5           | 48.4           | 61.9           | 71.2           |
| Information and Communication   | 119.6  | 133.2          | 114.5          | 148.5          | 131.5          | 140.6          | 120.8          | 164.0          | 137.7          | 155.7          | 124.4          | 167.1          | 146.5          |
| Financial and Insurance Activities                                      | 365.0  | 400.1          | 364.3          | 368.7          | 409.0          | 442.9          | 411.1          | 413.4          | 445.2          | 464.1          | 428.2          | 431.1          | 468.3          |
| Real Estate and Ownership of Dwellings                                  | 283.2  | 302.7          | 312.6          | 291.2          | 296.1          | 315.6          | 329.7          | 297.1          | 287.5          | 221.2          | 266.4          | 252.7          | 249.7          |
| Professional and Business Services                                      | 239.6  | 316.6          | 298.9          | 304.1          | 249.7          | 325.3          | 301.5          | 305.6          | 243.6          | 274.2          | 268.1          | 278.4          | 227.7          |
| Public Administration and Defense;                                      |  |                |                |                |                |                |                |                |                |                |                |                |                |
| Compulsory Social Activities  | 162.3  | 213.8          | 187.2          | 204.3          | 181.5          | 238.4          | 203.6          | 248.1          | 191.5          | 255.3          | 213.1          | 251.4          | 205.9          |
| Education   | 174.0  | 202.7          | 181.6          | 173.3          | 180.6          | 224.1          | 183.0          | 178.4          | 183.0          | 191.7          | 152.4          | 156.5          | 181.1          |
| Human Health and Social Work Activities                                 | 75.4   | 86.8           | 72.2           | 73.8           | 78.3           | 86.9           | 76.9           | 81.1           | 80.7           | 73.5           | 74.4           | 82.4           | 90.2           |
| Other Services  | 107.0  | 108.7          | 83.2           | 112.2          | 114.2          | 115.9          | 87.5           | 121.2          | 103.0          | 42.1           | 44.9           | 68.5           | 63.8           |
| <b>Gross Domestic Product</b>   | <b>4,215.6</b>                                     | <b>4,720.4</b> | <b>4,397.2</b> | <b>4,932.0</b> | <b>4,463.2</b> | <b>4,985.9</b> | <b>4,675.5</b> | <b>5,258.1</b> | <b>4,430.4</b> | <b>4,139.3</b> | <b>4,133.9</b> | <b>4,823.7</b> | <b>4,244.7</b> |
| Net Primary Income from the Rest of the World                           | 499.4  | 463.9          | 497.9          | 485.9          | 507.3          | 468.1          | 479.4          | 461.5          | 459.8          | 354.1          | 322.9          | 203.4          | 111.3          |
| <b>Gross National Income</b>  | <b>4,715.0</b>                                     | <b>5,184.3</b> | <b>4,895.2</b> | <b>5,417.9</b> | <b>4,970.5</b> | <b>5,454.1</b> | <b>5,154.9</b> | <b>5,719.6</b> | <b>4,890.3</b> | <b>4,493.3</b> | <b>4,456.8</b> | <b>5,027.0</b> | <b>4,356.0</b> |
|   | ANNUAL CHANGE (in percent)                         |                |                |                |                |                |                |                |                |                |                |                |                |
|   | 2018   |                |                |                | 2019           |                |                |                | 2020           |                |                |                | 2021           |
|   | Q1   | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             | Q1             |
| Agriculture, Forestry and Fishing                                       | 2.6  | .              | .              | 1.6            | 0.5            | 0.7            | 3.0            | 0.8            | -0.3           | 1.6            | 1.2            | -2.5           | -1.2           |
| Industry  | 7.0  | 7.5            | 6.6            | 8.0            | 5.0            | 3.6            | 6.0            | 7.1            | -2.5           | -21.8          | -17.6          | -10.6          | -4.7           |
| Mining and Quarrying  | 5.5  | -2.4           | -1.6           | 7.3            | 3.8            | 14.3           | -3.1           | -5.8           | -21.3          | -21.7          | -13.0          | -16.4          | -1.0           |
| Manufacturing   | 6.4  | 7.0            | 4.0            | 3.4            | 5.0            | 2.7            | 1.4            | 5.6            | -3.3           | -21.2          | -10.4          | -4.9           | 0.5            |
| Electricity, Steam, Water and Waste Management                          | 7.7  | 5.3            | 5.9            | 7.3            | 3.4            | 8.1            | 7.3            | 5.4            | 4.9            | -6.4           | 0.2            | 0.6            | 1.9            |
| Construction  | 8.7  | 11.0           | 14.5           | 21.9           | 6.3            | 2.7            | 16.8           | 12.8           | -0.3           | -29.4          | -39.7          | -26.8          | -24.2          |
| Services  | 6.9  | 6.8            | 6.8            | 6.5            | 7.3            | 7.4            | 6.9            | 7.4            | 0.1            | -17.1          | -10.6          | -8.0           | -4.4           |
| Wholesale and Retail Trade; Repair of                                   |  |                |                |                |                |                |                |                |                |                |                |                |                |
| Motor Vehicles and Motorcycles  | 5.3  | 6.3            | 5.3            | 6.5            | 7.0            | 8.6            | 8.3            | 7.2            | 1.4            | -14.1          | -6.3           | -4.0           | -3.9           |
| Transportation and Storage  | 8.8  | 7.7            | 10.9           | 3.6            | 6.8            | 6.1            | 7.9            | 4.9            | -11.4          | -58.5          | -29.5          | -20.1          | -18.8          |
| Accommodation and Food Service Activities                               | 11.6   | 8.2            | 7.2            | 7.7            | 6.0            | 4.9            | 6.0            | 5.3            | -15.9          | -67.1          | -54.6          | -45.6          | -20.6          |
| Information and Communication   | 8.1  | 8.0            | 4.7            | 5.9            | 9.9            | 5.6            | 5.5            | 10.4           | 4.7            | 10.7           | 3.0            | 1.9            | 6.3            |
| Financial and Insurance Activities                                      | 8.7  | 8.6            | 8.4            | 7.7            | 12.1           | 10.7           | 12.8           | 12.1           | 8.8            | 4.8            | 4.2            | 4.3            | 5.2            |
| Real Estate and Ownership of Dwellings                                  | 6.2  | 6.4            | 5.6            | 3.3            | 4.5            | 4.3            | 5.5            | 2.0            | -2.9           | -29.9          | -19.2          | -14.9          | -13.2          |
| Professional and Business Services                                      | 5.3  | 3.7            | 4.0            | 2.5            | 4.2            | 2.8            | 0.9            | 0.5            | -2.5           | -15.7          | -11.1          | -8.9           | -6.5           |
| Public Administration and Defense;                                      |  |                |                |                |                |                |                |                |                |                |                |                |                |
| Compulsory Social Activities  | 13.2   | 15.0           | 17.8           | 14.7           | 11.8           | 11.5           | 8.7            | 21.4           | 5.5            | 7.1            | 4.7            | 1.3            | 7.5            |
| Education   | 5.4  | 5.6            | 11.1           | 14.5           | 3.8            | 10.5           | 0.8            | 3.0            | 1.3            | -14.5          | -16.7          | -12.3          | -1.0           |
| Human Health and Social Work Activities                                 | 2.1  | -1.7           | -1.9           | 0.5            | 3.8            | 0.1            | 6.6            | 9.8            | 3.0            | -15.4          | -3.3           | 1.5            | 11.7           |
| Other Services  | 5.0  | 5.0            | 3.6            | 4.3            | 6.7            | 6.6            | 5.2            | 8.0            | -9.8           | -63.7          | -48.7          | -43.4          | -38.0          |
| <b>Gross Domestic Product</b>   | <b>6.5</b>   | <b>6.4</b>     | <b>6.1</b>     | <b>6.4</b>     | <b>5.9</b>     | <b>5.6</b>     | <b>6.3</b>     | <b>6.6</b>     | <b>-0.7</b>    | <b>-17.0</b>   | <b>-11.6</b>   | <b>-8.3</b>    | <b>-4.2</b>    |
| Net Primary Income from the Rest of the World                           | 2.3  | -0.9           | 5.4            | 1.3            | 1.6            | 0.9            | -3.7           | -5.0           | -9.3           | -24.4          | -32.6          | -55.9          | -75.8          |
| <b>Gross National Income</b>  | <b>6.0</b>   | <b>5.7</b>     | <b>6.1</b>     | <b>5.9</b>     | <b>5.4</b>     | <b>5.2</b>     | <b>5.3</b>     | <b>5.6</b>     | <b>-1.6</b>    | <b>-17.6</b>   | <b>-13.5</b>   | <b>-12.1</b>   | <b>-10.9</b>   |
|   | CONTRIBUTION TO GDP GROWTH (in percentage point)   |                |                |                |                |                |                |                |                |                |                |                |                |
|   | 2018   |                |                |                | 2019           |                |                |                | 2020           |                |                |                | 2021           |
|   | Q1   | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             | Q1             |
| Agriculture, Forestry and Fishing                                       | 0.3  | .              | .              | 0.2            | 0.1            | 0.1            | 0.3            | 0.1            | .              | 0.1            | 0.1            | -0.3           | -0.1           |
| Industry  | 2.2  | 2.3            | 1.9            | 2.5            | 1.6            | 1.1            | 1.8            | 2.2            | -0.8           | -6.6           | -5.1           | -3.3           | -1.4           |
| Mining and Quarrying  | 0.1  | .              | .              | 0.1            | .              | 0.2            | .              | .              | -0.2           | -0.2           | -0.1           | -0.1           | .              |
| Manufacturing   | 1.3  | 1.3            | 0.7            | 0.7            | 1.0            | 0.5            | 0.2            | 1.1            | -0.7           | -3.9           | -1.7           | -1.0           | 0.1            |
| Electricity, Steam, Water and Waste Management                          | 0.2  | 0.2            | 0.2            | 0.2            | 0.1            | 0.2            | 0.3            | 0.1            | 0.1            | -0.2           | .              | .              | 0.1            |
| Construction  | 0.6  | 0.8            | 1.0            | 1.5            | 0.4            | 0.2            | 1.3            | 1.0            | .              | -2.3           | -3.3           | -2.3           | -1.6           |
| Services  | 4.0  | 4.1            | 4.2            | 3.7            | 4.3            | 4.5            | 4.3            | 4.3            | 0.1            | -10.5          | -6.6           | -4.7           | -2.6           |
| Wholesale and Retail Trade; Repair of                                   |  |                |                |                |                |                |                |                |                |                |                |                |                |
| Motor Vehicles and Motorcycles  | 0.8  | 1.1            | 1.1            | 1.2            | 1.1            | 1.4            | 1.6            | 1.3            | 0.2            | -2.5           | -1.3           | -0.7           | -0.6           |
| Transportation and Storage  | 0.4  | 0.3            | 0.4            | 0.1            | 0.3            | 0.3            | 0.3            | 0.2            | -0.5           | -2.5           | -1.1           | -0.7           | -0.7           |
| Accommodation and Food Service Activities                               | 0.3  | 0.2            | 0.2            | 0.2            | 0.1            | 0.1            | 0.1            | 0.1            | -0.4           | -1.3           | -1.2           | -1.0           | -0.4           |
| Information and Communication   | 0.2  | 0.2            | 0.1            | 0.2            | 0.3            | 0.2            | 0.1            | 0.3            | 0.1            | 0.3            | 0.1            | 0.1            | 0.2            |
| Financial and Insurance Activities                                      | 0.7  | 0.7            | 0.7            | 0.6            | 1.0            | 0.9            | 1.1            | 0.9            | 0.8            | 0.4            | 0.4            | 0.3            | 0.5            |
| Real Estate and Ownership of Dwellings                                  | 0.4  | 0.4            | 0.4            | 0.2            | 0.3            | 0.3            | 0.4            | 0.1            | -0.2           | -1.9           | -1.4           | -0.8           | -0.9           |
| Professional and Business Services                                      | 0.3  | 0.3            | 0.3            | 0.2            | 0.2            | 0.2            | 0.1            | .              | -0.1           | -1.0           | -0.7           | -0.5           | -0.4           |
| Public Administration and Defense;                                      |  |                |                |                |                |                |                |                |                |                |                |                |                |
| Compulsory Social Activities  | 0.5  | 0.6            | 0.7            | 0.6            | 0.5            | 0.5            | 0.4            | 0.9            | 0.2            | 0.3            | 0.2            | 0.1            | 0.3            |
| Education   | 0.2  | 0.2            | 0.4            | 0.5            | 0.2            | 0.5            | .              | 0.1            | 0.1            | -0.7           | -0.7           | -0.4           | .              |
| Human Health and Social Work Activities                                 | .  | .              | .              | .              | 0.1            | .              | 0.1            | 0.1            | 0.1            | -0.3           | -0.1           | .              | 0.2            |
| Other Services  | 0.1  | 0.1            | 0.1            | 0.1            | 0.2            | 0.2            | 0.1            | 0.2            | -0.3           | -1.5           | -0.9           | -1.0           | -0.9           |
| <b>Gross Domestic Product</b>   | <b>6.5</b>   | <b>6.4</b>     | <b>6.1</b>     | <b>6.4</b>     | <b>5.9</b>     | <b>5.6</b>     | <b>6.3</b>     | <b>6.6</b>     | <b>-0.7</b>    | <b>-17.0</b>   | <b>-11.6</b>   | <b>-8.3</b>    | <b>-4.2</b>    |

.. Rounds off to zero

Notes:

1) The PSA released the revised and rebased to 2018 National Accounts of the Philippines (NAP) on 20 April 2020. The salient features of the revision and rebasing are as follows: (1) adoption of the 2008 System of National Accounts (SNA) recommendations and latest classification systems; (2) inclusion of new industries and expenditure commodities; and (3) updating of the base year to 2018.

2) Total may not add up due to rounding.

Source of basic data: Philippine Statistics Authority (PSA)

**1a GROSS NATIONAL INCOME AND GROSS DOMESTIC PRODUCT BY EXPENDITURE SHARES**  
for periods indicated

|   | LEVELS (in billion pesos; at constant 2018 prices) |                |                |                |                |                |                |                |                |                |                |                |                |
|---|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2018   |                |                |                | 2019           |                |                |                | 2020           |                |                |                | 2021           |
|   | Q1   | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             | Q1             |
| Household Final Consumption Expenditure       | 3,114.8  | 3,263.9        | 3,148.7        | 3,722.7        | 3,308.7        | 3,445.7        | 3,337.2        | 3,935.8        | 3,314.4        | 2,918.5        | 3,030.8        | 3,650.0        | 3,153.8        |
| Government Final Consumption Expenditure      | 494.2  | 655.5          | 531.8          | 518.2          | 523.6          | 697.0          | 575.7          | 603.5          | 560.3          | 849.2          | 609.3          | 634.1          | 650.3          |
| Gross Capital Formation                       | 1,042.6  | 1,305.2        | 1,246.2        | 1,365.0        | 1,130.7        | 1,297.4        | 1,238.0        | 1,466.3        | 994.1          | 629.5          | 748.7          | 994.3          | 812.3          |
| Gross Fixed Capital Formation                 | 1,040.5  | 1,335.0        | 1,244.8        | 1,363.0        | 1,115.1        | 1,307.9        | 1,310.9        | 1,441.7        | 1,093.2        | 840.1          | 812.3          | 1,009.0        | 872.0          |
| Construction                                  | 591.6  | 816.1          | 710.2          | 821.9          | 641.5          | 839.5          | 807.2          | 917.8          | 628.7          | 577.2          | 440.5          | 587.3          | 457.7          |
| Durable Equipment                             | 333.3  | 398.6          | 407.7          | 387.4          | 352.7          | 336.9          | 372.3          | 362.6          | 344.5          | 136.8          | 246.4          | 273.7          | 296.9          |
| Breeding Stocks & Orchard Development         | 90.4   | 94.9           | 92.1           | 120.3          | 92.3           | 97.7           | 91.7           | 122.0          | 90.7           | 99.9           | 90.2           | 110.4          | 87.7           |
| Intellectual Property Products                | 25.2   | 25.5           | 34.8           | 33.3           | 28.6           | 33.8           | 39.6           | 39.3           | 29.3           | 26.2           | 35.1           | 37.6           | 29.7           |
| Changes in Inventories                        | 1.1  | -30.4          | 1.3            | 1.1            | 15.4           | -11.0          | -73.3          | 24.3           | -99.2          | -210.7         | -63.8          | -14.9          | -59.8          |
| Valuables                                     | 1.1  | 0.6            | 0.1            | 0.9            | 0.2            | 0.5            | 0.4            | 0.3            | 0.2            | 0.2            | 0.2            | 0.2            | 0.1            |
| Exports of Goods and Services                 | 1,334.8  | 1,454.3        | 1,435.1        | 1,294.4        | 1,392.6        | 1,513.7        | 1,457.2        | 1,300.5        | 1,331.8        | 1,006.7        | 1,237.7        | 1,167.4        | 1,212.2        |
| Exports of Goods                              | 666.0  | 753.7          | 881.9          | 780.2          | 702.8          | 775.9          | 867.7          | 770.0          | 684.6          | 538.7          | 856.7          | 769.2          | 701.1          |
| Exports of Services                           | 668.7  | 700.5          | 553.2          | 514.2          | 689.8          | 737.8          | 589.5          | 530.5          | 647.2          | 467.9          | 380.9          | 398.2          | 511.1          |
| Less: Imports of Goods and Services           | 1,750.4  | 1,997.9        | 1,933.5        | 1,980.5        | 1,907.4        | 2,001.9        | 1,933.6        | 1,998.0        | 1,767.0        | 1,255.8        | 1,533.4        | 1,593.5        | 1,620.7        |
| Imports of Goods                              | 1,396.1  | 1,702.8        | 1,586.3        | 1,548.7        | 1,521.2        | 1,695.0        | 1,572.3        | 1,523.2        | 1,392.5        | 1,042.7        | 1,275.6        | 1,320.1        | 1,370.7        |
| Imports of Services                           | 354.3  | 295.0          | 347.2          | 431.8          | 386.2          | 306.9          | 361.3          | 474.8          | 374.5          | 213.1          | 257.8          | 273.5          | 250.0          |
| Statistical Discrepancy                       | -20.5  | 39.4           | -31.1          | 12.2           | 14.9           | 34.0           | 1.1            | -50.0          | -3.2           | -8.9           | 40.7           | -28.7          | 36.7           |
| <b>Gross Domestic Product</b>                 | <b>4,215.6</b>                                     | <b>4,720.4</b> | <b>4,397.2</b> | <b>4,932.0</b> | <b>4,463.2</b> | <b>4,985.9</b> | <b>4,675.5</b> | <b>5,258.1</b> | <b>4,430.4</b> | <b>4,139.3</b> | <b>4,133.9</b> | <b>4,823.7</b> | <b>4,244.7</b> |
| Net Primary Income from the Rest of the World | 499.4  | 463.9          | 497.9          | 485.9          | 507.3          | 468.1          | 479.4          | 461.5          | 459.8          | 354.1          | 322.9          | 203.4          | 111.3          |
| <b>Gross National Income</b>                  | <b>4,715.0</b>                                     | <b>5,184.3</b> | <b>4,895.2</b> | <b>5,417.9</b> | <b>4,970.5</b> | <b>5,454.1</b> | <b>5,154.9</b> | <b>5,719.6</b> | <b>4,890.3</b> | <b>4,493.3</b> | <b>4,456.8</b> | <b>5,027.0</b> | <b>4,356.0</b> |

|   | ANNUAL CHANGE (in percent) |            |            |            |            |            |            |            |             |              |              |              |              |
|---|----------------------------|------------|------------|------------|------------|------------|------------|------------|-------------|--------------|--------------|--------------|--------------|
|   | 2018                       |            |            |            | 2019       |            |            |            | 2020        |              |              |              | 2021         |
|   | Q1                         | Q2         | Q3         | Q4         | Q1         | Q2         | Q3         | Q4         | Q1          | Q2           | Q3           | Q4           | Q1           |
| Household Final Consumption Expenditure       | 5.8                        | 6.2        | 5.5        | 5.5        | 6.2        | 5.6        | 6.0        | 5.7        | 0.2         | -15.3        | -9.2         | -7.3         | -4.8         |
| Government Final Consumption Expenditure      | 13.9                       | 12.3       | 14.4       | 13.2       | 5.9        | 6.3        | 8.3        | 16.5       | 7.0         | 21.8         | 5.8          | 5.1          | 16.1         |
| Gross Capital Formation                       | 3.5                        | 15.2       | 16.8       | 9.2        | 8.5        | -0.6       | -0.7       | 7.4        | -12.1       | -51.5        | -39.5        | -32.2        | -18.3        |
| Gross Fixed Capital Formation                 | 9.7                        | 17.7       | 14.5       | 9.7        | 7.2        | -2.0       | 5.3        | 5.8        | -2.0        | -35.8        | -38.0        | -30.0        | -20.2        |
| Construction                                  | 14.5                       | 15.8       | 13.2       | 15.8       | 8.4        | 2.9        | 13.7       | 11.7       | -2.0        | -31.2        | -45.4        | -36.0        | -27.2        |
| Durable Equipment                             | 2.1                        | 23.9       | 17.5       | -1.5       | 5.8        | -15.5      | -8.7       | -6.4       | -2.3        | -59.4        | -33.8        | -24.5        | -13.8        |
| Breeding Stocks & Orchard Development         | 9.2                        | 8.8        | 9.1        | 5.8        | 2.1        | 3.0        | -0.5       | 1.4        | -1.7        | 2.2          | -1.6         | -9.5         | -3.2         |
| Intellectual Property Products                | 11.2                       | 26.5       | 23.7       | 25.5       | 13.6       | 33.0       | 14.0       | 17.7       | 2.4         | -22.6        | -11.4        | -4.2         | 1.2          |
| Changes in Inventories                        | ...                        | ...        | ...        | ...        | ...        | ...        | ...        | ...        | ...         | ...          | ...          | ...          | ...          |
| Valuables                                     | 2,637.9                    | 2,823.6    | 125.3      | -32.8      | -76.9      | -14.1      | 182.9      | -68.9      | -37.2       | -58.2        | -54.8        | -43.9        | -14.0        |
| Exports of Goods and Services                 | 13.0                       | 11.2       | 10.0       | 13.4       | 4.3        | 4.1        | 1.5        | 0.5        | -4.4        | -33.5        | -15.1        | -10.2        | -9.0         |
| Exports of Goods                              | 8.0                        | 12.1       | 15.5       | 15.9       | 5.5        | 2.9        | -1.6       | -1.3       | -2.6        | -30.6        | -1.3         | -0.1         | 2.4          |
| Exports of Services                           | 18.4                       | 10.3       | 2.3        | 9.7        | 3.1        | 5.3        | 6.6        | 3.2        | -6.2        | -36.6        | -35.4        | -24.9        | -21.0        |
| Less: Imports of Goods and Services           | 9.9                        | 18.6       | 18.0       | 12.0       | 9.0        | 0.2        | .          | 0.9        | -7.4        | -37.3        | -20.7        | -20.2        | -8.3         |
| Imports of Goods                              | 10.5                       | 20.2       | 19.9       | 12.0       | 9.0        | -0.5       | -0.9       | -1.6       | -8.5        | -38.5        | -18.9        | -13.3        | -1.6         |
| Imports of Services                           | 7.5                        | 9.8        | 10.0       | 12.2       | 9.0        | 4.0        | 4.1        | 10.0       | -3.0        | -30.6        | -28.7        | -42.4        | -33.2        |
| Statistical Discrepancy                       | 55.4                       | 56.2       | -19.8      | -54.4      | -172.7     | -13.7      | -103.5     | -509.9     | -121.2      | -126.2       | 3,635.9      | -42.7        | -1,263.3     |
| <b>Gross Domestic Product</b>                 | <b>6.5</b>                 | <b>6.4</b> | <b>6.1</b> | <b>6.4</b> | <b>5.9</b> | <b>5.6</b> | <b>6.3</b> | <b>6.6</b> | <b>-0.7</b> | <b>-17.0</b> | <b>-11.6</b> | <b>-8.3</b>  | <b>-4.2</b>  |
| Net Primary Income from the Rest of the World | 2.3                        | -0.9       | 5.4        | 1.3        | 1.6        | 0.9        | -3.7       | -5.0       | -9.3        | -24.4        | -32.6        | -55.9        | -75.8        |
| <b>Gross National Income</b>                  | <b>6.0</b>                 | <b>5.7</b> | <b>6.1</b> | <b>5.9</b> | <b>5.4</b> | <b>5.2</b> | <b>5.3</b> | <b>5.6</b> | <b>-1.6</b> | <b>-17.6</b> | <b>-13.5</b> | <b>-12.1</b> | <b>-10.9</b> |

|  | CONTRIBUTION TO GDP GROWTH (in percentage point) |            |            |            |            |            |            |            |             |              |              |             |             |
|--|--|------------|------------|------------|------------|------------|------------|------------|-------------|--------------|--------------|-------------|-------------|
|  | 2018   |            |            |            | 2019       |            |            |            | 2020        |              |              |             | 2021        |
|  | Q1   | Q2         | Q3         | Q4         | Q1         | Q2         | Q3         | Q4         | Q1          | Q2           | Q3           | Q4          | Q1          |
| Household Final Consumption Expenditure  | 4.3  | 4.3        | 4.0        | 4.2        | 4.6        | 3.9        | 4.3        | 4.3        | 0.1         | -10.6        | -6.6         | -5.4        | -3.6        |
| Government Final Consumption Expenditure | 1.5  | 1.6        | 1.6        | 1.3        | 0.7        | 0.9        | 1.0        | 1.7        | 0.8         | 3.1          | 0.7          | 0.6         | 2.0         |
| Gross Capital Formation                  | 0.9  | 3.9        | 4.3        | 2.5        | 2.1        | -0.2       | -0.2       | 2.1        | -3.1        | -13.4        | -10.5        | -9.0        | -4.1        |
| Gross Fixed Capital Formation            | 2.3  | 4.5        | 3.8        | 2.6        | 1.8        | -0.6       | 1.5        | 1.6        | -0.5        | -9.4         | -10.7        | -8.2        | -5.0        |
| Construction                             | 1.9  | 2.5        | 2.0        | 2.4        | 1.2        | 0.5        | 2.2        | 1.9        | -0.3        | -5.3         | -7.8         | -6.3        | -3.9        |
| Durable Equipment                        | 0.2  | 1.7        | 1.5        | -0.1       | 0.5        | -1.3       | -0.8       | -0.5       | -0.2        | -4.0         | -2.7         | -1.7        | -1.1        |
| Breeding Stocks & Orchard Development    | 0.2  | 0.2        | 0.2        | 0.1        | .          | 0.1        | .          | .          | .           | .            | .            | -0.2        | -0.1        |
| Intellectual Property Products           | 0.1  | 0.1        | 0.2        | 0.1        | 0.1        | 0.2        | 0.1        | 0.1        | .           | -0.2         | -0.1         | .           | .           |
| Changes in Inventories                   | -1.5   | -0.7       | 0.5        | -0.1       | 0.3        | 0.4        | -1.7       | 0.5        | -2.6        | -4.0         | 0.2          | -0.7        | 0.9         |
| Valuables                                | .  | .          | .          | .          | .          | .          | .          | .          | .           | .            | .            | .           | .           |
| Exports of Goods and Services            | 3.9  | 3.3        | 3.1        | 3.3        | 1.4        | 1.3        | 0.5        | 0.1        | -1.4        | -10.2        | -4.7         | -2.5        | -2.7        |
| Exports of Goods                         | 1.2  | 1.8        | 2.8        | 2.3        | 0.9        | 0.5        | -0.3       | -0.2       | -0.4        | -4.8         | -0.2         | 0.0         | 0.4         |
| Exports of Services                      | 2.6  | 1.5        | 0.3        | 1.0        | 0.5        | 0.8        | 0.8        | 0.3        | -1.0        | -5.4         | -4.5         | -2.5        | -3.1        |
| Less: Imports of Goods and Services      | 4.0  | 7.0        | 7.1        | 4.6        | 3.7        | 0.1        | .          | 0.4        | -3.1        | -15.0        | -8.6         | -7.7        | -3.3        |
| Imports of Goods                         | 3.4  | 6.5        | 6.4        | 3.6        | 3.0        | -0.2       | -0.3       | -0.5       | -2.9        | -13.1        | -6.3         | -3.9        | -0.5        |
| Imports of Services                      | 0.6  | 0.6        | 0.8        | 1.0        | 0.8        | 0.3        | 0.3        | 0.9        | -0.3        | -1.9         | -2.2         | -3.8        | -2.8        |
| Statistical Discrepancy                  | -0.2   | 0.3        | 0.2        | -0.3       | 0.8        | -0.1       | 0.7        | -1.3       | -0.4        | -0.9         | 0.8          | 0.4         | 0.9         |
| <b>Gross Domestic Product</b>            | <b>6.5</b>                                       | <b>6.4</b> | <b>6.1</b> | <b>6.4</b> | <b>5.9</b> | <b>5.6</b> | <b>6.3</b> | <b>6.6</b> | <b>-0.7</b> | <b>-17.0</b> | <b>-11.6</b> | <b>-8.3</b> | <b>-4.2</b> |

..Rounds off to zero

... Blank

Notes:

1) The PSA released the revised and rebased to 2018 National Accounts of the Philippines (NAP) on 20 April 2020. The salient features of the revision and rebasing are as follows: (1) adoption of the 2008 System of National Accounts (SNA) recommendations and latest classification systems; (2) inclusion of new industries and expenditure commodities; and (3) updating of the base year to 2018.

2) Total may not add up due to rounding.

Source of basic data: Philippine Statistics Authority (PSA)

## 2 SELECTED LABOR, EMPLOYMENT AND WAGE INDICATORS

|   | 2018   |        |        |        | 2019   |        |        |        | 2020   |        |        |                 | 2021            |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|-----------------|
|   | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4 <sup>P</sup> | Q1 <sup>P</sup> |
| <b>Employment Status<sup>1</sup></b>                          |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Labor Force (in thousands)                                    | 44,075 | 43,257 | 42,979 | 43,528 | 43,209 | 44,038 | 44,959 | 44,582 | 44,934 | 41,058 | 45,871 | 43,649          | 45,201          |
| Employed  | 41,755 | 40,896 | 40,650 | 41,325 | 40,924 | 41,770 | 42,521 | 42,537 | 42,543 | 33,830 | 41,302 | 39,836          | 41,248          |
| Employment Created  | 2,408  | 625    | 479    | -221   | -831   | 874    | 1,872  | 1,212  | 1,619  | -7,940 | -1,220 | -2,701          | -1,295          |
| Agriculture   | 841    | -723   | -750   | -419   | -2,058 | -725   | 352    | -262   | 813    | -305   | 1,136  | 70              | 419             |
| Industry  | 716    | 606    | 176    | 406    | 601    | 52     | 163    | 222    | -164   | -2,338 | -270   | -827            | -388            |
| Services  | 850    | 742    | 1,052  | -208   | 626    | 1,546  | 1,356  | 1,252  | 970    | -5,297 | -2,086 | -1,943          | -1,327          |
| Unemployed  | 2,320  | 2,361  | 2,329  | 2,203  | 2,286  | 2,268  | 2,437  | 2,045  | 2,391  | 7,228  | 4,569  | 3,813           | 3,953           |
| Underemployed   | 7,498  | 6,935  | 7,003  | 5,502  | 6,310  | 5,567  | 5,799  | 5,438  | 6,299  | 6,398  | 7,136  | 5,747           | 6,589           |
| Labor Force Participation Rate (%)                            | 62.2   | 60.9   | 60.1   | 60.6   | 60.2   | 61.3   | 62.1   | 61.4   | 61.7   | 55.7   | 61.9   | 58.7            | 60.5            |
| Employment Rate (%)   | 94.7   | 94.5   | 94.6   | 94.9   | 94.7   | 94.8   | 94.6   | 95.4   | 94.7   | 82.4   | 90.0   | 91.3            | 91.3            |
| Unemployment Rate (%)   | 5.3    | 5.5    | 5.4    | 5.1    | 5.3    | 5.2    | 5.4    | 4.6    | 5.3    | 17.6   | 10.0   | 8.7             | 8.7             |
| Underemployment Rate (%)                                      | 18.0   | 17.0   | 17.2   | 13.3   | 15.4   | 13.3   | 13.6   | 12.8   | 14.8   | 18.9   | 17.3   | 14.4            | 16.0            |
| Labor Turnover Rate <sup>2</sup> (%)                          |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Philippine  | 1.6    | 1.7    | 0.8    | 0.8    | -      | -      | -      | -      | -      | -      | -      | -               | -               |
| NCR   | -      | -      | -      | -      | 0.5    | 0.7    | 2.8    | 1.9    | -1.4   | -7.6   | -      | -               | -               |
| <b>Overseas Employment</b> (Deployed, in thousands)           |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Land-based  | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -               | -               |
| Sea-based   | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -               | -               |
| <b>Strikes</b>  |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Number of New Strikes   | 2      | 2      | 7      | 3      | 6      | 3      | 4      | 5      | 4      | 0      | 1      | -               | 0               |
| Number of Workers Involved                                    | 510    | 1,533  | 1,131  | 4,928  | 835    | 498    | 1,108  | 1,104  | 2,554  | 0      | 600    | -               | 0               |
| <b>Nominal Daily Wage Rates<sup>3</sup></b> (in pesos)        |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Non-Agricultural  |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| NCR   | 512.0  | 512.0  | 512.0  | 537.0  | 537.0  | 537.0  | 537.0  | 537.0  | 537.0  | 537.0  | 537.0  | 537.0           | 537.0           |
| Regions Outside NCR   | 380.0  | 400.0  | 400.0  | 400.0  | 400.0  | 400.0  | 400.0  | 400.0  | 420.0  | 420.0  | 420.0  | 420.0           | 420.0           |
| Agricultural  |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| NCR   |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Plantation  | 475.0  | 475.0  | 475.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0           | 500.0           |
| Non-Plantation  | 475.0  | 475.0  | 475.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0  | 500.0           | 500.0           |
| Regions Outside NCR   |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Plantation  | 353.5  | 370.0  | 370.0  | 370.0  | 391.0  | 391.0  | 391.0  | 391.0  | 394.0  | 394.0  | 394.0  | 394.0           | 394.0           |
| Non-Plantation  | 348.0  | 356.0  | 368.0  | 368.0  | 391.0  | 391.0  | 391.0  | 391.0  | 394.0  | 394.0  | 394.0  | 394.0           | 394.0           |
| <b>Real Daily Wage Rates<sup>4</sup></b> (in pesos, 2012=100) |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Non-Agricultural  |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| NCR   | 449.9  | 447.2  | 437.6  | 460.9  | 457.4  | 455.5  | 455.1  | 448.3  | 449.8  | 446.8  | 445.3  | 434.5           | 433.8           |
| Regions Outside NCR   | 333.6  | 348.7  | 341.9  | 342.5  | 340.7  | 340.1  | 337.3  | 332.2  | 346.5  | 345.7  | 343.1  | 333.1           | 330.5           |
| Agricultural  |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| NCR   |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Plantation  | 417.4  | 414.9  | 406.0  | 429.2  | 425.9  | 424.1  | 423.7  | 417.4  | 418.8  | 416.0  | 414.6  | 404.5           | 403.9           |
| Non-Plantation  | 417.4  | 414.9  | 406.0  | 429.2  | 425.9  | 424.1  | 423.7  | 417.4  | 418.8  | 416.0  | 414.6  | 404.5           | 403.9           |
| Regions Outside NCR   |        |        |        |        |        |        |        |        |        |        |        |                 |                 |
| Plantation  | 310.9  | 322.6  | 316.2  | 316.8  | 325.3  | 322.9  | 321.6  | 319.7  | 312.5  | 310.7  | 314.2  | 312.0           | 307.8           |
| Non-Plantation  | 290.0  | 310.4  | 297.3  | 300.4  | 325.3  | 322.9  | 321.6  | 319.7  | 312.5  | 310.7  | 314.2  | 312.0           | 307.8           |

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

<sup>1</sup> The quarterly Labor Force Survey (LFS) is conducted in January, April, July, and October. Starting January 2020 round, the LFS has adopted the population projections based on the 2015 Population Census (POPCEN). For the previous survey rounds (April 2016 onwards), population projections based on the 2010 Census of Population and Housing (CPH) and 2013 Master Sample Design were adopted, with a sample size of approximately 44,000 households. For comparability, POPCEN 2015 was likewise used in the January, April, July, and October 2019 data. Starting January 2017 round, Computer-Assisted Personal Interviewing (CAPI) has been utilized in the LFS enumeration.

<sup>2</sup> The Q1-Q4 2018 Labor Turnover Survey covered establishments based in and outside the NCR. Meanwhile, other survey rounds covered enterprises located in NCR only.

<sup>3</sup> Source of data for both nominal and real wage rates is the National Wages and Productivity Commission. It includes basic minimum wage and cost of living allowance (COLA). Figures for regions outside NCR represent the highest nominal regional rates in a given category and their corresponding values in real terms.

<sup>4</sup> Starting 10 November 1990, adjustments in the minimum legislated wage rates are being determined by the Regional Tripartite Wages Productivity Board.

<sup>P</sup> Preliminary

- Not Available

Sources of data: Philippine Overseas Employment Administration (POEA), National Wages and Productivity Commission (NWPC), National Conciliation and Mediation Board, Department of Labor and Employment (DOLE) - Bureau of Local Employment (BLE), and Philippine Statistics Authority (PSA)

### 3 CASH OPERATIONS OF THE NATIONAL GOVERNMENT

for periods indicated; in billion pesos

|   | 2018               |                    |                    |                    | 2019         |              |                |                | 2020         |                |                |                | 2021              |
|---|--------------------|--------------------|--------------------|--------------------|--------------|--------------|----------------|----------------|--------------|----------------|----------------|----------------|-------------------|
|   | Q1                 | Q2                 | Q3                 | Q4                 | Q1           | Q2           | Q3             | Q4             | Q1           | Q2             | Q3             | Q4             | Q1                |
| <b>Revenues</b>                                     | <b>619.8</b>       | <b>790.7</b>       | <b>701.0</b>       | <b>738.7</b>       | <b>687.7</b> | <b>859.8</b> | <b>780.4</b>   | <b>809.6</b>   | <b>763.1</b> | <b>690.2</b>   | <b>690.1</b>   | <b>712.5</b>   | <b>696.5</b>      |
| <i>Ratio to GDP (in percent)</i>                    | <i>15.1</i>        | <i>17.3</i>        | <i>15.8</i>        | <i>14.4</i>        | <i>15.5</i>  | <i>17.7</i>  | <i>16.5</i>    | <i>14.7</i>    | <i>17.2</i>  | <i>16.7</i>    | <i>16.4</i>    | <i>13.8</i>    | <i>16.0</i>       |
| Tax   | 558.7              | 696.1              | 640.6              | 670.6              | 616.0        | 764.8        | 709.5          | 737.3          | 620.7        | 597.0          | 636.5          | 650.2          | 626.0             |
| Non-tax <sup>1</sup>                                | 61.1               | 94.7               | 60.4               | 68.1               | 71.7         | 95.0         | 70.9           | 72.3           | 142.4        | 93.2           | 53.6           | 62.3           | 70.4              |
| <b>Expenditures</b>                                 | <b>772.0</b>       | <b>831.6</b>       | <b>886.2</b>       | <b>918.7</b>       | <b>778.0</b> | <b>812.2</b> | <b>1,036.7</b> | <b>1,170.8</b> | <b>849.2</b> | <b>1,164.5</b> | <b>1,008.9</b> | <b>1,204.8</b> | <b>1,017.9</b>    |
| <i>Ratio to GDP (in percent)</i>                    | <i>18.8</i>        | <i>18.2</i>        | <i>19.9</i>        | <i>17.9</i>        | <i>17.6</i>  | <i>16.7</i>  | <i>21.9</i>    | <i>21.3</i>    | <i>19.1</i>  | <i>28.2</i>    | <i>24.0</i>    | <i>23.4</i>    | <i>23.4</i>       |
| Interest Payments                                   | 97.2               | 68.3               | 105.8              | 77.9               | 107.8        | 72.3         | 113.7          | 67.1           | 119.9        | 67.8           | 125.3          | 67.4           | 125.9             |
| Equity  | 2.0                | 0.6                | 1.3                | 0.1                | .            | 0.5          | 1.1            | 1.6            | 0.0          | 0.6            | 0.8            | 11.4           | 45.3 <sup>r</sup> |
| Net Lending   | -0.2               | 1.6                | 5.5                | -2.0               | 3.5          | 15.3         | -2.9           | 1.2            | 4.8          | 6.1            | 5.6            | 5.6            | 5.7               |
| Subsidy   | 45.3               | 22.5               | 57.1               | 11.8               | 9.3          | 17.4         | 130.4          | 44.5           | 22.4         | 106.2          | 30.1           | 71.7           | 11.4              |
| Allotment to LGUs                                   | 148.7              | 153.9              | 140.2              | 132.8              | 149.5        | 146.2        | 162.6          | 159.6          | 187.6        | 221.6          | 197.5          | 197.8          | 206.9             |
| Tax Expenditures                                    | 4.4 <sup>r</sup>   | 3.8 <sup>r</sup>   | 5.8 <sup>r</sup>   | 7.6 <sup>r</sup>   | 4.0          | 7.6          | 10.5           | 5.2            | 2.0          | 4.5            | 13.3           | 13.3           | 6.7               |
| NG Disbursements                                    | 474.6 <sup>r</sup> | 580.9 <sup>r</sup> | 570.6 <sup>r</sup> | 690.4 <sup>r</sup> | 503.8        | 552.9        | 621.3          | 891.6          | 512.5        | 757.8          | 636.3          | 837.5          | 616.1             |
| <b>Surplus/Deficit (-)</b>                          | <b>-152.2</b>      | <b>-40.8</b>       | <b>-185.2</b>      | <b>-180.0</b>      | <b>-90.2</b> | <b>47.6</b>  | <b>-256.3</b>  | <b>-361.2</b>  | <b>-86.2</b> | <b>-474.3</b>  | <b>-318.8</b>  | <b>-492.2</b>  | <b>-321.5</b>     |
| <i>Ratio to GDP (in percent)</i>                    | <i>-3.7</i>        | <i>-0.9</i>        | <i>-4.2</i>        | <i>-3.5</i>        | <i>-2.0</i>  | <i>1.0</i>   | <i>-5.4</i>    | <i>-6.6</i>    | <i>-1.9</i>  | <i>-11.5</i>   | <i>-7.6</i>    | <i>-9.5</i>    | <i>-7.4</i>       |
| <b>Primary Balance <sup>2</sup></b>                 | <b>-55.0</b>       | <b>27.5</b>        | <b>-79.4</b>       | <b>-102.1</b>      | <b>17.5</b>  | <b>119.9</b> | <b>-142.7</b>  | <b>-294.1</b>  | <b>33.7</b>  | <b>-406.5</b>  | <b>-193.5</b>  | <b>-424.8</b>  | <b>-195.6</b>     |
| <i>Ratio to GDP (in percent)</i>                    | <i>-1.3</i>        | <i>0.6</i>         | <i>-1.8</i>        | <i>-2.0</i>        | <i>0.4</i>   | <i>2.5</i>   | <i>-3.0</i>    | <i>-5.3</i>    | <i>0.8</i>   | <i>-9.8</i>    | <i>-4.6</i>    | <i>-8.2</i>    | <i>-4.5</i>       |
| <b>Financing <sup>3</sup></b>                       | <b>144.1</b>       | <b>235.8</b>       | <b>209.7</b>       | <b>193.6</b>       | <b>582.0</b> | <b>150.1</b> | <b>65.5</b>    | <b>78.6</b>    | <b>800.6</b> | <b>747.4</b>   | <b>500.2</b>   | <b>451.0</b>   | <b>1,186.9</b>    |
| Foreign Borrowings                                  | 82.8               | -7.0               | 116.3              | -0.3               | 91.8         | 25.7         | 55.0           | 12.4           | 51.3         | 248.7          | 127.1          | 173.7          | -63.4             |
| Domestic Borrowings                                 | 61.3               | 242.9              | 93.4               | 193.9              | 490.3        | 124.4        | 10.5           | 66.2           | 749.3        | 498.7          | 373.1          | 277.3          | 1,250.2           |
| <b>Total Change in Cash: Deposit/Withdrawal (-)</b> | <b>-61.9</b>       | <b>36.4</b>        | <b>-26.6</b>       | <b>-0.6</b>        | <b>355.0</b> | <b>156.5</b> | <b>-269.6</b>  | <b>-466.5</b>  | <b>655.0</b> | <b>45.1</b>    | <b>55.6</b>    | <b>-54.0</b>   | <b>602.5</b>      |

Note: Details may not add up to total due to rounding.

. Rounds off to zero

<sup>r</sup> Revised

<sup>1</sup> Including grants

<sup>2</sup> Primary balance is the government fiscal balance excluding interest payments.

<sup>3</sup> Based on the revised data on financing, which are sourced from the National Government Cash Operations of the Bureau of the Treasury (BTr) to conform with the Government Finance Statistics Manual (GFSM) 2014 concept where reporting of debt amortization reflects the actual principal repayments to creditor including those serviced by the Bond Sinking Fund (BSF), while financing includes gross proceeds of liability management transactions such as bond exchange.

Source of Data: Bureau of the Treasury (BTr)

#### 4 CONSUMER PRICE INDEX IN THE PHILIPPINES (2012=100)

for periods indicated; quarterly averages

|   | 2018         |              |              |              | 2019         |              |              |              | 2020         |              |              |              | 2021         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           |
| <b>All Items</b>  | <b>114.8</b> | <b>116.3</b> | <b>118.4</b> | <b>119.4</b> | <b>119.2</b> | <b>119.8</b> | <b>120.4</b> | <b>121.3</b> | <b>122.4</b> | <b>122.5</b> | <b>123.4</b> | <b>125.0</b> | <b>127.9</b> |
| Food and Non-Alcoholic Beverages                                      | 120.4        | 121.7        | 125.5        | 126.8        | 125.9        | 125.4        | 126.1        | 127.2        | 128.8        | 129.2        | 128.5        | 131.9        | 136.8        |
| Food Items  | 121.1        | 122.0        | 125.9        | 127.3        | 126.1        | 125.6        | 126.2        | 127.3        | 129.0        | 129.4        | 128.6        | 132.2        | 137.5        |
| Alcoholic Beverages and Tobacco                                       | 178.0        | 187.7        | 191.6        | 194.1        | 201.1        | 205.6        | 212.8        | 228.1        | 238.2        | 242.9        | 248.0        | 255.4        | 266.8        |
| Non-Food  | 109.6        | 111.0        | 112.0        | 112.7        | 112.9        | 113.9        | 114.3        | 114.7        | 115.3        | 115.1        | 116.8        | 117.3        | 118.5        |
| Clothing and Footwear   | 116.1        | 116.8        | 117.6        | 118.2        | 118.9        | 119.6        | 120.7        | 121.4        | 122.1        | 122.6        | 123.1        | 123.4        | 124.1        |
| Housing, Water, Electricity, Gas and Other Fuels                      | 108.6        | 110.1        | 111.5        | 112.1        | 112.6        | 113.6        | 113.3        | 113.5        | 114.7        | 113.8        | 114.4        | 114.3        | 115.5        |
| Electricity, Gas and Other Fuels                                      | 99.6         | 102.9        | 105.0        | 105.1        | 104.5        | 106.0        | 102.6        | 102.5        | 103.7        | 100.7        | 99.8         | 99.6         | 102.1        |
| Furnishings, Household Equipment and Routine Maintenance of the House | 114.6        | 115.7        | 116.9        | 117.8        | 118.8        | 119.4        | 120.3        | 121.2        | 123.1        | 124.3        | 125.0        | 125.4        | 126.0        |
| Health  | 114.3        | 115.2        | 117.1        | 118.0        | 119.0        | 119.4        | 120.7        | 121.5        | 122.4        | 122.8        | 124.1        | 124.6        | 125.8        |
| Transport   | 102.2        | 104.1        | 106.3        | 107.2        | 104.6        | 107.2        | 106.1        | 106.5        | 105.6        | 103.9        | 113.5        | 115.0        | 117.2        |
| Operation of Personal Transport Equipment                             | 92.9         | 98.5         | 101.6        | 99.6         | 94.4         | 100.6        | 97.6         | 97.8         | 94.9         | 81.5         | 90.9         | 88.6         | 95.0         |
| Communication   | 100.9        | 101.0        | 101.2        | 101.3        | 101.3        | 101.4        | 101.5        | 101.6        | 101.7        | 101.7        | 101.8        | 101.9        | 102.0        |
| Recreation and Culture  | 111.2        | 111.5        | 113.3        | 114.4        | 114.7        | 115.0        | 115.7        | 116.0        | 116.4        | 116.6        | 115.9        | 115.3        | 115.6        |
| Education   | 120.0        | 121.5        | 115.4        | 115.5        | 115.4        | 116.6        | 120.5        | 120.8        | 120.8        | 120.8        | 121.2        | 122.1        | 122.1        |
| Restaurants and Miscellaneous Goods and Services                      | 111.4        | 112.8        | 113.9        | 114.9        | 115.8        | 116.5        | 117.5        | 118.1        | 118.8        | 119.3        | 120.2        | 120.9        | 122.5        |

|   | 2018       |            |            |            | 2019        |            |            |            | 2020       |            |            |            | 2021       |
|---|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|
|   | Q1         | Q2         | Q3         | Q4         | Q1          | Q2         | Q3         | Q4         | Q1         | Q2         | Q3         | Q4         | Q1         |
| <b>All Items</b>  | <b>1.9</b> | <b>1.3</b> | <b>1.8</b> | <b>0.8</b> | <b>-0.2</b> | <b>0.5</b> | <b>0.5</b> | <b>0.7</b> | <b>0.9</b> | <b>0.1</b> | <b>0.7</b> | <b>1.3</b> | <b>2.3</b> |
| Food and Non-Alcoholic Beverages                                      | 2.6        | 1.1        | 3.1        | 1.0        | -0.7        | -0.4       | 0.6        | 0.9        | 1.3        | 0.3        | -0.5       | 2.6        | 3.7        |
| Food Items  | 2.5        | 0.7        | 3.2        | 1.1        | -0.9        | -0.4       | 0.5        | 0.9        | 1.3        | 0.3        | -0.6       | 2.8        | 4.0        |
| Alcoholic Beverages and Tobacco                                       | 11.6       | 5.4        | 2.1        | 1.3        | 3.6         | 2.2        | 3.5        | 7.2        | 4.4        | 2.0        | 2.1        | 3.0        | 4.5        |
| Non-Food  | 1.0        | 1.3        | 0.9        | 0.6        | 0.2         | 0.9        | 0.4        | 0.3        | 0.5        | -0.2       | 1.5        | 0.4        | 1.0        |
| Clothing and Footwear   | 0.8        | 0.6        | 0.7        | 0.5        | 0.6         | 0.6        | 0.9        | 0.6        | 0.6        | 0.4        | 0.4        | 0.2        | 0.6        |
| Housing, Water, Electricity, Gas and Other Fuels                      | 1.0        | 1.4        | 1.3        | 0.5        | 0.4         | 0.9        | -0.3       | 0.2        | 1.1        | -0.8       | 0.5        | -0.1       | 1.0        |
| Electricity, Gas and Other Fuels                                      | 1.2        | 3.3        | 2.0        | 0.1        | -0.6        | 1.4        | -3.2       | -0.1       | 1.2        | -2.9       | -0.9       | -0.2       | 2.5        |
| Furnishings, Household Equipment and Routine Maintenance of the House | 1.0        | 1.0        | 1.0        | 0.8        | 0.8         | 0.5        | 0.8        | 0.7        | 1.6        | 1.0        | 0.6        | 0.3        | 0.5        |
| Health  | 1.2        | 0.8        | 1.6        | 0.8        | 0.8         | 0.3        | 1.1        | 0.7        | 0.7        | 0.3        | 1.1        | 0.4        | 1.0        |
| Transport   | 2.2        | 1.9        | 2.1        | 0.8        | -2.4        | 2.5        | -1.0       | 0.4        | -0.8       | -1.6       | 9.2        | 1.3        | 1.9        |
| Operation of Personal Transport Equipment                             | 6.8        | 6.0        | 3.1        | -2.0       | -5.2        | 6.6        | -3.0       | 0.2        | -3.0       | -14.1      | 11.5       | -2.5       | 7.2        |
| Communication   | 0.0        | 0.1        | 0.2        | 0.1        | 0.0         | 0.1        | 0.1        | 0.1        | 0.1        | 0.0        | 0.1        | 0.1        | 0.1        |
| Recreation and Culture  | 0.3        | 0.3        | 1.6        | 1.0        | 0.3         | 0.3        | 0.6        | 0.3        | 0.3        | 0.2        | -0.6       | -0.5       | 0.3        |
| Education   | 0.0        | 1.3        | -5.0       | 0.1        | -0.1        | 1.0        | 3.3        | 0.2        | 0.0        | 0.0        | 0.3        | 0.7        | 0.0        |
| Restaurants and Miscellaneous Goods and Services                      | 1.2        | 1.3        | 1.0        | 0.9        | 0.8         | 0.6        | 0.9        | 0.5        | 0.6        | 0.4        | 0.8        | 0.6        | 1.3        |

|   | 2018       |            |            |            | 2019       |            |            |            | 2020       |            |            |            | 2021       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|   | Q1         | Q2         | Q3         | Q4         | Q1         | Q2         | Q3         | Q4         | Q1         | Q2         | Q3         | Q4         | Q1         |
| <b>All Items</b>  | <b>3.8</b> | <b>4.8</b> | <b>6.2</b> | <b>5.9</b> | <b>3.8</b> | <b>3.0</b> | <b>1.7</b> | <b>1.6</b> | <b>2.7</b> | <b>2.3</b> | <b>2.5</b> | <b>3.1</b> | <b>4.5</b> |
| Food and Non-Alcoholic Beverages                                      | 5.0        | 5.9        | 8.5        | 8.0        | 4.6        | 3.0        | 0.5        | 0.3        | 2.3        | 3.0        | 1.9        | 3.7        | 6.2        |
| Food Items  | 5.0        | 5.5        | 8.2        | 7.7        | 4.1        | 3.0        | 0.2        | 0.0        | 2.3        | 3.0        | 1.9        | 3.8        | 6.6        |
| Alcoholic Beverages and Tobacco                                       | 15.9       | 20.5       | 21.7       | 21.7       | 13.0       | 9.5        | 11.1       | 17.5       | 18.4       | 18.1       | 16.5       | 12.0       | 12.0       |
| Non-Food  | 2.6        | 3.4        | 4.1        | 3.9        | 3.0        | 2.6        | 2.1        | 1.8        | 2.1        | 1.1        | 2.2        | 2.3        | 2.8        |
| Clothing and Footwear   | 2.0        | 2.2        | 2.4        | 2.6        | 2.4        | 2.4        | 2.6        | 2.7        | 2.7        | 2.5        | 2.0        | 1.6        | 1.6        |
| Housing, Water, Electricity, Gas and Other Fuels                      | 2.7        | 3.5        | 5.2        | 4.3        | 3.7        | 3.2        | 1.6        | 1.2        | 1.9        | 0.2        | 1.0        | 0.7        | 0.7        |
| Electricity, Gas and Other Fuels                                      | 4.3        | 6.2        | 10.6       | 6.8        | 4.9        | 3.0        | -2.3       | -2.5       | -0.8       | -5.0       | -2.7       | -2.8       | -1.5       |
| Furnishings, Household Equipment and Routine Maintenance of the House | 2.4        | 2.9        | 3.5        | 3.8        | 3.7        | 3.2        | 2.9        | 2.9        | 3.6        | 4.1        | 3.9        | 3.5        | 2.4        |
| Health  | 2.2        | 2.7        | 4.0        | 4.5        | 4.1        | 3.6        | 3.1        | 3.0        | 2.9        | 2.8        | 2.8        | 2.6        | 2.8        |
| Transport   | 4.9        | 6.0        | 7.9        | 7.2        | 2.3        | 3.0        | -0.2       | -0.7       | 1.0        | -3.1       | 7.0        | 8.0        | 11.0       |
| Operation of Personal Transport Equipment                             | 13.0       | 22.1       | 23.6       | 14.5       | 1.6        | 2.1        | -3.9       | -1.8       | 0.5        | -19.0      | -6.9       | -9.4       | 0.1        |
| Communication   | 0.2        | 0.3        | 0.4        | 0.4        | 0.4        | 0.4        | 0.3        | 0.3        | 0.4        | 0.3        | 0.3        | 0.3        | 0.3        |
| Recreation and Culture  | 1.4        | 1.4        | 2.1        | 3.2        | 3.1        | 3.1        | 2.1        | 1.4        | 1.5        | 1.4        | 0.2        | -0.6       | -0.7       |
| Education   | 1.8        | 2.5        | -3.8       | -3.8       | -3.8       | -4.0       | 4.4        | 4.6        | 4.7        | 3.6        | 0.6        | 1.1        | 1.1        |
| Restaurants and Miscellaneous Goods and Services                      | 2.6        | 3.6        | 3.9        | 4.4        | 3.9        | 3.3        | 3.2        | 2.8        | 2.6        | 2.4        | 2.3        | 2.4        | 3.1        |

Source of basic data: Philippine Statistics Authority (PSA)

#### 4a CONSUMER PRICE INDEX IN THE NATIONAL CAPITAL REGION (2012=100)

for periods indicated; quarterly averages

|   | 2018         |              |              |              | 2019         |              |              |              | 2020         |              |              |              | 2021         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           |
| <b>All Items</b>  | <b>112.8</b> | <b>114.2</b> | <b>116.2</b> | <b>116.9</b> | <b>117.1</b> | <b>117.8</b> | <b>118.0</b> | <b>119.0</b> | <b>119.6</b> | <b>119.6</b> | <b>120.6</b> | <b>122.7</b> | <b>124.4</b> |
| Food and Non-Alcoholic Beverages                                      | 125.2        | 125.7        | 129.6        | 130.1        | 130.2        | 130.3        | 131.4        | 133.8        | 134.6        | 134.0        | 133.7        | 140.2        | 144.0        |
| Food Items  | 126.8        | 126.5        | 130.6        | 130.9        | 131.0        | 131.0        | 132.1        | 134.8        | 135.6        | 134.9        | 134.6        | 141.7        | 146.0        |
| Alcoholic Beverages and Tobacco                                       | 172.0        | 180.3        | 181.4        | 182.1        | 184.2        | 185.9        | 190.0        | 203.2        | 209.3        | 211.8        | 214.2        | 220.6        | 231.8        |
| Non-Food  | 106.8        | 108.4        | 109.6        | 110.4        | 110.7        | 111.6        | 111.3        | 111.6        | 112.0        | 112.2        | 113.7        | 113.9        | 114.6        |
| Clothing and Footwear   | 117.4        | 118.4        | 118.8        | 119.5        | 120.3        | 120.4        | 120.8        | 121.1        | 121.5        | 121.8        | 122.1        | 122.3        | 122.5        |
| Housing, Water, Electricity, Gas and Other Fuels                      | 103.8        | 105.7        | 106.4        | 106.8        | 107.7        | 108.6        | 107.2        | 107.3        | 107.5        | 107.0        | 107.2        | 107.3        | 108.2        |
| Electricity, Gas and Other Fuels                                      | 87.3         | 91.9         | 93.4         | 93.0         | 93.3         | 94.4         | 88.1         | 88.3         | 87.0         | 83.5         | 82.1         | 82.3         | 84.5         |
| Furnishings, Household Equipment and Routine Maintenance of the House | 113.8        | 115.5        | 116.1        | 116.6        | 117.1        | 117.3        | 117.7        | 118.0        | 121.3        | 124.1        | 124.3        | 124.4        | 124.6        |
| Health  | 115.3        | 115.9        | 119.7        | 120.1        | 121.1        | 121.2        | 122.2        | 122.4        | 123.8        | 123.8        | 125.9        | 126.0        | 127.3        |
| Transport   | 101.3        | 102.7        | 107.3        | 109.1        | 106.5        | 107.9        | 106.4        | 106.7        | 106.2        | 108.0        | 118.6        | 118.4        | 120.5        |
| Operation of Personal Transport Equipment                             | 95.5         | 99.8         | 102.8        | 100.2        | 96.3         | 101.3        | 96.7         | 97.1         | 95.8         | 84.0         | 91.8         | 90.0         | 96.9         |
| Communication   | 100.9        | 101.1        | 101.3        | 101.4        | 101.4        | 101.4        | 101.6        | 101.6        | 101.6        | 101.7        | 101.7        | 101.8        | 101.8        |
| Recreation and Culture  | 110.4        | 111.0        | 112.2        | 113.0        | 113.3        | 113.5        | 113.7        | 113.9        | 114.3        | 114.3        | 114.3        | 113.7        | 113.7        |
| Education   | 121.1        | 123.3        | 123.0        | 123.0        | 122.8        | 124.8        | 129.3        | 129.7        | 129.8        | 129.8        | 130.0        | 130.4        | 130.4        |
| Restaurants and Miscellaneous Goods and Services                      | 108.0        | 109.9        | 110.7        | 111.9        | 112.7        | 113.6        | 114.3        | 115.0        | 115.6        | 115.8        | 116.1        | 116.6        | 116.8        |
|   | 2018         |              |              |              | 2019         |              |              |              | 2020         |              |              |              | 2021         |
|   | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           |
| <b>All Items</b>  | <b>1.8</b>   | <b>1.2</b>   | <b>1.8</b>   | <b>0.6</b>   | <b>0.2</b>   | <b>0.6</b>   | <b>0.2</b>   | <b>0.8</b>   | <b>0.5</b>   | <b>0.0</b>   | <b>0.8</b>   | <b>1.7</b>   | <b>1.4</b>   |
| Food and Non-Alcoholic Beverages                                      | 2.5          | 0.4          | 3.1          | 0.4          | 0.1          | 0.1          | 0.8          | 1.8          | 0.6          | -0.4         | -0.2         | 4.9          | 2.7          |
| Food Items  | 2.5          | -0.2         | 3.2          | 0.2          | 0.1          | 0.0          | 0.8          | 2.0          | 0.6          | -0.5         | -0.2         | 5.3          | 3.0          |
| Alcoholic Beverages and Tobacco                                       | 14.4         | 4.8          | 0.6          | 0.4          | 1.2          | 0.9          | 2.2          | 6.9          | 3.0          | 1.2          | 1.1          | 3.0          | 5.1          |
| Non-Food  | 1.1          | 1.5          | 1.1          | 0.7          | 0.3          | 0.8          | -0.3         | 0.3          | 0.4          | 0.2          | 1.3          | 0.2          | 0.6          |
| Clothing and Footwear   | 0.6          | 0.9          | 0.3          | 0.6          | 0.7          | 0.1          | 0.3          | 0.2          | 0.3          | 0.2          | 0.2          | 0.2          | 0.2          |
| Housing, Water, Electricity, Gas and Other Fuels                      | 1.5          | 1.8          | 0.7          | 0.4          | 0.8          | 0.8          | -1.3         | 0.1          | 0.2          | -0.5         | 0.2          | 0.1          | 0.8          |
| Electricity, Gas and Other Fuels                                      | 1.3          | 5.3          | 1.6          | -0.4         | 0.3          | 1.2          | -6.7         | 0.2          | -1.5         | -4.0         | -1.7         | 0.2          | 2.7          |
| Furnishings, Household Equipment and Routine Maintenance of the House | 0.7          | 1.5          | 0.5          | 0.4          | 0.4          | 0.2          | 0.3          | 0.3          | 2.8          | 2.3          | 0.2          | 0.1          | 0.2          |
| Health  | 0.7          | 0.5          | 3.3          | 0.3          | 0.8          | 0.1          | 0.8          | 0.2          | 1.1          | 0.0          | 1.7          | 0.1          | 1.0          |
| Transport   | 1.8          | 1.4          | 4.5          | 1.7          | -2.4         | 1.3          | -1.4         | 0.3          | -0.5         | 1.7          | 9.8          | -0.2         | 1.8          |
| Operation of Personal Transport Equipment                             | 5.2          | 4.5          | 3.0          | -2.5         | -3.9         | 5.2          | -4.5         | 0.4          | -1.3         | -12.3        | 9.3          | -2.0         | 7.7          |
| Communication   | 0.1          | 0.2          | 0.2          | 0.1          | 0.0          | 0.0          | 0.2          | 0.0          | 0.0          | 0.1          | 0.0          | 0.1          | 0.0          |
| Recreation and Culture  | 0.2          | 0.5          | 1.1          | 0.7          | 0.3          | 0.2          | 0.2          | 0.2          | 0.4          | 0.0          | 0.0          | -0.5         | 0.0          |
| Education   | 0.0          | 1.8          | -0.2         | 0.0          | -0.2         | 1.6          | 3.6          | 0.3          | 0.1          | 0.0          | 0.2          | 0.3          | 0.0          |
| Restaurants and Miscellaneous Goods and Services                      | 1.2          | 1.8          | 0.7          | 1.1          | 0.7          | 0.8          | 0.6          | 0.6          | 0.5          | 0.2          | 0.3          | 0.4          | 0.2          |
|   | 2018         |              |              |              | 2019         |              |              |              | 2020         |              |              |              | 2021         |
|   | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           |
| <b>All Items</b>  | <b>4.8</b>   | <b>5.3</b>   | <b>6.6</b>   | <b>5.5</b>   | <b>3.8</b>   | <b>3.2</b>   | <b>1.5</b>   | <b>1.8</b>   | <b>2.1</b>   | <b>1.5</b>   | <b>2.2</b>   | <b>3.1</b>   | <b>4.0</b>   |
| Food and Non-Alcoholic Beverages                                      | 6.6          | 5.9          | 8.4          | 6.6          | 4.0          | 3.7          | 1.4          | 2.8          | 3.4          | 2.8          | 1.8          | 4.8          | 7.0          |
| Food Items  | 6.7          | 5.3          | 7.9          | 5.8          | 3.3          | 3.6          | 1.1          | 3.0          | 3.5          | 3.0          | 1.9          | 5.1          | 7.7          |
| Alcoholic Beverages and Tobacco                                       | 20.3         | 22.5         | 21.7         | 21.2         | 7.1          | 3.1          | 4.7          | 11.6         | 13.6         | 13.9         | 12.7         | 8.6          | 10.8         |
| Non-Food  | 3.7          | 4.6          | 5.3          | 4.5          | 3.7          | 3.0          | 1.6          | 1.1          | 1.2          | 0.5          | 2.2          | 2.1          | 2.3          |
| Clothing and Footwear   | 2.4          | 2.3          | 2.1          | 2.4          | 2.5          | 1.7          | 1.7          | 1.3          | 1.0          | 1.2          | 1.1          | 1.0          | 0.8          |
| Housing, Water, Electricity, Gas and Other Fuels                      | 4.3          | 5.5          | 6.7          | 4.4          | 3.8          | 2.7          | 0.8          | 0.5          | -0.2         | -1.5         | 0.0          | 0.0          | 0.7          |
| Electricity, Gas and Other Fuels                                      | 6.7          | 9.8          | 17.5         | 7.9          | 6.9          | 2.7          | -5.7         | -5.1         | -6.8         | -11.5        | -6.8         | -6.8         | -2.9         |
| Furnishings, Household Equipment and Routine Maintenance of the House | 2.4          | 3.0          | 3.1          | 3.2          | 2.9          | 1.6          | 1.4          | 1.2          | 3.6          | 5.8          | 5.6          | 5.4          | 2.7          |
| Health  | 2.8          | 2.4          | 4.5          | 4.9          | 5.0          | 4.6          | 2.1          | 1.9          | 2.2          | 2.1          | 3.0          | 2.9          | 2.8          |
| Transport   | 6.6          | 7.0          | 9.8          | 9.6          | 5.1          | 5.1          | -0.8         | -2.2         | -0.3         | 0.1          | 11.5         | 11.0         | 13.5         |
| Operation of Personal Transport Equipment                             | 14.5         | 22.3         | 20.9         | 10.4         | 0.8          | 1.5          | -5.9         | -3.1         | -0.5         | -17.1        | -5.1         | -7.3         | 1.1          |
| Communication   | 0.3          | 0.4          | 0.5          | 0.6          | 0.5          | 0.3          | 0.3          | 0.2          | 0.2          | 0.3          | 0.1          | 0.2          | 0.2          |
| Recreation and Culture  | 1.1          | 1.2          | 1.9          | 2.5          | 2.6          | 2.3          | 1.3          | 0.8          | 0.9          | 0.7          | 0.5          | -0.2         | -0.5         |
| Education   | 1.6          | 2.9          | 1.6          | 1.6          | 1.4          | 1.2          | 5.1          | 5.4          | 5.7          | 4.0          | 0.5          | 0.5          | 0.5          |
| Restaurants and Miscellaneous Goods and Services                      | 3.5          | 4.9          | 4.5          | 4.9          | 4.4          | 3.4          | 3.3          | 2.8          | 2.6          | 1.9          | 1.6          | 1.4          | 1.0          |

Source of basic data: Philippine Statistics Authority (PSA)

#### 4b CONSUMER PRICE INDEX IN AREAS OUTSIDE THE NATIONAL CAPITAL REGION (2012=100)

for periods indicated; quarterly averages

|   | 2018         |              |              |              | 2019         |              |              |              | 2020         |              |              |              | 2021         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | Q4           | Q1           |
| <b>All Items</b>  | <b>115.4</b> | <b>117.0</b> | <b>119.1</b> | <b>120.2</b> | <b>119.9</b> | <b>120.3</b> | <b>121.1</b> | <b>121.9</b> | <b>123.3</b> | <b>123.3</b> | <b>124.2</b> | <b>125.8</b> | <b>128.9</b> |
| Food and Non-Alcoholic Beverages                                      | 119.4        | 120.9        | 124.6        | 126.2        | 125.0        | 124.4        | 125.0        | 125.9        | 127.6        | 128.2        | 127.4        | 130.2        | 135.4        |
| Food  | 120.0        | 121.2        | 125.0        | 126.6        | 125.2        | 124.5        | 125.0        | 125.9        | 127.7        | 128.3        | 127.4        | 130.4        | 135.9        |
| Alcoholic Beverages and Tobacco                                       | 179.2        | 189.2        | 193.7        | 196.6        | 204.6        | 209.6        | 217.5        | 233.3        | 244.2        | 249.3        | 255.0        | 262.5        | 274.0        |
| Non-Food  | 110.7        | 112.0        | 112.8        | 113.5        | 113.7        | 114.7        | 115.3        | 115.8        | 116.5        | 116.1        | 117.9        | 118.5        | 119.9        |
| Clothing and Footwear   | 115.7        | 116.4        | 117.3        | 117.9        | 118.6        | 119.4        | 120.7        | 121.5        | 122.3        | 122.8        | 123.3        | 123.7        | 124.5        |
| Housing, Water, Electricity, Gas and Other Fuels                      | 110.6        | 112.0        | 113.6        | 114.3        | 114.7        | 115.7        | 115.9        | 116.1        | 117.6        | 116.7        | 117.3        | 117.3        | 118.6        |
| Electricity, Gas and Other Fuels                                      | 103.6        | 106.5        | 108.7        | 109.0        | 108.1        | 109.9        | 107.3        | 107.0        | 109.1        | 106.3        | 105.6        | 105.2        | 107.8        |
| Furnishings, Household Equipment and Routine Maintenance of the House | 114.8        | 115.8        | 117.1        | 118.2        | 119.3        | 120.0        | 121.1        | 122.2        | 123.7        | 124.3        | 125.2        | 125.7        | 126.5        |
| Health  | 114.0        | 115.1        | 116.5        | 117.5        | 118.5        | 119.0        | 120.4        | 121.2        | 122.1        | 122.6        | 123.7        | 124.3        | 125.5        |
| Transport   | 102.5        | 104.5        | 105.9        | 106.6        | 104.0        | 107.0        | 106.0        | 106.5        | 105.5        | 102.6        | 112.0        | 114.0        | 116.2        |
| Operation of Personal Transport Equipment                             | 92.1         | 98.0         | 101.3        | 99.4         | 93.8         | 100.4        | 97.9         | 98.1         | 94.6         | 80.7         | 90.6         | 88.1         | 94.3         |
| Communication   | 100.9        | 101.0        | 101.2        | 101.3        | 101.3        | 101.4        | 101.5        | 101.6        | 101.7        | 101.7        | 101.9        | 101.9        | 102.1        |
| Recreation and Culture  | 111.4        | 111.7        | 113.7        | 114.8        | 115.1        | 115.5        | 116.3        | 116.7        | 117.1        | 117.3        | 116.4        | 115.8        | 116.2        |
| Education   | 119.7        | 120.9        | 112.9        | 113.0        | 113.0        | 113.9        | 117.6        | 117.8        | 117.8        | 117.8        | 118.2        | 119.4        | 119.4        |
| Restaurants and Miscellaneous Goods and Services                      | 112.7        | 113.9        | 115.1        | 116.1        | 117.1        | 117.6        | 118.7        | 119.3        | 120.1        | 120.6        | 121.8        | 122.6        | 124.7        |

|   | 2018       |            |            |            | 2019        |            |            |            | 2020       |            |            |            | 2021       |
|---|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|
|   | Q1         | Q2         | Q3         | Q4         | Q1          | Q2         | Q3         | Q4         | Q1         | Q2         | Q3         | Q4         | Q1         |
| <b>All Items</b>  | <b>1.9</b> | <b>1.4</b> | <b>1.8</b> | <b>0.9</b> | <b>-0.2</b> | <b>0.3</b> | <b>0.7</b> | <b>0.7</b> | <b>1.1</b> | <b>0.0</b> | <b>0.7</b> | <b>1.3</b> | <b>2.5</b> |
| Food and Non-Alcoholic Beverages                                      | 2.6        | 1.3        | 3.1        | 1.3        | -1.0        | -0.5       | 0.5        | 0.7        | 1.4        | 0.5        | -0.6       | 2.2        | 4.0        |
| Food  | 2.5        | 1.0        | 3.1        | 1.3        | -1.1        | -0.6       | 0.4        | 0.7        | 1.4        | 0.5        | -0.7       | 2.4        | 4.2        |
| Alcoholic Beverages and Tobacco                                       | 11.0       | 5.6        | 2.4        | 1.5        | 4.1         | 2.4        | 3.8        | 7.3        | 4.7        | 2.1        | 2.3        | 2.9        | 4.4        |
| Non-Food  | 1.1        | 1.2        | 0.7        | 0.6        | 0.2         | 0.9        | 0.5        | 0.4        | 0.6        | -0.3       | 1.6        | 0.5        | 1.2        |
| Clothing and Footwear   | 0.8        | 0.6        | 0.8        | 0.5        | 0.6         | 0.7        | 1.1        | 0.7        | 0.7        | 0.4        | 0.4        | 0.3        | 0.6        |
| Housing, Water, Electricity, Gas and Other Fuels                      | 0.9        | 1.3        | 1.4        | 0.6        | 0.3         | 0.9        | 0.2        | 0.2        | 1.3        | -0.8       | 0.5        | 0.0        | 1.1        |
| Electricity, Gas and Other Fuels                                      | 1.3        | 2.8        | 2.1        | 0.3        | -0.8        | 1.7        | -2.4       | -0.3       | 2.0        | -2.6       | -0.7       | -0.4       | 2.5        |
| Furnishings, Household Equipment and Routine Maintenance of the House | 1.1        | 0.9        | 1.1        | 0.9        | 0.9         | 0.6        | 0.9        | 0.9        | 1.2        | 0.5        | 0.7        | 0.4        | 0.6        |
| Health  | 1.3        | 1.0        | 1.2        | 0.9        | 0.9         | 0.4        | 1.2        | 0.7        | 0.7        | 0.4        | 0.9        | 0.5        | 1.0        |
| Transport   | 2.4        | 2.0        | 1.3        | 0.7        | -2.4        | 2.9        | -0.9       | 0.5        | -0.9       | -2.7       | 9.2        | 1.8        | 1.9        |
| Operation of Personal Transport Equipment                             | 7.3        | 6.4        | 3.4        | -1.9       | -5.6        | 7.0        | -2.5       | 0.2        | -3.6       | -14.7      | 12.3       | -2.8       | 7.0        |
| Communication   | 0.0        | 0.1        | 0.2        | 0.1        | 0.0         | 0.1        | 0.1        | 0.1        | 0.1        | 0.0        | 0.2        | 0.0        | 0.2        |
| Recreation and Culture  | 0.3        | 0.3        | 1.8        | 1.0        | 0.3         | 0.3        | 0.7        | 0.3        | 0.3        | 0.2        | -0.8       | -0.5       | 0.3        |
| Education   | 0.0        | 1.0        | -6.6       | 0.1        | 0.0         | 0.8        | 3.2        | 0.2        | 0.0        | 0.0        | 0.3        | 1.0        | 0.0        |
| Restaurants and Miscellaneous Goods and Services                      | 1.1        | 1.1        | 1.1        | 0.9        | 0.9         | 0.4        | 0.9        | 0.5        | 0.7        | 0.4        | 1.0        | 0.7        | 1.7        |

|   | 2018       |            |            |            | 2019       |            |            |            | 2020       |            |            |            | 2021       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|   | Q1         | Q2         | Q3         | Q4         | Q1         | Q2         | Q3         | Q4         | Q1         | Q2         | Q3         | Q4         | Q1         |
| <b>All Items</b>  | <b>3.6</b> | <b>4.7</b> | <b>6.1</b> | <b>6.1</b> | <b>3.9</b> | <b>2.8</b> | <b>1.7</b> | <b>1.4</b> | <b>2.8</b> | <b>2.5</b> | <b>2.6</b> | <b>3.2</b> | <b>4.5</b> |
| Food and Non-Alcoholic Beverages                                      | 4.6        | 5.9        | 8.4        | 8.4        | 4.7        | 2.9        | 0.3        | -0.2       | 2.1        | 3.1        | 1.9        | 3.4        | 6.1        |
| Food  | 4.7        | 5.7        | 8.3        | 8.1        | 4.3        | 2.7        | 0.0        | -0.6       | 2.0        | 3.1        | 1.9        | 3.6        | 6.4        |
| Alcoholic Beverages and Tobacco                                       | 15.0       | 20.1       | 21.6       | 21.8       | 14.2       | 10.8       | 12.3       | 18.7       | 19.4       | 18.9       | 17.2       | 12.5       | 12.2       |
| Non-Food  | 2.3        | 3.0        | 3.7        | 3.7        | 2.7        | 2.4        | 2.2        | 2.0        | 2.5        | 1.2        | 2.3        | 2.3        | 2.9        |
| Clothing and Footwear   | 1.8        | 2.2        | 2.5        | 2.7        | 2.5        | 2.6        | 2.9        | 3.1        | 3.1        | 2.8        | 2.2        | 1.8        | 1.8        |
| Housing, Water, Electricity, Gas and Other Fuels                      | 2.1        | 2.8        | 4.6        | 4.3        | 3.7        | 3.3        | 2.0        | 1.6        | 2.5        | 0.9        | 1.2        | 1.0        | 0.9        |
| Electricity, Gas and Other Fuels                                      | 3.6        | 5.1        | 8.8        | 6.5        | 4.3        | 3.2        | -1.3       | -1.8       | 0.9        | -3.3       | -1.6       | -1.7       | -1.2       |
| Furnishings, Household Equipment and Routine Maintenance of the House | 2.4        | 2.9        | 3.5        | 4.0        | 3.9        | 3.6        | 3.4        | 3.4        | 3.7        | 3.6        | 3.4        | 2.9        | 2.3        |
| Health  | 2.1        | 2.9        | 3.8        | 4.4        | 3.9        | 3.4        | 3.3        | 3.1        | 3.0        | 3.0        | 2.7        | 2.6        | 2.8        |
| Transport   | 4.5        | 5.8        | 7.3        | 6.5        | 1.5        | 2.4        | 0.1        | -0.1       | 1.4        | -4.1       | 5.7        | 7.0        | 10.1       |
| Operation of Personal Transport Equipment                             | 12.7       | 21.9       | 24.6       | 15.9       | 1.8        | 2.4        | -3.4       | -1.3       | 0.9        | -19.6      | -7.5       | -10.2      | -0.3       |
| Communication   | 0.2        | 0.3        | 0.4        | 0.4        | 0.4        | 0.4        | 0.3        | 0.3        | 0.4        | 0.3        | 0.4        | 0.3        | 0.4        |
| Recreation and Culture  | 1.5        | 1.5        | 2.2        | 3.3        | 3.3        | 3.4        | 2.3        | 1.7        | 1.7        | 1.6        | 0.1        | -0.8       | -0.8       |
| Education   | 1.9        | 2.4        | -5.7       | -5.6       | -5.6       | -5.8       | 4.2        | 4.2        | 4.2        | 3.4        | 0.5        | 1.4        | 1.4        |
| Restaurants and Miscellaneous Goods and Services                      | 2.2        | 3.1        | 3.7        | 4.1        | 3.9        | 3.2        | 3.1        | 2.8        | 2.6        | 2.6        | 2.6        | 2.8        | 3.8        |

Source of basic data: Philippine Statistics Authority (PSA)

## 5 MONETARY INDICATORS <sup>1</sup>

as of periods indicated; in billion pesos

|  | 2018   |        |        |        | 2019   |        |        |        | 2020   |                 |                 |                  | 2021            |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|-----------------|------------------|-----------------|
|  | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     | Q2 <sup>f</sup> | Q3 <sup>f</sup> | Q4 <sup>pr</sup> | Q1 <sup>p</sup> |
| A. Liquidity   |        |        |        |        |        |        |        |        |        |                 |                 |                  |                 |
| 1. M4 (2 + 7)  | 12,795 | 12,962 | 13,133 | 13,610 | 13,565 | 13,787 | 14,025 | 14,950 | 15,138 | 15,585          | 15,584          | 16,240           | 16,163          |
| 2. M3: Broad Money Liabilities (3 + 6)   | 10,919 | 11,067 | 11,179 | 11,643 | 11,584 | 11,802 | 12,028 | 12,976 | 13,065 | 13,523          | 13,498          | 14,217           | 14,151          |
| % to GDP   | 64.6   | 63.9   | 62.9   | 63.7   | 62.3   | 62.5   | 62.8   | 66.5   | 66.9   | 71.9            | 73.8            | 79.3             | 79.3            |
| 3. M2 (4 + 5)  | 10,481 | 10,616 | 10,707 | 11,080 | 10,977 | 11,181 | 11,408 | 12,293 | 12,379 | 12,808          | 12,832          | 13,563           | 13,471          |
| % to GDP   | 62.0   | 61.3   | 60.3   | 60.7   | 59.0   | 59.2   | 59.5   | 63.0   | 63.4   | 68.1            | 70.2            | 75.6             | 75.5            |
| 4. M1: Currency Outside Depository Corporations and Transferable Deposits (Narrow Money) | 3,666  | 3,735  | 3,716  | 3,889  | 3,889  | 3,940  | 4,097  | 4,500  | 4,805  | 4,950           | 5,029           | 5,456            | 5,474           |
| % to GDP   | 21.7   | 21.6   | 20.9   | 21.3   | 20.9   | 20.9   | 21.4   | 23.1   | 24.6   | 26.3            | 27.5            | 30.4             | 30.7            |
| a. Currency Outside Depository Corporations (Currency in Circulation)                    | 1,057  | 1,050  | 1,066  | 1,232  | 1,189  | 1,182  | 1,181  | 1,396  | 1,420  | 1,542           | 1,533           | 1,732            | 1,646           |
| b. Transferable Deposits (Demand Deposits)   | 2,610  | 2,685  | 2,650  | 2,657  | 2,701  | 2,758  | 2,916  | 3,105  | 3,385  | 3,407           | 3,496           | 3,724            | 3,828           |
| 5. Other Deposits Included in Broad Money  | 6,815  | 6,881  | 6,991  | 7,191  | 7,088  | 7,241  | 7,311  | 7,793  | 7,574  | 7,859           | 7,803           | 8,107            | 7,997           |
| a. Savings Deposits  | 4,477  | 4,580  | 4,692  | 4,673  | 4,571  | 4,576  | 4,667  | 4,969  | 4,994  | 5,252           | 5,396           | 5,719            | 5,822           |
| b. Time Deposits   | 2,338  | 2,301  | 2,299  | 2,519  | 2,517  | 2,665  | 2,644  | 2,824  | 2,580  | 2,606           | 2,407           | 2,387            | 2,176           |
| 6. Securities Other Than Shares Included in Broad Money                                  | 438    | 451    | 472    | 563    | 607    | 621    | 620    | 683    | 686    | 714             | 666             | 655              | 679             |
| 7. Transferable and Other Deposits in Foreign Currency - Residents                       | 1,876  | 1,894  | 1,954  | 1,967  | 1,982  | 1,985  | 1,998  | 1,974  | 2,073  | 2,062           | 2,085           | 2,023            | 2,012           |
| 8. Liabilities Excluded from Broad Money   | 2,619  | 2,782  | 2,867  | 2,886  | 2,942  | 2,959  | 3,220  | 3,226  | 3,127  | 3,400           | 3,657           | 3,790            | 3,772           |
| B. Domestic Claims   | 10,793 | 11,204 | 11,540 | 12,035 | 11,789 | 12,007 | 12,415 | 13,318 | 13,116 | 13,504          | 13,419          | 13,934           | 13,852          |
| 1. Net Claims on Central Government  | 1,778  | 1,816  | 1,826  | 1,911  | 1,782  | 1,751  | 1,924  | 2,364  | 2,166  | 2,675           | 2,795           | 3,087            | 3,193           |
| Claims on Central Government   | 2,486  | 2,555  | 2,591  | 2,690  | 2,940  | 3,039  | 2,991  | 2,953  | 3,448  | 4,011           | 4,212           | 4,432            | 5,223           |
| Less: Liabilities to Central Government  | 708    | 739    | 765    | 779    | 1,158  | 1,288  | 1,067  | 589    | 1,282  | 1,337           | 1,417           | 1,345            | 2,031           |
| 2. Claims on Other Sectors   | 9,015  | 9,388  | 9,714  | 10,124 | 10,007 | 10,256 | 10,491 | 10,954 | 10,949 | 10,829          | 10,624          | 10,847           | 10,660          |
| Claims on Other Financial Corporations   | 879    | 957    | 1,042  | 1,088  | 1,111  | 1,125  | 1,175  | 1,232  | 1,171  | 1,165           | 1,177           | 1,146            | 1,131           |
| Claims on State and Local Government   | 82     | 82     | 84     | 87     | 92     | 95     | 97     | 99     | 99     | 98              | 99              | 104              | 105             |
| Claims on Public Nonfinancial Corporations   | 281    | 272    | 248    | 261    | 261    | 243    | 240    | 260    | 255    | 231             | 232             | 266              | 257             |
| Claims on Private Sector   | 7,773  | 8,077  | 8,341  | 8,687  | 8,543  | 8,793  | 8,979  | 9,363  | 9,424  | 9,335           | 9,116           | 9,332            | 9,167           |
| C. Net Foreign Assets  | 4,622  | 4,539  | 4,460  | 4,461  | 4,718  | 4,739  | 4,831  | 4,858  | 5,150  | 5,481           | 5,821           | 6,096            | 6,082           |
| 1. Bangko Sentral ng Pilipinas   | 4,130  | 4,064  | 3,977  | 4,089  | 4,326  | 4,280  | 4,364  | 4,399  | 4,476  | 4,663           | 4,876           | 5,303            | 5,234           |
| Claims on Non-Residents  | 4,217  | 4,150  | 4,064  | 4,172  | 4,411  | 4,361  | 4,446  | 4,479  | 4,556  | 4,742           | 4,952           | 5,379            | 5,311           |
| Less: Liabilities to Non-Residents   | 87     | 85     | 87     | 83     | 84     | 81     | 82     | 80     | 80     | 78              | 76              | 76               | 77              |
| 2. Other Depository Corporations   | 492    | 475    | 483    | 372    | 392    | 459    | 467    | 459    | 674    | 818             | 945             | 793              | 848             |
| Claims on Non-Residents  | 1,367  | 1,374  | 1,449  | 1,502  | 1,513  | 1,583  | 1,694  | 1,655  | 1,678  | 1,667           | 1,781           | 1,773            | 1,712           |
| Less: Liabilities to Non-Residents   | 876    | 899    | 966    | 1,130  | 1,121  | 1,125  | 1,227  | 1,196  | 1,004  | 849             | 836             | 980              | 864             |
| YEAR-ON-YEAR CHANGE (in percent)   |        |        |        |        |        |        |        |        |        |                 |                 |                  |                 |
|  | 2018   |        |        |        | 2019   |        |        |        | 2020   |                 |                 |                  | 2021            |
|  | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     | Q2 <sup>f</sup> | Q3 <sup>f</sup> | Q4 <sup>pr</sup> | Q1 <sup>p</sup> |
| A. Liquidity   |        |        |        |        |        |        |        |        |        |                 |                 |                  |                 |
| 1. M4 (2 + 7)  | 13.4   | 11.2   | 9.0    | 9.0    | 6.0    | 6.4    | 6.8    | 9.8    | 11.6   | 13.0            | 11.1            | 8.6              | 6.8             |
| 2. M3: Broad Money Liabilities (3 + 6)   | 14.4   | 11.8   | 9.9    | 9.5    | 6.1    | 6.6    | 7.6    | 11.5   | 12.8   | 14.6            | 12.2            | 9.6              | 8.3             |
| 3. M2 (4 + 5)  | 14.0   | 11.4   | 9.6    | 8.6    | 4.7    | 5.3    | 6.5    | 10.9   | 12.8   | 14.6            | 12.5            | 10.3             | 8.8             |
| 4. M1: Currency Outside Depository Corporations and Transferable Deposits (Narrow Money) | 17.8   | 15.2   | 11.4   | 9.5    | 6.1    | 5.5    | 10.2   | 15.7   | 23.5   | 25.6            | 22.8            | 21.2             | 13.9            |
| a. Currency Outside Depository Corporations (Currency in Circulation)                    | 19.0   | 16.6   | 15.1   | 17.6   | 12.5   | 12.5   | 10.8   | 13.3   | 19.4   | 30.5            | 29.9            | 24.1             | 15.9            |
| b. Transferable Deposits (Demand Deposits)   | 17.3   | 14.7   | 10.0   | 6.1    | 3.5    | 2.8    | 10.0   | 16.8   | 25.4   | 23.5            | 19.9            | 20.0             | 13.1            |
| 5. Other Deposits Included in Broad Money  | 12.1   | 9.4    | 8.6    | 8.1    | 4.0    | 5.2    | 4.6    | 8.4    | 6.9    | 8.5             | 6.7             | 4.0              | 5.6             |
| a. Savings Deposits  | 9.6    | 9.4    | 9.9    | 6.0    | 2.1    | -0.1   | -0.5   | 6.4    | 9.3    | 14.8            | 15.6            | 15.1             | 16.6            |
| b. Time Deposits   | 17.3   | 9.4    | 6.0    | 12.3   | 7.7    | 15.8   | 15.0   | 12.1   | 2.5    | -2.2            | -8.9            | -15.4            | -15.7           |
| 6. Securities Other Than Shares Included in Broad Money                                  | 23.5   | 23.3   | 17.8   | 29.7   | 38.4   | 37.6   | 31.2   | 21.4   | 13.1   | 15.1            | 7.5             | -4.1             | -0.9            |
| 7. Transferable and Other Deposits in Foreign Currency - Residents                       | 7.6    | 7.6    | 4.0    | 6.3    | 5.6    | 4.8    | 2.2    | 0.3    | 4.6    | 3.9             | 4.4             | 2.5              | -2.9            |
| 8. Liabilities Excluded from Broad Money   | 5.0    | 16.8   | 15.4   | 20.6   | 12.3   | 6.4    | 12.3   | 11.8   | 6.3    | 14.9            | 13.5            | 17.5             | 20.6            |
| B. Domestic Claims   | 14.8   | 16.4   | 15.0   | 14.9   | 9.2    | 7.2    | 7.6    | 10.7   | 11.3   | 12.5            | 8.1             | 4.6              | 5.6             |
| 1. Net Claims on Central Government  | 6.8    | 12.5   | 11.4   | 16.9   | 0.2    | -3.6   | 5.4    | 23.7   | 21.6   | 52.8            | 45.3            | 30.6             | 47.4            |
| Claims on Central Government   | 12.7   | 10.4   | 12.1   | 12.1   | 18.3   | 18.9   | 15.4   | 9.8    | 17.3   | 32.0            | 40.9            | 50.1             | 51.5            |
| Less: Liabilities to Central Government  | 30.6   | 5.6    | 13.8   | 1.9    | 63.6   | 74.3   | 39.4   | -24.4  | 10.7   | 3.8             | 32.8            | 128.1            | 58.4            |
| 2. Claims on Other Sectors   | 16.5   | 17.2   | 15.7   | 14.5   | 11.0   | 9.2    | 8.0    | 8.2    | 9.4    | 5.6             | 1.3             | -1.0             | -2.6            |
| Claims on Other Financial Corporations   | 10.9   | 22.7   | 24.6   | 17.7   | 26.3   | 17.5   | 12.8   | 13.2   | 5.4    | 3.6             | 0.2             | -7.0             | -3.4            |
| Claims on State and Local Government   | -0.8   | -4.3   | 4.0    | 7.9    | 12.3   | 16.7   | 16.0   | 13.3   | 7.3    | 2.5             | 1.6             | 4.8              | 6.0             |
| Claims on Public Nonfinancial Corporations   | 9.1    | 2.8    | -18.3  | -8.5   | -7.0   | -10.9  | -3.6   | -0.4   | -2.3   | -4.7            | -3.2            | 2.4              | 0.8             |
| Claims on Private Sector   | 17.6   | 17.4   | 16.2   | 15.1   | 9.9    | 8.9    | 7.7    | 7.8    | 10.3   | 6.2             | 1.5             | -0.3             | -2.7            |
| C. Net Foreign Assets  | 5.6    | 2.8    | -0.9   | 1.3    | 2.1    | 4.4    | 8.3    | 8.9    | 9.1    | 15.7            | 20.5            | 25.5             | 18.1            |
| 1. Bangko Sentral ng Pilipinas   | 3.5    | 0.8    | -1.6   | 2.1    | 4.7    | 5.3    | 9.7    | 7.6    | 3.5    | 9.0             | 11.7            | 20.5             | 16.9            |
| Claims on Non-Residents  | 3.6    | 0.9    | -1.5   | 2.1    | 4.6    | 5.1    | 9.4    | 7.4    | 3.3    | 8.7             | 11.4            | 20.1             | 16.6            |
| Less: Liabilities to Non-Residents   | 9.6    | 6.3    | 5.3    | 2.9    | -2.6   | -4.8   | -6.1   | -3.8   | -5.1   | -3.5            | -6.7            | -5.1             | -3.6            |
| 2. Other Depository Corporations   | 27.5   | 23.5   | 5.5    | -6.9   | -20.3  | -3.4   | -3.2   | 23.3   | 71.9   | 78.3            | 102.3           | 72.8             | 25.9            |
| Claims on Non-Residents  | 11.2   | 10.3   | 11.1   | 15.9   | 10.6   | 15.2   | 16.9   | 10.2   | 10.9   | 5.3             | 5.1             | 7.2              | 2.0             |
| Less: Liabilities to Non-Residents   | 3.8    | 4.4    | 14.1   | 26.0   | 28.0   | 25.1   | 27.0   | 5.9    | -10.4  | -24.5           | -31.9           | -18.0            | -14.0           |
| CONTRIBUTION TO YEAR-ON-YEAR CHANGES IN M3 (in percent)                                  |        |        |        |        |        |        |        |        |        |                 |                 |                  |                 |
|  | 2018   |        |        |        | 2019   |        |        |        | 2020   |                 |                 |                  | 2021            |
|  | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     | Q2 <sup>f</sup> | Q3 <sup>f</sup> | Q4 <sup>pr</sup> | Q1 <sup>p</sup> |
| M3: Broad Money Liabilities  | 14.4   | 11.8   | 9.9    | 9.5    | 6.1    | 6.6    | 7.6    | 11.5   | 12.8   | 14.6            | 12.2            | 9.6              | 8.3             |
| 1. M2 (2 + 3)  | 13.5   | 11.0   | 9.2    | 8.3    | 4.5    | 5.1    | 6.3    | 10.4   | 12.1   | 13.8            | 11.8            | 9.8              | 8.4             |
| 2. M1: Currency Outside Depository Corporations and Transferable Deposits (Narrow Money) | 5.8    | 5.0    | 3.7    | 3.2    | 2.0    | 1.9    | 3.4    | 5.3    | 7.9    | 8.6             | 7.7             | 7.4              | 5.1             |
| a. Currency Outside Depository Corporations (Currency in Circulation)                    | 1.8    | 1.5    | 1.4    | 1.7    | 1.2    | 1.2    | 1.0    | 1.4    | 2.0    | 3.1             | 2.9             | 2.6              | 1.7             |
| b. Transferable Deposits (Demand Deposits)   | 4.0    | 3.5    | 2.4    | 1.4    | 0.8    | 0.7    | 2.4    | 3.8    | 5.9    | 5.5             | 4.8             | 4.8              | 3.4             |
| 3. Other Deposits Included in Broad Money  | 7.7    | 6.0    | 5.4    | 5.1    | 2.5    | 3.2    | 2.9    | 5.2    | 4.2    | 5.2             | 4.1             | 2.4              | 3.2             |
| a. Savings Deposits  | 4.1    | 4.0    | 4.2    | 2.5    | 0.9    | .      | -0.2   | 2.5    | 3.7    | 5.7             | 6.1             | 5.8              | 6.3             |
| b. Time Deposits   | 3.6    | 2.0    | 1.3    | 2.6    | 1.6    | 3.3    | 3.1    | 2.6    | 0.5    | -0.5            | -2.0            | -3.4             | -3.1            |
| 4. Securities Other Than Shares Included in Broad Money                                  | 0.9    | 0.9    | 0.7    | 1.2    | 1.5    | 1.5    | 1.3    | 1.0    | 0.7    | 0.8             | 0.4             | -0.2             | .               |
| M3: Broad Money Liabilities  | 14.4   | 11.8   | 9.9    | 9.5    | 6.1    | 6.6    | 7.6    | 11.5   | 12.8   | 14.6            | 12.2            | 9.6              | 8.3             |
| 1. Domestic Claims   | 14.5   | 16.0   | 14.8   | 14.6   | 9.1    | 7.3    | 7.8    | 11.0   | 11.5   | 12.7            | 8.4             | 4.7              | 5.6             |
| a. Net Claims on Central Government  | 1.2    | 2.0    | 1.8    | 2.6    | .      | -0.6   | 0.9    | 3.9    | 3.3    | 7.8             | 7.2             | 5.6              | 7.9             |
| Claims on Central Government   | 2.9    | 2.4    | 2.8    | 2.7    | 4.2    | 4.4    | 3.6    | 2.3    | 4.4    | 8.2             | 10.2            | 11.4             | 13.6            |
| Less: Liabilities to Central Government  | 1.7    | 0.4    | 0.9    | 0.1    | 4.1    | 5.0    | 2.7    | -1.6   | 1.1    | 0.4             | 2.9             | 5.8              | 5.7             |
| b. Claims on Other Sectors   | 13.4   | 13.9   | 12.9   | 12.1   | 9.1    | 7.8    | 6.9    | 7.1    | 8.1    | 4.9             | 1.1             | -0.8             | -2.2            |
| Claims on Other Financial Corporations   | 0.9    | 1.8    | 2.0    | 1.5    | 2.1    | 1.5    | 1.2    | 1.2    | 0.5    | 0.3             | .               | -0.7             | -0.3            |
| Claims on State and Local Government   | .      | .      | .      | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | 0.1    | .               | .               | .                | .               |
| Claims on Public Nonfinancial Corporations   | 0.2    | 0.1    | -0.5   | -0.2   | -0.2   | -0.3   | -0.1   | .      | -0.1   | -0.1            | -0.1            | .                | .               |
| Claims on Private Sector   | 12.2   | 12.1   | 11.4   | 10.7   | 7.1    | 6.5    | 5.7    | 5.8    | 7.6    | 4.6             | 1.1             | -0.2             | -2.0            |
| 2. Net Foreign Assets  | 2.6    | 1.2    | -0.4   | 0.5    | 0.9    | 1.8    | 3.3    | 3.4    | 3.7    | 6.3             | 8.2             | 9.5              | 7.1             |
| a. Bangko Sentral ng Pilipinas   | 1.4    | 0.3    | -0.6   | 0.8    | 1.8    | 1.9    | 3.5    | 2.7    |        |                 |                 |                  |                 |

**6 SELECTED DOMESTIC INTEREST RATES**  
for periods indicated; in percent per annum

|   | NOMINAL INTEREST RATES |        |        |        |        |        |        |        |        |        |        |        |        |
|---|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | 2018                   |        |        |        | 2019   |        |        |        | 2020   |        |        |        | 2021   |
|   | Q1                     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     |
| Bank Interest Rates                         |                        |        |        |        |        |        |        |        |        |        |        |        |        |
| Interbank Call Loans                        | 3.0794                 | 3.2855 | 4.0293 | 4.7553 | 5.1365 | 5.0769 | 4.5025 | 4.0458 | 3.6567 | 3.1745 | 1.9038 | 1.8982 | 1.5517 |
| Savings Deposits <sup>1,2</sup>             | 0.7420                 | 0.7840 | 0.9190 | 1.1350 | 1.3480 | 1.3090 | 1.2780 | 0.9890 | -      | -      | -      | -      | -      |
| Time Deposits (All Maturities) <sup>1</sup> | 2.5260                 | 2.6300 | 3.1940 | 4.0610 | 4.7470 | 4.5340 | 3.5270 | 3.1280 | -      | -      | -      | -      | -      |
| Lending Rates <sup>1</sup>                  |                        |        |        |        |        |        |        |        |        |        |        |        |        |
| High  | 6.6208                 | 6.9164 | 7.0562 | 7.8424 | 8.3720 | 8.5076 | 7.8361 | 7.3549 | -      | -      | -      | -      | -      |
| Low   | 4.1654                 | 4.3067 | 4.5897 | 5.2283 | 5.6607 | 5.8173 | 5.4369 | 5.0724 | -      | -      | -      | -      | -      |
| All Maturities <sup>3</sup>                 | 5.6410                 | 5.8930 | 6.1860 | 6.7580 | 7.1230 | 7.2950 | 7.1590 | 6.7960 | -      | -      | -      | -      | -      |
| Bangko Sentral Rates <sup>4</sup>           |                        |        |        |        |        |        |        |        |        |        |        |        |        |
| Overnight Lending Facility (OLF)            | 3.5000                 | 4.0000 | 5.0000 | 5.2500 | 5.2500 | 5.0000 | 4.5000 | 4.5000 | 3.7500 | 2.7500 | 2.7500 | 2.5000 | 2.5000 |
| Overnight RRP Facility                      | 3.0000                 | 3.5000 | 4.5000 | 4.7500 | 4.7500 | 4.5000 | 4.0000 | 4.0000 | 3.2500 | 2.2500 | 2.2500 | 2.0000 | 2.0000 |
| Overnight Deposit Facility (ODF)            | 2.5000                 | 3.0000 | 4.0000 | 4.2500 | 4.2500 | 4.0000 | 3.5000 | 3.5000 | 2.7500 | 1.7500 | 1.7500 | 1.5000 | 1.5000 |
| Term Deposit Facility (TDF)                 | 3.2344                 | 3.8114 | 4.4354 | 5.1973 | 5.0076 | 4.6621 | 4.4166 | 4.3206 | 3.7583 | 2.2505 | 1.8433 | 1.7040 | 1.8597 |
| 7-day                                       | 3.1651                 | 3.7523 | 4.4215 | 5.1903 | 4.9831 | 4.6240 | 4.3589 | 4.2776 | 3.7557 | 2.2504 | 1.8377 | 1.7115 | 1.8280 |
| 14-day                                      | 3.2788                 | 3.8689 | 4.4722 | 5.2014 | 5.0567 | 4.7002 | 4.4391 | 4.3337 | 3.7757 | 2.2508 | 1.8485 | 1.7003 | 1.8727 |
| 28-day                                      | 3.4232                 | 3.8471 | 4.4877 | 5.2094 | ..     | ..     | 4.4577 | 4.3542 | 3.7436 | ..     | 1.8426 | ..     | ..     |
| BSP Securities <sup>5</sup>                 |                        |        |        |        |        |        |        |        |        |        |        |        |        |
| 28-day                                      | ...                    | ...    | ...    | ...    | ...    | ...    | ...    | ...    | ...    | ...    | 1.8423 | 1.6837 | 1.9343 |
| Rate on Government Securities               |                        |        |        |        |        |        |        |        |        |        |        |        |        |
| Treasury Bills, All Maturities              | 2.7720                 | 3.7560 | 4.2340 | 5.9730 | 5.9415 | 5.4743 | 3.7611 | 3.3083 | 3.5066 | 2.4743 | 1.5377 | 1.4921 | 1.3996 |
| 35-Day                                      | ...                    | ...    | ...    | ...    | ...    | ...    | ...    | ...    | ..     | 2.1050 | 1.1600 | ...    | ...    |
| 91-Day                                      | 2.6370                 | 3.4080 | 3.2830 | 5.1050 | 5.5836 | 5.2038 | 3.4150 | 3.1183 | 3.1608 | 2.5157 | 1.2641 | 1.0461 | 1.0241 |
| 182-Day                                     | 2.8130                 | 3.8290 | 4.1900 | 6.1060 | 5.9998 | 5.5521 | 3.7227 | 3.2289 | 3.4498 | 2.5228 | 1.5482 | 1.4817 | 1.3183 |
| 364-Day                                     | 3.0880                 | 4.2620 | 4.8920 | 6.3570 | 6.0978 | 5.6268 | 4.0402 | 3.5284 | 3.7887 | 2.6641 | 1.7883 | 1.7450 | 1.6668 |

|   | REAL INTEREST RATES <sup>6</sup> |         |         |         |         |         |         |         |        |         |         |         |         |
|---|----------------------------------|---------|---------|---------|---------|---------|---------|---------|--------|---------|---------|---------|---------|
|   | 2018                             |         |         |         | 2019    |         |         |         | 2020   |         |         |         | 2021    |
|   | Q1                               | Q2      | Q3      | Q4      | Q1      | Q2      | Q3      | Q4      | Q1     | Q2      | Q3      | Q4      | Q1      |
| Bank Interest Rates                         |                                  |         |         |         |         |         |         |         |        |         |         |         |         |
| Interbank Call Loans                        | -0.7206                          | -1.5145 | -2.1707 | -1.1447 | 1.3365  | 2.0769  | 2.8025  | 2.4458  | 0.9567 | 0.8745  | -0.5962 | -1.2018 | -2.9483 |
| Savings Deposits <sup>1,2</sup>             | -3.0580                          | -4.0160 | -5.2810 | -4.7650 | -2.4520 | -1.6910 | -0.4220 | -0.6610 | -      | -       | -       | -       | -       |
| Time Deposits (All Maturities) <sup>1</sup> | -1.2740                          | -2.1700 | -3.0060 | -1.8390 | 0.9470  | 1.5340  | 1.8270  | 1.5280  | -      | -       | -       | -       | -       |
| Lending Rates <sup>1</sup>                  | -3.8000                          | -4.8000 | -6.2000 | -5.9000 | -3.8000 | -3.0000 | -1.7000 | -1.6000 |        |         |         |         |         |
| High  | 2.8208                           | 2.1164  | 0.8562  | 1.9424  | 4.5720  | 5.5076  | 6.1361  | 5.7549  | -      | -       | -       | -       | -       |
| Low   | 0.3654                           | -0.4933 | -1.6103 | -0.6717 | 1.8607  | 2.8173  | 3.7369  | 3.4724  | -      | -       | -       | -       | -       |
| All Maturities <sup>3</sup>                 | 1.8410                           | 1.0930  | -0.0140 | 0.8580  | 3.3230  | 4.2950  | 5.4590  | 5.1960  | -      | -       | -       | -       | -       |
| Bangko Sentral Rates <sup>4</sup>           |                                  |         |         |         |         |         |         |         |        |         |         |         |         |
| Overnight Lending Facility (OLF)            | -0.3000                          | -0.8000 | -1.2000 | -0.6500 | 1.4500  | 2.0000  | 2.8000  | 2.9000  | 1.0500 | 0.4500  | 0.2500  | -0.6000 | -2.0000 |
| Overnight RRP Facility                      | -0.8000                          | -1.3000 | -1.7000 | -1.1500 | 0.9500  | 1.5000  | 2.3000  | 2.4000  | 0.5500 | -0.0500 | -0.2500 | -1.1000 | -2.5000 |
| Overnight Deposit Facility (ODF)            | -1.3000                          | -1.8000 | -2.2000 | -1.6500 | 0.4500  | 1.0000  | 1.8000  | 1.9000  | 0.0500 | -0.5500 | -0.7500 | -1.6000 | -3.0000 |
| Term Deposit Facility (TDF)                 | -0.5656                          | -0.9886 | -1.7646 | -0.7027 | 1.2076  | 1.6621  | 2.7166  | 2.7206  | 1.0583 | -0.0495 | -0.6567 | -1.3960 | -2.6403 |
| 7-day                                       | -0.6349                          | -1.0477 | -1.7785 | -0.7097 | 1.1831  | 1.6240  | 2.6589  | 2.6776  | 1.0557 | -0.0496 | -0.6623 | -1.3885 | -2.6720 |
| 14-day                                      | -0.5212                          | -0.9311 | -1.7278 | -0.6986 | 1.2567  | 1.7002  | 2.7391  | 2.7337  | 1.0757 | -0.0492 | -0.6515 | -1.3997 | -2.6273 |
| 28-day                                      | -0.3768                          | -0.9529 | -1.7123 | -0.6906 | ..      | ..      | 2.7577  | 2.7542  | 1.0436 | ..      | -0.6574 | ..      | ..      |
| BSP Securities <sup>5</sup>                 |                                  |         |         |         |         |         |         |         |        |         |         |         |         |
| 28-day                                      | ...                              | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ...    | ...     | -0.6577 | -1.4163 | -2.5657 |
| Rate on Government Securities               |                                  |         |         |         |         |         |         |         |        |         |         |         |         |
| Treasury Bills, All Maturities              | -1.0280                          | -1.0440 | -1.9660 | 0.0720  | 2.1415  | 2.4743  | 2.0611  | 1.7083  | 0.8066 | 0.1743  | -0.9623 | -1.6079 | -3.1004 |
| 35-Day                                      | ...                              | ...     | ...     | ...     | ...     | ...     | ...     | ...     | ..     | -0.1950 | -1.3400 | ..      | ...     |
| 91-Day                                      | -1.1630                          | -1.3920 | -2.9170 | -0.7950 | 1.7836  | 2.2038  | 1.7150  | 1.5183  | 0.4608 | 0.2157  | -1.2359 | -2.0539 | -3.4759 |
| 182-Day                                     | -0.9870                          | -0.9710 | -2.0100 | 0.2060  | 2.1998  | 2.5521  | 2.0227  | 1.6289  | 0.7498 | 0.2228  | -0.9518 | -1.6183 | -3.1817 |
| 364-Day                                     | -0.7120                          | -0.5380 | -1.3080 | 0.4570  | 2.2978  | 2.6268  | 2.3402  | 1.9284  | 1.0887 | 0.3641  | -0.7118 | -1.3550 | -2.8332 |

<sup>1</sup> Starting 1 January 2020, universal and commercial banks are required to submit the amended reporting templates on banks' lending and deposit rates or "Interest Rates on Loans and with Deposits (IRLD)" in accordance Circular Nos. 1029 and 1037, series of 2019. In view of the gradual lifting of the suspension of submission of bank reports amid the New Economy Arrangement (NEA), banks' submission of IRLD reports is not yet complete.

<sup>2</sup> Refers to the weighted average interest rate of reporting universal and commercial banks' interest expenses on their outstanding level of deposits.

<sup>3</sup> Refers to the weighted average interest rate of reporting universal and commercial banks' interest incomes on their outstanding peso-denominated loans.

<sup>4</sup> End-of-Period: beginning 3 June 2016, the BSP shifted its monetary operations to an interest rate corridor (IRC) system. The Repurchase (RP) and Special Deposit Account (SDA) windows were replaced by standing overnight lending and overnight deposit facilities, respectively. The Reverse Repurchase (RRP) Facility was modified to a purely overnight RRP. In addition, the term deposit facility (TDF) will serve as the main tool for absorbing liquidity. The Overnight Lending Facility (OLF) and Overnight Deposit Facility (ODF) will serve as upper bound and lower bound, respectively, of the IRC system.

<sup>5</sup> End-of-period: beginning on 18 September 2020, the BSP offers BSP Securities as part of its initiative to shift to more market-based monetary operations. The inclusion of BSP Securities issuance in the standard monetary operations of the BSP provides an additional instrument for managing liquidity in the financial system and support the implementation of monetary policy under the Interest Rate Corridor (IRC) framework. For its initial offering, the BSP auctions 28-day BSP Bills with an indicative offer volume of about ₱20 billion subject to confirmation two days before the actual auction date.

<sup>6</sup> Nominal interest rate less inflation rate with base year 2012

- Not Available

.. No Transaction/No Quotation/No Issue

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**7 NUMBER OF FINANCIAL INSTITUTIONS <sup>1</sup>**  
as of period indicated

|   | 2018          |               |               |               | 2019          |               |               |               | 2020          |               |               |                 | 2021            |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|   | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4            | Q1            | Q2            | Q3            | Q4 <sup>f</sup> | Q1 <sup>f</sup> |
| <b>TOTAL</b>  | <b>29,044</b> | <b>20,924</b> | <b>24,237</b> | <b>24,998</b> | <b>25,845</b> | <b>26,283</b> | <b>26,743</b> | <b>27,220</b> | <b>27,616</b> | <b>27,844</b> | <b>28,070</b> | <b>28,243</b>   | <b>28,551</b>   |
| <b>Head Offices</b>                                       | <b>6,173</b>  | <b>1,451</b>  | <b>1,736</b>  | <b>1,827</b>  | <b>1,864</b>  | <b>1,862</b>  | <b>1,877</b>  | <b>1,873</b>  | <b>1,883</b>  | <b>1,884</b>  | <b>1,877</b>  | <b>1,882</b>    | <b>1,897</b>    |
| <b>Branches/Agencies</b>                                  | <b>22,871</b> | <b>19,473</b> | <b>22,501</b> | <b>23,171</b> | <b>23,981</b> | <b>24,421</b> | <b>24,866</b> | <b>25,347</b> | <b>25,733</b> | <b>25,960</b> | <b>26,193</b> | <b>26,361</b>   | <b>26,654</b>   |
| <b>A. BANKS</b>   | <b>11,936</b> | <b>12,066</b> | <b>12,148</b> | <b>12,364</b> | <b>12,427</b> | <b>12,543</b> | <b>12,688</b> | <b>12,870</b> | <b>12,905</b> | <b>12,912</b> | <b>12,964</b> | <b>13,044</b>   | <b>13,089</b>   |
| <b>Head Offices</b>                                       | <b>585</b>    | <b>581</b>    | <b>574</b>    | <b>571</b>    | <b>569</b>    | <b>554</b>    | <b>552</b>    | <b>547</b>    | <b>542</b>    | <b>541</b>    | <b>537</b>    | <b>535</b>      | <b>528</b>      |
| <b>Branches/Agencies</b>                                  | <b>11,351</b> | <b>11,485</b> | <b>11,574</b> | <b>11,793</b> | <b>11,858</b> | <b>11,989</b> | <b>12,136</b> | <b>12,323</b> | <b>12,363</b> | <b>12,371</b> | <b>12,427</b> | <b>12,509</b>   | <b>12,561</b>   |
| 1. Universal and Commercial Banks                         | 6,527         | 6,569         | 6,610         | 6,642         | 6,660         | 6,676         | 6,865         | 6,915         | 6,991         | 6,993         | 7,008         | 7,029           | 7,039           |
| Head Offices  | 43            | 43            | 44            | 45            | 46            | 46            | 46            | 46            | 46            | 46            | 46            | 46              | 46              |
| Branches/Agencies   | 6,484         | 6,526         | 6,566         | 6,597         | 6,614         | 6,630         | 6,819         | 6,869         | 6,945         | 6,947         | 6,962         | 6,983           | 6,993           |
| 2. Thrift Banks   | 2,453         | 2,525         | 2,562         | 2,657         | 2,666         | 2,720         | 2,616         | 2,683         | 2,656         | 2,654         | 2,667         | 2,685           | 2,735           |
| Head Offices  | 55            | 55            | 54            | 54            | 53            | 51            | 51            | 50            | 49            | 48            | 48            | 48              | 48              |
| Branches/Agencies   | 2,398         | 2,470         | 2,508         | 2,603         | 2,613         | 2,669         | 2,565         | 2,633         | 2,607         | 2,606         | 2,619         | 2,637           | 2,687           |
| a. Savings and Mortgage Banks                             | 1,849         | 1,920         | 1,944         | 2,029         | 1,921         | 1,988         | 1,879         | 1,948         | 1,893         | 1,895         | 1,905         | 1,918           | 1,960           |
| Head Offices  | 24            | 24            | 24            | 24            | 23            | 23            | 22            | 22            | 21            | 21            | 21            | 21              | 21              |
| Branches/Agencies   | 1,825         | 1,896         | 1,920         | 2,005         | 1,898         | 1,965         | 1,857         | 1,926         | 1,872         | 1,874         | 1,884         | 1,897           | 1,939           |
| b. Private Development Banks                              | 420           | 421           | 426           | 435           | 435           | 422           | 426           | 429           | 457           | 457           | 460           | 463             | 465             |
| Head Offices  | 17            | 17            | 17            | 17            | 17            | 15            | 16            | 16            | 16            | 16            | 16            | 16              | 16              |
| Branches/Agencies   | 403           | 404           | 409           | 418           | 418           | 407           | 410           | 413           | 441           | 441           | 444           | 447             | 449             |
| c. Stock Savings and Loan Associations                    | 179           | 179           | 187           | 188           | 305           | 305           | 306           | 306           | 306           | 302           | 302           | 304             | 310             |
| Head Offices  | 13            | 13            | 12            | 12            | 12            | 12            | 12            | 12            | 12            | 11            | 11            | 11              | 11              |
| Branches/Agencies   | 166           | 166           | 175           | 176           | 293           | 293           | 294           | 294           | 294           | 291           | 291           | 293             | 299             |
| d. Microfinance Banks                                     | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 0             | 0             | 0             | 0             | 0               | 0               |
| Head Offices  | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 0             | 0             | 0             | 0             | 0               | 0               |
| Branches/Agencies   | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 0             | 0             | 0             | 0             | 0               | 0               |
| 3. Specialized Government Banks                           | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| Head Offices  | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 3. Rural Banks  | 2,956         | 2,972         | 2,976         | 3,065         | 3,101         | 3,147         | 3,207         | 3,272         | 3,258         | 3,265         | 3,289         | 3,330           | 3,315           |
| Head Offices  | 487           | 483           | 476           | 472           | 470           | 457           | 455           | 451           | 447           | 447           | 443           | 441             | 434             |
| Branches/Agencies   | 2,469         | 2,489         | 2,500         | 2,593         | 2,631         | 2,690         | 2,752         | 2,821         | 2,811         | 2,818         | 2,846         | 2,889           | 2,881           |
| <b>B. NON-BANKING FINANCIAL INSTITUTIONS <sup>2</sup></b> | <b>17,106</b> | <b>8,856</b>  | <b>12,087</b> | <b>12,632</b> | <b>13,416</b> | <b>13,738</b> | <b>14,054</b> | <b>14,349</b> | <b>14,710</b> | <b>14,931</b> | <b>15,105</b> | <b>15,198</b>   | <b>15,461</b>   |
| <b>Head Offices</b>                                       | <b>5,586</b>  | <b>868</b>    | <b>1,160</b>  | <b>1,254</b>  | <b>1,293</b>  | <b>1,306</b>  | <b>1,324</b>  | <b>1,325</b>  | <b>1,340</b>  | <b>1,342</b>  | <b>1,339</b>  | <b>1,346</b>    | <b>1,368</b>    |
| <b>Branches/Agencies</b>                                  | <b>11,520</b> | <b>7,988</b>  | <b>10,927</b> | <b>11,378</b> | <b>12,123</b> | <b>12,432</b> | <b>12,730</b> | <b>13,024</b> | <b>13,370</b> | <b>13,589</b> | <b>13,766</b> | <b>13,852</b>   | <b>14,093</b>   |
| 1. Investment Houses                                      | 24            | 24            | 24            | 24            | 24            | 24            | 24            | 14            | 14            | 14            | 14            | 14              | 14              |
| Head Offices  | 14            | 14            | 14            | 14            | 14            | 14            | 14            | 13            | 13            | 13            | 13            | 13              | 13              |
| Branches/Agencies   | 10            | 10            | 10            | 10            | 10            | 10            | 10            | 1             | 1             | 1             | 1             | 1               | 1               |
| 2. Finance Companies                                      | 163           | 163           | 163           | 163           | 171           | 174           | 180           | 180           | 179           | 179           | 179           | 180             | 181             |
| Head Offices  | 23            | 23            | 23            | 23            | 23            | 23            | 24            | 24            | 23            | 23            | 23            | 24              | 25              |
| Branches/Agencies   | 140           | 140           | 140           | 140           | 148           | 151           | 156           | 156           | 156           | 156           | 156           | 156             | 156             |
| 3. ABB Forex Corporations                                 | 5             | 5             | 5             | 5             | 4             | 4             | 4             | 2             | 2             | 2             | 2             | 2               | 2               |
| Head Offices  | 5             | 5             | 5             | 5             | 4             | 4             | 4             | 2             | 2             | 2             | 2             | 2               | 2               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 4. Investment Companies                                   | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1               | 1               |
| Head Offices  | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1               | 1               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 5. Securities Dealers/Brokers                             | 13            | 13            | 13            | 13            | 13            | 13            | 13            | 13            | 13            | 13            | 14            | 13              | 13              |
| Head Offices  | 13            | 13            | 13            | 13            | 13            | 13            | 13            | 13            | 13            | 13            | 14            | 13              | 13              |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 6. Pawnshops  | 16,582        | 8,331         | 11,563        | 12,107        | 12,879        | 13,190        | 13,497        | 13,801        | 14,162        | 14,381        | 14,553        | 14,641          | 14,899          |
| Head Offices  | 5,346         | 627           | 920           | 1,013         | 1,051         | 1,062         | 1,076         | 1,077         | 1,092         | 1,092         | 1,088         | 1,090           | 1,108           |
| Branches/Agencies   | 11,236        | 7,704         | 10,643        | 11,094        | 11,828        | 12,128        | 12,421        | 12,724        | 13,070        | 13,289        | 13,465        | 13,551          | 13,791          |
| 7. Lending Investors                                      | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1               | 1               |
| Head Offices  | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1               | 1               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 8. Non-Stock Savings and Loan Associations                | 198           | 198           | 197           | 196           | 200           | 200           | 200           | 200           | 200           | 200           | 200           | 200             | 201             |
| Head Offices  | 64            | 64            | 63            | 62            | 63            | 63            | 63            | 63            | 63            | 63            | 63            | 63              | 63              |
| Branches/Agencies   | 134           | 134           | 134           | 134           | 137           | 137           | 137           | 137           | 137           | 137           | 137           | 137             | 138             |
| 9. Government Non-Banks <sup>3</sup>                      | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4               | 4               |
| Head Offices  | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4             | 4               | 4               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 10. Venture Capital Corporations                          | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| Head Offices  | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 11. Credit Card Companies                                 | 4             | 4             | 4             | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 4             | 4               | 4               |
| Head Offices  | 4             | 4             | 4             | 5             | 5             | 5             | 5             | 5             | 5             | 5             | 4             | 4               | 4               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 12. Other Non-Bank with QBF                               | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1               | 1               |
| Head Offices  | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 1               | 1               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 13. Electronic Money Issuer                               | 7             | 8             | 8             | 9             | 10            | 18            | 21            | 24            | 25            | 27            | 29            | 34              | 37              |
| Head Offices  | 7             | 8             | 8             | 9             | 10            | 12            | 15            | 18            | 19            | 21            | 22            | 27              | 30              |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 6             | 6             | 6             | 6             | 6             | 7             | 7               | 7               |
| 14. Remittance Agent                                      | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 0             | 0             | 0             | 0             | 0               | 0               |
| Head Offices  | 1             | 1             | 1             | 1             | 1             | 1             | 1             | 0             | 0             | 0             | 0             | 0               | 0               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 15. Credit Granting Entities                              | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9               | 9               |
| Head Offices  | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9             | 9               | 9               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 16. Trust Corporations <sup>4</sup>                       | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 4             | 4             | 4             | 4             | 4               | 4               |
| Head Offices  | 3             | 3             | 3             | 3             | 3             | 3             | 3             | 4             | 4             | 4             | 4             | 4               | 4               |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| 17. Private Insurance Companies <sup>5</sup>              | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90              | 90              |
| Head Offices  | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90            | 90              | 90              |
| Branches/Agencies   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| <b>C. OFF-SHORE BANKING UNITS</b>                         | <b>2</b>      | <b>2</b>      | <b>2</b>      | <b>2</b>      | <b>2</b>      | <b>2</b>      | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>1</b>      | <b>1</b>        | <b>1</b>        |

<sup>1</sup> Refers to the number of financial establishments which includes the head offices and branches; excludes the Bangko Sentral ng Pilipinas. Starting Q4 2009, data include other banking offices per Circular 505 and 624 dated 22 December 2005 and 13 October 2008, respectively. Other banking offices refer to any office or place of business in the Philippines other than the head office, branch or extension office, which primarily engages in banking activities other than the acceptance of deposits and/or servicing of withdrawals thru tellers and other authorized personnel. In 2017, per Circular 987 dated 28 December 2017, the term "Other Banking Units" was replaced by branch/branch-like units. A branch shall refer to any permanent office or place of business in the Philippines other than the head office where a bank may perform activities and provide products and services that are within the scope of its authority and relevant licenses. In this respect, a complete set of books and records shall be maintained in each branch. A branch-like unit shall refer to any permanent office or place of business of a bank, other than its head office or branch and performs limited banking activities and records its transactions in the books of the head office or the branch to which it is annexed.

<sup>2</sup> Includes Private Insurance Companies

<sup>3</sup> Includes Government Service Insurance System (GSIS) and Social Security System (SSS)

<sup>4</sup> Trust Corporations started on December 2016

<sup>5</sup> Covers only the head office and their foreign branches

<sup>f</sup> Revised

Source: Bangko Sentral ng Pilipinas, Insurance Commission

## 8 TOTAL RESOURCES OF THE FINANCIAL SYSTEM<sup>1</sup>

as of periods indicated; in billion pesos

| Institutions                   | 2018            |                 |                 |                 | 2019            |                 |                 |                 | 2020            |                 |                 |                            | 2021                        |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
|                                | Q1              | Q2              | Q3              | Q4              | Q1              | Q2              | Q3              | Q4              | Q1              | Q2              | Q3 <sup>r</sup> | Q4 <sup>p,r</sup>          | Q1 <sup>p</sup>             |
| <b>TOTAL</b>                   | <b>19,442.5</b> | <b>19,810.2</b> | <b>20,245.3</b> | <b>21,100.1</b> | <b>21,212.4</b> | <b>21,605.4</b> | <b>22,196.5</b> | <b>22,939.9</b> | <b>22,836.5</b> | <b>23,165.8</b> | <b>23,317.0</b> | <b>24,081.1</b>            | <b>24,082.5<sup>p</sup></b> |
| <b>Banks</b>                   | <b>15,676.0</b> | <b>16,052.7</b> | <b>16,463.2</b> | <b>17,258.6</b> | <b>17,387.0</b> | <b>17,589.4</b> | <b>18,029.8</b> | <b>18,711.5</b> | <b>18,781.3</b> | <b>19,093.3</b> | <b>19,263.8</b> | <b>20,027.9</b>            | <b>20,029.3<sup>p</sup></b> |
| Universal and Commercial Banks | 14,202.8        | 14,554.5        | 14,940.0        | 15,691.5        | 15,813.9        | 16,018.9        | 16,568.1        | 17,216.1        | 17,345.8        | 17,620.1        | 17,785.5        | 18,527.4                   | 18,543.7                    |
| Thrift Banks                   | 1,214.4         | 1,236.6         | 1,254.0         | 1,293.2         | 1,297.9         | 1,287.8         | 1,176.7         | 1,203.9         | 1,144.4         | 1,175.5         | 1,177.5         | 1,192.1                    | 1,177.1                     |
| Rural Banks <sup>2</sup>       | 258.8           | 261.5           | 269.2           | 273.9           | 275.2           | 282.6           | 285.0           | 291.5           | 291.2           | 297.6           | 300.8           | 308.4                      | 308.4 <sup>b</sup>          |
| <b>Non-Banks<sup>3</sup></b>   | <b>3,766.5</b>  | <b>3,757.6</b>  | <b>3,782.1</b>  | <b>3,841.5</b>  | <b>3,825.4</b>  | <b>4,016.0</b>  | <b>4,166.6</b>  | <b>4,228.4</b>  | <b>4,055.1</b>  | <b>4,072.5</b>  | <b>4,053.2</b>  | <b>4,053.2<sup>a</sup></b> | <b>4,053.2<sup>a</sup></b>  |

Notes: Details may not add up to total due to rounding.

<sup>1</sup> Excludes the Bangko Sentral ng Pilipinas; amount includes allowance for probable losses

<sup>2</sup> Data on Rural Banks are based on the Financial Reporting Package (FRP).

<sup>3</sup> Data on Non-Banks are based on the Consolidated Statement of Condition (CSOC); include investment houses, finance companies, investment companies, securities dealers/brokers, pawnshops, lending investors, non-stock savings and loan associations, credit card companies (which are under the BSP's supervision), and private and government insurance companies (i.e., SSS and GSIS).

<sup>p</sup> preliminary

<sup>r</sup> revised

<sup>a</sup> As of end-September 2020

<sup>b</sup> As of end-December 2020

Source: BSP

## 9 NON-PERFORMING LOANS (NPL), TOTAL LOANS AND LOAN LOSS PROVISIONS (LLP) OF THE BANKING SYSTEM<sup>1</sup>

as of periods indicated; in billion pesos

|             | GROSS NON-PERFORMING LOANS <sup>2</sup> |   |                 |                     | NET NON-PERFORMING LOANS <sup>2</sup> |   |                 |                     | TOTAL LOANS             |   |                 |                      | LOAN LOSS PROVISIONS (LLP) |   |                 |                     |
|-------------|---|---|-----------------|---------------------|---------------------------------------|---|-----------------|---------------------|-------------------------|---|-----------------|----------------------|----------------------------|---|-----------------|---------------------|
|             | Total                                   | Universal<br>Banks and<br>Commercial<br>Banks | Thrift<br>Banks | Rural<br>Banks      | Total                                 | Universal<br>Banks and<br>Commercial<br>Banks | Thrift<br>Banks | Rural<br>Banks      | Total                   | Universal<br>Banks and<br>Commercial<br>Banks | Thrift<br>Banks | Rural<br>Banks       | Total                      | Universal<br>Banks and<br>Commercial<br>Banks | Thrift<br>Banks | Rural<br>Banks      |
| <b>2018</b> |   |   |                 |                     |                                       |   |                 |                     |                         |   |                 |                      |                            |   |                 |                     |
| Mar         | 165.823                                 | 104.400                                       | 44.633          | 16.790              | 78.348                                | 40.841  | 30.151          | 7.355               | 8,997.103               | 7,996.321                                     | 865.484         | 135.299              | 198.475                    | 159.597                                       | 26.654          | 12.225              |
| Jun         | 174.784                                 | 110.606                                       | 46.664          | 17.514              | 83.857                                | 45.425  | 30.691          | 7.741               | 9,352.689               | 8,331.361                                     | 885.385         | 135.944              | 199.509                    | 158.846                                       | 27.995          | 12.668              |
| Sep         | 176.611                                 | 112.762                                       | 47.095          | 16.754              | 86.715                                | 48.373  | 31.466          | 6.876               | 9,706.820               | 8,658.774                                     | 907.083         | 140.962              | 195.766                    | 155.904                                       | 27.114          | 12.747              |
| Dec         | 177.845                                 | 113.518                                       | 48.261          | 16.066              | 87.860                                | 48.459  | 33.086          | 6.315               | 10,077.929              | 9,017.780                                     | 916.874         | 143.275              | 187.124                    | 148.339                                       | 26.256          | 12.530              |
| <b>2019</b> |   |   |                 |                     |                                       |   |                 |                     |                         |   |                 |                      |                            |   |                 |                     |
| Mar         | 205.858                                 | 134.564                                       | 54.458          | 16.836              | 106.745                               | 60.169  | 39.912          | 6.663               | 9,989.163               | 8,918.522                                     | 925.944         | 144.697              | 196.974                    | 158.379                                       | 25.801          | 12.794              |
| Jun         | 215.907                                 | 143.793                                       | 55.187          | 16.927              | 116.419                               | 68.377  | 41.034          | 7.008               | 10,288.556              | 9,204.615                                     | 935.267         | 148.674              | 201.421                    | 162.826                                       | 25.852          | 12.744              |
| Sep         | 227.604                                 | 158.671                                       | 51.723          | 17.210              | 118.178                               | 73.308  | 37.397          | 7.473               | 10,564.232              | 9,552.943                                     | 860.726         | 150.563              | 209.070                    | 171.386                                       | 25.049          | 12.634              |
| Dec         | 224.105                                 | 156.527                                       | 51.670          | 15.908              | 115.848                               | 71.552  | 37.347          | 6.949               | 10,966.112              | 9,953.964                                     | 860.307         | 151.840              | 207.507                    | 170.518                                       | 24.831          | 12.158              |
| <b>2020</b> |   |   |                 |                     |                                       |   |                 |                     |                         |   |                 |                      |                            |   |                 |                     |
| Mar         | 249.184                                 | 187.980                                       | 44.197          | 17.007              | 132.256                               | 93.616  | 31.075          | 7.566               | 11,092.659              | 10,137.354                                    | 803.596         | 151.709              | 227.630                    | 192.078                                       | 23.020          | 12.532              |
| Jun         | 277.807                                 | 212.283                                       | 45.593          | 19.931              | 142.959                               | 104.918                                       | 27.524          | 10.517              | 10,818.834              | 9,883.909                                     | 786.993         | 147.933              | 302.927                    | 261.662                                       | 28.496          | 12.769              |
| Sep         | 374.304 <sup>r</sup>                    | 286.877                                       | 63.862          | 23.565 <sup>r</sup> | 222.925 <sup>r</sup>                  | 164.225                                       | 44.523          | 14.177 <sup>r</sup> | 10,678.788 <sup>r</sup> | 9,736.050                                     | 791.193         | 151.545 <sup>r</sup> | 339.028 <sup>r</sup>       | 295.195                                       | 30.997          | 12.836 <sup>r</sup> |
| Dec         | 394.867 <sup>r</sup>                    | 308.832                                       | 62.895          | 23.140 <sup>r</sup> | 217.876 <sup>r</sup>                  | 159.172                                       | 45.373          | 13.332 <sup>r</sup> | 10,872.565 <sup>r</sup> | 9,919.479                                     | 795.353         | 157.732 <sup>r</sup> | 367.165 <sup>r</sup>       | 322.713                                       | 31.613          | 12.840 <sup>r</sup> |
| <b>2021</b> |   |   |                 |                     |                                       |   |                 |                     |                         |   |                 |                      |                            |   |                 |                     |
| Mar         | 448.440                                 | 362.039                                       | 63.414          | 22.987              | 255.204                               | 198.345                                       | 43.925          | 12.934              | 10,660.782              | 9,718.023                                     | 782.618         | 160.141              | 373.282                    | 325.734                                       | 34.147          | 13.401              |

Note: Details may not add up to total due to rounding.

<sup>1</sup> Data include banks under liquidation, foreign office transactions and interbank loans

<sup>2</sup> Starting January 2013, NPL data are based on BSP Circular No. 772. Gross NPL represents the actual level of NPL without any adjustment for loans treated as "loss" and fully provisioned.

As a complementary measure to computing gross NPL, banks shall likewise compute their net NPLs, which shall refer to gross NPLs less specific allowance for credit losses on the total loan portfolio.

Under BSP Circular No. 772, there are no available data for gross NPLs and net NPLs earlier than 2012.

<sup>r</sup> revised

Source: Bangko Sentral ng Pilipinas

## 9a RATIOS OF NON-PERFORMING LOANS (NPL) AND LOAN LOSS PROVISIONS (LLP) TO TOTAL LOANS OF THE BANKING SYTEM <sup>1</sup>

as of periods indicated; in percent

|             | GROSS NPL/TOTAL LOANS <sup>2</sup> |                                      |              |                     | NET NPL/TOTAL LOANS <sup>2</sup> |                                      |              |                    | LLP/TOTAL LOANS    |                                      |              |                    |
|-------------|------------------------------------|--------------------------------------|--------------|---------------------|----------------------------------|--------------------------------------|--------------|--------------------|--------------------|--------------------------------------|--------------|--------------------|
|             | Total                              | Universal Banks and Commercial Banks | Thrift Banks | Rural Banks         | Total                            | Universal Banks and Commercial Banks | Thrift Banks | Rural Banks        | Total              | Universal Banks and Commercial Banks | Thrift Banks | Rural Banks        |
| <b>2018</b> |                                    |                                      |              |                     |                                  |                                      |              |                    |                    |                                      |              |                    |
| Mar         | 1.843                              | 1.306                                | 5.157        | 12.409              | 0.871                            | 0.511                                | 3.484        | 5.436              | 2.206              | 1.996                                | 3.080        | 9.035              |
| Jun         | 1.869                              | 1.328                                | 5.269        | 12.883              | 0.897                            | 0.545                                | 3.466        | 5.695              | 2.133              | 1.907                                | 3.162        | 9.318              |
| Sep         | 1.819                              | 1.302                                | 5.192        | 11.885              | 0.893                            | 0.559                                | 3.469        | 4.878              | 2.017              | 1.801                                | 2.989        | 9.043              |
| Dec         | 1.765                              | 1.259                                | 5.264        | 11.213              | 0.872                            | 0.537                                | 3.609        | 4.408              | 1.857              | 1.645                                | 2.864        | 8.745              |
| <b>2019</b> |                                    |                                      |              |                     |                                  |                                      |              |                    |                    |                                      |              |                    |
| Mar         | 2.061                              | 1.509                                | 5.881        | 11.636              | 1.069                            | 0.675                                | 4.310        | 4.605              | 1.972              | 1.776                                | 2.786        | 8.842              |
| Jun         | 2.099                              | 1.562                                | 5.901        | 11.385              | 1.132                            | 0.743                                | 4.387        | 4.713              | 1.958              | 1.769                                | 2.764        | 8.572              |
| Sep         | 2.154                              | 1.661                                | 6.009        | 11.431              | 1.119                            | 0.767                                | 4.345        | 4.963              | 1.979              | 1.794                                | 2.910        | 8.391              |
| Dec         | 2.044                              | 1.573                                | 6.006        | 10.477              | 1.056                            | 0.719                                | 4.341        | 4.577              | 1.892              | 1.713                                | 2.886        | 8.007              |
| <b>2020</b> |                                    |                                      |              |                     |                                  |                                      |              |                    |                    |                                      |              |                    |
| Mar         | 2.246                              | 1.854                                | 5.500        | 11.210              | 1.192                            | 0.923                                | 3.867        | 4.987              | 2.052              | 1.895                                | 2.865        | 8.261              |
| Jun         | 2.568                              | 2.148                                | 5.793        | 13.473              | 1.321                            | 1.061                                | 3.497        | 7.109              | 2.800              | 2.647                                | 3.621        | 8.631              |
| Sep         | 3.505 <sup>r</sup>                 | 2.947                                | 8.072        | 15.550 <sup>r</sup> | 2.088 <sup>r</sup>               | 1.687                                | 5.627        | 9.355 <sup>r</sup> | 3.175 <sup>r</sup> | 3.032                                | 3.918        | 8.470 <sup>r</sup> |
| Dec         | 3.632 <sup>r</sup>                 | 3.113                                | 7.908        | 14.670 <sup>r</sup> | 2.004 <sup>r</sup>               | 1.605                                | 5.705        | 8.452 <sup>r</sup> | 3.377 <sup>r</sup> | 3.253                                | 3.975        | 8.140 <sup>r</sup> |
| <b>2021</b> |                                    |                                      |              |                     |                                  |                                      |              |                    |                    |                                      |              |                    |
| Mar         | 4.206                              | 3.725                                | 8.103        | 14.354              | 2.394                            | 2.041                                | 5.613        | 8.077              | 3.501              | 3.352                                | 4.363        | 8.368              |

Note: Details may not add up to total due to rounding.

<sup>1</sup> Data include banks under liquidation, foreign office transactions and interbank loans

<sup>2</sup> Starting September 2002, for supervisory purposes, computation of NPL was based on BSP Circular No.351 which defines total loans as gross of allowance for probable losses and interbank loans less loans classified as loss. This has been discontinued in 2013. For comparability purposes, 2012 was revised based on the new definition (BSP Circular No. 772).

<sup>3</sup> Starting January 2013, NPL data are based on BSP Circular No. 772. Gross NPL represents the actual level of NPL without any adjustment for loans treated as "loss" and fully provisioned.

As a complementary measure to computing gross NPL, banks shall likewise compute their net NPLs, which shall refer to gross NPLs less specific allowance for credit losses on the total loan portfolio. Under BSP Circular No. 772, there are no available data for gross NPLs and net NPLs earlier than 2012.

<sup>r</sup> revised

Source: Bangko Sentral ng Pilipinas

## 10 STOCK MARKET TRANSACTIONS

volume in million shares; value in million pesos  
for periods indicated

|  | 2018              |                   |                   |                   | 2019              |                   |                   |                   | 2020              |                   |                   |                     | 2021                |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
|  | Q1                | Q2                | Q3                | Q4                | Q1                | Q2                | Q3                | Q4                | Q1                | Q2                | Q3                | Q4                  | Q1                  |
| <b>VOLUME</b>                          | <b>176,368.76</b> | <b>77,403.69</b>  | <b>73,147.70</b>  | <b>76,927.02</b>  | <b>118,437.27</b> | <b>68,292.75</b>  | <b>94,723.73</b>  | <b>50,850.46</b>  | <b>65,360.84</b>  | <b>58,308.42</b>  | <b>227,395.93</b> | <b>1,111,456.22</b> | <b>2,345,286.98</b> |
| Financials                             | 1,691.30          | 918.73            | 866.73            | 878.91            | 988.08            | 849.69            | 948.76            | 707.92            | 894.66            | 1,110.29          | 1,544.96          | 1,720.23            | 1,350.63            |
| Industrial                             | 6,709.75          | 7,032.50          | 5,558.32          | 9,259.84          | 8,503.59          | 11,244.40         | 6,961.13          | 6,795.33          | 8,505.36          | 8,932.34          | 9,586.76          | 15,068.73           | 32,976.97           |
| Holding Firms                          | 9,900.75          | 8,262.96          | 12,040.93         | 7,305.76          | 15,166.19         | 8,336.65          | 8,209.33          | 8,993.59          | 6,511.73          | 6,837.23          | 4,727.80          | 8,092.88            | 14,319.64           |
| Property                               | 29,646.66         | 16,290.35         | 13,057.13         | 9,918.88          | 10,488.32         | 10,661.23         | 11,569.70         | 8,124.49          | 8,775.65          | 7,017.17          | 10,250.43         | 21,317.21           | 28,198.17           |
| Services                               | 26,533.78         | 9,909.69          | 15,136.08         | 12,894.89         | 22,320.22         | 10,736.35         | 12,499.88         | 5,679.05          | 9,838.84          | 10,370.52         | 16,028.72         | 56,854.96           | 196,525.03          |
| Mining and Oil                         | 101,365.44        | 34,755.01         | 26,028.00         | 36,146.06         | 59,639.12         | 25,970.92         | 53,799.51         | 20,170.32         | 30,638.17         | 21,218.37         | 182,401.93        | 1,005,670.39        | 2,069,633.42        |
| SME (in thousand shares)               | 518,403.30        | 232,923.99        | 459,872.31        | 521,981.35        | 1,331,137.77      | 493,010.10        | 734,728.79        | 379,175.70        | 192,707.49        | 2,821,206.14      | 2,854,207.59      | 2,730,315.40        | 2,281,162.52        |
| ETF (in thousand shares)               | 2,669.01          | 1,518.76          | 648.07            | 705.98            | 615.90            | 504.87            | 689.96            | 593.11            | 3,731.60          | 1,305.85          | 1,126.42          | 1,519.46            | 1,948.67            |
| <b>VALUE</b>                           | <b>520,924.61</b> | <b>394,543.07</b> | <b>361,275.84</b> | <b>460,078.84</b> | <b>488,944.71</b> | <b>443,994.24</b> | <b>442,192.02</b> | <b>397,447.97</b> | <b>400,594.39</b> | <b>390,596.08</b> | <b>394,547.48</b> | <b>585,161.03</b>   | <b>670,374.42</b>   |
| Financials                             | 85,980.22         | 61,896.89         | 60,084.23         | 63,110.03         | 71,699.61         | 69,698.97         | 67,156.74         | 61,878.65         | 58,705.13         | 63,509.14         | 46,145.28         | 104,624.24          | 63,543.45           |
| Industrial                             | 82,559.19         | 77,427.38         | 61,868.59         | 133,338.65        | 83,951.13         | 88,542.93         | 84,172.39         | 60,437.96         | 74,440.53         | 74,463.46         | 85,602.88         | 81,652.88           | 144,567.01          |
| Holding Firms                          | 124,682.97        | 95,230.78         | 92,800.99         | 87,756.71         | 127,680.38        | 97,898.87         | 103,251.91        | 134,980.92        | 98,857.38         | 92,863.59         | 100,533.81        | 111,229.96          | 119,811.99          |
| Property                               | 95,940.50         | 80,284.39         | 72,660.22         | 70,210.07         | 95,409.31         | 101,224.12        | 98,445.18         | 68,185.02         | 102,444.66        | 64,214.23         | 71,695.25         | 86,561.06           | 85,032.36           |
| Services                               | 109,823.19        | 68,917.92         | 61,026.58         | 93,142.16         | 101,331.64        | 77,768.03         | 70,051.23         | 63,291.93         | 61,278.24         | 82,590.90         | 68,851.03         | 168,864.41          | 213,961.01          |
| Mining and Oil                         | 18,827.94         | 9,660.99          | 10,797.85         | 11,561.69         | 6,453.15          | 8,090.87          | 14,772.38         | 7,280.99          | 4,105.81          | 4,169.97          | 11,052.12         | 19,849.22           | 28,122.28           |
| SME (in thousand pesos)                | 2,760,867.64      | 949,655.45        | 1,964,591.75      | 883,959.02        | 2,347,074.10      | 710,905.94        | 4,259,331.31      | 1,323,137.39      | 420,402.32        | 8,669,032.86      | 10,564,737.92     | 12,224,699.14       | 15,134,539.44       |
| ETF (in thousand pesos)                | 349,733.29        | 175,059.50        | 72,778.74         | 75,578.02         | 72,405.52         | 59,547.11         | 82,847.94         | 69,350.11         | 342,221.15        | 115,749.36        | 102,373.35        | 154,568.69          | 201,772.46          |
| <b>Composite Index</b> (end-of-period) | <b>7,979.83</b>   | <b>7,193.68</b>   | <b>7,276.82</b>   | <b>7,466.02</b>   | <b>7,920.93</b>   | <b>7,999.71</b>   | <b>7,779.07</b>   | <b>7,815.26</b>   | <b>5,321.23</b>   | <b>6,207.72</b>   | <b>5,864.23</b>   | <b>7,139.71</b>     | <b>6,443.09</b>     |

Note: Details may not add up due to rounding.  
Source: Philippine Stock Exchange (PSE)

# 11 PHILIPPINES: BALANCE OF PAYMENTS

in million US dollars

|  | 2019          |               |               |               | 2020 <sup>P</sup> |               |               |               | 2021 <sup>P</sup> | Growth Rates<br>(in %) |
|--|---------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|-------------------|------------------------|
|  | Q1            | Q2            | Q3            | Q4            | Q1                | Q2            | Q3            | Q4            | Q1                | Q1 2021 <sup>P</sup>   |
| <b>Current Account</b>                     | <b>-1,728</b> | <b>-785</b>   | <b>-192</b>   | <b>-342</b>   | <b>225</b>        | <b>4,415</b>  | <b>4,166</b>  | <b>4,173</b>  | <b>-614</b>       | <b>-373.2</b>          |
| <i>(Totals as percent of GNI)</i>          | <i>-1.8</i>   | <i>-0.8</i>   | <i>-0.2</i>   | <i>-0.3</i>   | <i>0.2</i>        | <i>4.9</i>    | <i>4.5</i>    | <i>3.8</i>    | <i>-0.7</i>       |                        |
| <i>(Totals as percent of GDP)</i>          | <i>-2.0</i>   | <i>-0.8</i>   | <i>-0.2</i>   | <i>-0.3</i>   | <i>0.3</i>        | <i>5.4</i>    | <i>4.9</i>    | <i>3.9</i>    | <i>-0.7</i>       |                        |
| Export                                     | 32,117        | 33,767        | 35,461        | 35,543        | 30,564            | 24,183        | 31,535        | 32,374        | 30,390            | -0.6                   |
| Import                                     | 33,845        | 34,552        | 35,654        | 35,885        | 30,339            | 19,769        | 27,369        | 28,201        | 31,005            | 2.2                    |
| <b>Goods, Services, and Primary Income</b> | <b>-8,438</b> | <b>-7,517</b> | <b>-7,243</b> | <b>-7,798</b> | <b>-6,388</b>     | <b>-1,715</b> | <b>-3,140</b> | <b>-3,160</b> | <b>-7,632</b>     | <b>-19.5</b>           |
| Export                                     | 25,188        | 26,817        | 28,244        | 27,894        | 23,716            | 17,848        | 24,045        | 24,808        | 23,100            | -2.6                   |
| Import                                     | 33,625        | 34,334        | 35,488        | 35,692        | 30,105            | 19,562        | 27,185        | 27,967        | 30,732            | 2.1                    |
| Goods and Services                         | -9,759        | -8,689        | -8,487        | -9,338        | -7,463            | -2,701        | -4,123        | -4,472        | -8,199            | -9.9                   |
| <i>(Totals as percent of GNI)</i>          | <i>-10.4</i>  | <i>-8.5</i>   | <i>-8.4</i>   | <i>-8.0</i>   | <i>-7.7</i>       | <i>-3.0</i>   | <i>-4.4</i>   | <i>-4.0</i>   | <i>-8.9</i>       |                        |
| <i>(Totals as percent of GDP)</i>          | <i>-11.5</i>  | <i>-9.3</i>   | <i>-9.3</i>   | <i>-8.7</i>   | <i>-8.5</i>       | <i>-3.3</i>   | <i>-4.8</i>   | <i>-4.2</i>   | <i>-9.1</i>       |                        |
| Export                                     | 21,953        | 23,475        | 24,972        | 24,341        | 20,562            | 15,254        | 21,092        | 21,914        | 20,363            | -1.0                   |
| Import                                     | 31,712        | 32,164        | 33,459        | 33,678        | 28,024            | 17,956        | 25,215        | 26,386        | 28,562            | 1.9                    |
| Goods                                      | -12,293       | -12,126       | -12,339       | -12,553       | -10,214           | -5,427        | -7,828        | -8,369        | -11,119           | -8.9                   |
| <i>(Totals as percent of GNI)</i>          | <i>-13.1</i>  | <i>-11.8</i>  | <i>-12.2</i>  | <i>-10.7</i>  | <i>-10.6</i>      | <i>-6.1</i>   | <i>-8.4</i>   | <i>-7.5</i>   | <i>-12.0</i>      |                        |
| <i>(Totals as percent of GDP)</i>          | <i>-14.5</i>  | <i>-13.0</i>  | <i>-13.5</i>  | <i>-11.6</i>  | <i>-11.7</i>      | <i>-6.6</i>   | <i>-9.1</i>   | <i>-7.8</i>   | <i>-12.4</i>      |                        |
| Credit: Exports                            | 12,375        | 13,634        | 14,123        | 13,345        | 11,602            | 9,095         | 13,075        | 13,639        | 12,885            | 11.1                   |
| Debit: Imports                             | 24,668        | 25,760        | 26,462        | 25,899        | 21,816            | 14,523        | 20,904        | 22,008        | 24,005            | 10.0                   |
| Services                                   | 2,534         | 3,438         | 3,852         | 3,216         | 2,751             | 2,726         | 3,705         | 3,897         | 2,921             | 6.2                    |
| Credit: Exports                            | 9,578         | 9,842         | 10,849        | 10,996        | 8,959             | 6,159         | 8,017         | 8,275         | 7,477             | -16.5                  |
| Debit: Imports                             | 7,044         | 6,404         | 6,997         | 7,780         | 6,208             | 3,433         | 4,312         | 4,378         | 4,557             | -26.6                  |
| Primary Income                             | 1,321         | 1,171         | 1,244         | 1,540         | 1,074             | 987           | 983           | 1,313         | 567               | -47.2                  |
| Credit: Receipts                           | 3,235         | 3,341         | 3,273         | 3,553         | 3,155             | 2,593         | 2,952         | 2,894         | 2,737             | -13.2                  |
| Debit: Payments                            | 1,914         | 2,170         | 2,029         | 2,013         | 2,081             | 1,606         | 1,969         | 1,581         | 2,171             | 4.3                    |
| <b>Secondary Income</b>                    | <b>6,710</b>  | <b>6,732</b>  | <b>7,051</b>  | <b>7,456</b>  | <b>6,613</b>      | <b>6,129</b>  | <b>7,306</b>  | <b>7,333</b>  | <b>7,018</b>      | <b>6.1</b>             |
| Credit: Receipts                           | 6,930         | 6,950         | 7,217         | 7,649         | 6,848             | 6,336         | 7,490         | 7,566         | 7,290             | 6.5                    |
| Debit: Payments                            | 220           | 218           | 166           | 193           | 235               | 207           | 184           | 233           | 273               | 16.2                   |
| <b>Capital Account</b>                     | <b>35</b>     | <b>32</b>     | <b>30</b>     | <b>29</b>     | <b>12</b>         | <b>13</b>     | <b>18</b>     | <b>20</b>     | <b>17</b>         | <b>39.3</b>            |
| Credit: Receipts                           | 41            | 36            | 34            | 36            | 22                | 21            | 21            | 23            | 22                | -0.7                   |
| Debit: Payments                            | 6             | 4             | 4             | 7             | 10                | 8             | 4             | 3             | 5                 | -50.0                  |
| <b>Financial Account</b>                   | <b>-5,049</b> | <b>-916</b>   | <b>-440</b>   | <b>-1,630</b> | <b>2,973</b>      | <b>89</b>     | <b>-1,168</b> | <b>-6,502</b> | <b>4,089</b>      | <b>37.5</b>            |
| Net Acquisition of Financial Assets        | 1,033         | 2,758         | 3,244         | 262           | 2,490             | 2,658         | 4,743         | 2,428         | 2,312             | -7.1                   |
| Net Incurrence of Liabilities              | 6,082         | 3,674         | 3,683         | 1,892         | -483              | 2,569         | 5,911         | 8,930         | -1,776            | -267.6                 |
| Direct Investment                          | -1,094        | -1,047        | -1,007        | -2,172        | -883              | -916          | -935          | -282          | -1,691            | -91.4                  |
| Net Acquisition of Financial Assets        | 906           | 1,011         | 801           | 633           | 755               | 494           | 1,073         | 1,203         | 686               | -9.1                   |
| Net Incurrence of Liabilities              | 2,000         | 2,057         | 1,809         | 2,805         | 1,638             | 1,411         | 2,008         | 1,485         | 2,377             | 45.1                   |
| Portfolio Investment                       | -2,586        | -2,079        | 732           | 1,459         | 793               | 707           | 1,541         | -2,539        | 7,884             | 894.4                  |
| Net Acquisition of Financial Assets        | 636           | -190          | 1,947         | 10            | -459              | 1,901         | 3,320         | 1,025         | 3,910             | 951.3                  |
| Net Incurrence of Liabilities              | 3,223         | 1,889         | 1,214         | -1,449        | -1,252            | 1,194         | 1,779         | 3,564         | -3,973            | -217.3                 |
| Financial Derivatives                      | -40           | -42           | -60           | -31           | -74               | -20           | -59           | -85           | -111              | -49.5                  |
| Net Acquisition of Financial Assets        | -235          | -233          | -235          | -171          | -271              | -179          | -184          | -206          | -251              | 7.4                    |
| Net Incurrence of Liabilities              | -195          | -192          | -175          | -140          | -197              | -159          | -124          | -121          | -140              | 28.8                   |
| Other Investment                           | -1,328        | 2,252         | -104          | -886          | 3,137             | 319           | -1,714        | -3,596        | -1,994            | -163.6                 |
| Net Acquisition of Financial Assets        | -274          | 2,171         | 731           | -210          | 2,465             | 442           | 534           | 406           | -2,033            | -182.5                 |
| Net Incurrence of Liabilities              | 1,054         | -81           | 835           | 676           | -672              | 124           | 2,248         | 4,002         | -39               | 94.1                   |
| <b>Net Unclassified Items</b>              | <b>441</b>    | <b>828</b>    | <b>501</b>    | <b>959</b>    | <b>2,668</b>      | <b>-162</b>   | <b>-2,583</b> | <b>-1,552</b> | <b>1,841</b>      | <b>-31.0</b>           |
| <b>Overall BOP Position</b>                | <b>3,797</b>  | <b>991</b>    | <b>778</b>    | <b>2,277</b>  | <b>-68</b>        | <b>4,177</b>  | <b>2,769</b>  | <b>9,144</b>  | <b>-2,844</b>     | <b>-4,094.8</b>        |
| <i>(Totals as percent of GNI)</i>          | <i>4.0</i>    | <i>1.0</i>    | <i>0.8</i>    | <i>1.9</i>    | <i>-0.1</i>       | <i>4.7</i>    | <i>3.0</i>    | <i>8.2</i>    | <i>-3.1</i>       |                        |
| <i>(Totals as percent of GDP)</i>          | <i>4.5</i>    | <i>1.1</i>    | <i>0.9</i>    | <i>2.1</i>    | <i>-0.1</i>       | <i>5.1</i>    | <i>3.2</i>    | <i>8.6</i>    | <i>-3.2</i>       |                        |
| Debit: Change in Reserve Assets            | 3,808         | 980           | 789           | 2,266         | -58               | 4,165         | 2,780         | 9,133         | -2,834            | -4,802.4               |
| Credit: Change in Reserve Liabilities      | 11            | -11           | 10            | -11           | 10                | -12           | 11            | -11           | 11                | 6.6                    |

Details may not add up to total due to rounding

<sup>P</sup> Preliminary

2020 data on trade-in goods are based on the preliminary data sourced from the PSA. Revised data on 2020 trade-in goods based on the final PSA data will be released on September 2021 in accordance with the BSP's revision policy on BOP statistics.

The overall BOP position was computed based on the final data on the country's Gross International Reserves (GIR). However, the balances of the current, capital, and financial accounts and their components are preliminary, as these were based on partial and preliminary data and estimates, considering the operational constraints of data sources amid the community quarantine.

Technical Notes:

1. Balance of Payments Statistics are based on the IMF's Balance of Payments and International Investment Position Manual, 6<sup>th</sup> edition.

2. Financial Account, including Reserve Assets, is calculated as sum of net acquisitions of financial assets less net incurrence of liabilities.

3. Balances in the current and capital accounts are derived by deducting debit entries from credit entries.

4. Balances in the financial account are derived by deducting net incurrence of liabilities from net acquisition of financial assets.

5. Negative values of Net Acquisition of Financial Assets indicate withdrawal/disposal of financial assets; negative values of Net Incurrence of Liabilities indicate repayment of liabilities.

6. Overall BOP position is calculated as the change in the country's net international reserves (NIR), less non-economic transactions (revaluation and gold monetization/demonetization). Alternatively, it can be derived by adding the current and capital account balances less financial account plus net unclassified items.

7. Net unclassified items is an offsetting account to the overstatement or understatement in either receipts or payments of the recorded BOP components vis-à-vis the overall BOP position.

8. Data on deposit-taking corporations, except the central bank, consist of transactions of commercial banks, thrift banks and offshore banking units (OBUs).

Source: Bangko Sentral ng Pilipinas

## 12 INTERNATIONAL RESERVES

as of periods indicated; in million US dollars

|   | 2018          |               |               |               | 2019          |               |               |               | 2020          |               |                |                | 2021           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
|   | Mar           | Jun           | Sep           | Dec           | Mar           | Jun           | Sep           | Dec           | Mar           | Jun           | Sep            | Dec            | Mar            |
| <b>Gross International Reserves</b>           | <b>80,511</b> | <b>77,525</b> | <b>74,939</b> | <b>79,193</b> | <b>83,613</b> | <b>84,932</b> | <b>85,582</b> | <b>87,840</b> | <b>88,861</b> | <b>93,470</b> | <b>100,443</b> | <b>110,117</b> | <b>104,484</b> |
| Gold  | 8,375         | 7,913         | 7,577         | 8,153         | 8,214         | 8,016         | 8,016         | 8,016         | 8,016         | 8,016         | 11,595         | 11,605         | 9,113          |
| SDRs  | 1,233         | 1,194         | 1,186         | 1,184         | 1,183         | 1,186         | 1,164         | 1,182         | 1,168         | 1,177         | 1,205          | 1,233          | 1,214          |
| Foreign Investments                           | 64,931        | 62,356        | 59,850        | 66,733        | 71,409        | 72,541        | 72,971        | 75,304        | 76,480        | 80,891        | 84,298         | 93,645         | 89,727         |
| Foreign Exchange                              | 5,542         | 5,573         | 5,842         | 2,649         | 2,283         | 2,665         | 2,870         | 2,747         | 2,619         | 2,655         | 2,598          | 2,822          | 3,636          |
| Reserve Position in the Fund                  | 430           | 489           | 483           | 474           | 525           | 524           | 561           | 590           | 578           | 731           | 748            | 813            | 794            |
| <b>Net International Reserves<sup>1</sup></b> | <b>80,497</b> | <b>77,521</b> | <b>74,924</b> | <b>79,189</b> | <b>83,598</b> | <b>84,927</b> | <b>85,567</b> | <b>87,836</b> | <b>88,848</b> | <b>93,468</b> | <b>100,431</b> | <b>110,115</b> | <b>104,471</b> |
| <b>Reserve Adequacy Measures</b>              |               |               |               |               |               |               |               |               |               |               |                |                |                |
| Import Cover <sup>2</sup>                     | 7.6           | 7.1           | 6.6           | 6.9           | 7.2           | 7.3           | 7.4           | 7.6           | 7.9           | 9.3           | 10.7           | 12.6           | 11.9           |
| Short-Term External Debt Cover <sup>3</sup>   |               |               |               |               |               |               |               |               |               |               |                |                |                |
| Original Maturity <sup>4</sup>                | 626.7         | 640.6         | 555.7         | 492.9         | 497.6         | 545.1         | 537.9         | 510.5         | 666.6         | 870.6         | 896.3          | 775.0          | 765.1          |
| Residual Maturity <sup>5</sup>                | 474.4         | 447.2         | 415.1         | 364.9         | 348.6         | 400.3         | 391.9         | 398.3         | 468.2         | 560.2         | 555.8          | 491.0          | 531.5          |

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

<sup>1</sup> Inclusive of gold monetization and revaluation of reserve assets and reserve-related liabilities which are excluded in the calculation of the balance of payments (BOP).

Net International Reserves (NIR) refer to the difference between Gross International Reserves (GIR) and the total of the Bangko Sentral's short-term liabilities and the Use of Fund Credits (UFC).

UFC refers to the sum of outstanding drawings from the IMF under various policies and facilities, other than drawings under the reserve tranche.

<sup>2</sup> Number of months of average imports of goods and payment of services and primary income that can be financed by reserves. Starting 2005, data are based on International Monetary Fund's Balance of Payments and International Investment Position Manual, 6<sup>th</sup> edition (BPM6) concept.

<sup>3</sup> Starting December 2005, outstanding annual external debt reflects the new reporting framework in line with international standards under the latest External Debt Statistics Guide and BPM6.

<sup>4</sup> Based on latest available outstanding short-term external debt.

<sup>5</sup> Refers to adequacy of reserves to cover outstanding external short-term debt based on original maturity plus principal payments on medium-and long-term loans of the public and private sectors falling due in the next 12 months. Figures reflect data based on debt service schedule on outstanding external debt and outstanding short-term debt as of 31 March 2021.

Source: Bangko Sentral ng Pilipinas

### 13 EXCHANGE RATES OF THE PESO

period averages; pesos per unit of foreign currency

|      |     | US Dollar | Japanese Yen | Euro    | Pound Sterling | Australian Dollar | Singapore Dollar | Hongkong Dollar | Malaysian Ringgit | Thailand Baht | Indonesian Rupiah | New Taiwan Dollar | South Korean Won | Chinese Yuan | Saudi Rial | Emirati Dirham |
|------|-----|-----------|--------------|---------|----------------|-------------------|------------------|-----------------|-------------------|---------------|-------------------|-------------------|------------------|--------------|------------|----------------|
| 2018 | Ave | 52.6614   | 0.4769       | 62.1943 | 70.3179        | 39.3810           | 39.0471          | 6.7197          | 13.0642           | 1.6302        | 0.0037            | 1.7481            | 0.0479           | 7.9713       | 14.0414    | 14.3387        |
|      | Q1  | 51.4540   | 0.4753       | 63.2595 | 71.6146        | 40.4724           | 39.0190          | 6.5741          | 13.1161           | 1.6310        | 0.0038            | 1.7570            | 0.0480           | 8.0939       | 13.7207    | 14.0106        |
|      | Q2  | 52.4470   | 0.4808       | 62.5318 | 71.3816        | 39.6907           | 39.3140          | 6.6830          | 13.2919           | 1.6446        | 0.0038            | 1.7628            | 0.0486           | 8.2271       | 13.9854    | 14.2803        |
|      | Q3  | 53.5494   | 0.4805       | 62.2967 | 69.8379        | 39.1524           | 39.1621          | 6.8260          | 13.0914           | 1.6240        | 0.0037            | 1.7472            | 0.0478           | 7.8721       | 14.2786    | 14.5802        |
|      | Q4  | 53.1953   | 0.4709       | 60.6894 | 68.4375        | 38.2084           | 38.6933          | 6.7959          | 12.7575           | 1.6213        | 0.0036            | 1.7255            | 0.0472           | 7.6920       | 14.1811    | 14.4839        |
| 2019 | Ave | 51.7958   | 0.4752       | 57.9894 | 66.1447        | 36.0008           | 37.9748          | 6.6105          | 12.5106           | 1.6686        | 0.0037            | 1.6767            | 0.0445           | 7.5021       | 13.8112    | 14.1026        |
|      | Q1  | 52.3571   | 0.4754       | 59.4752 | 68.2126        | 37.2996           | 38.6528          | 6.6732          | 12.8023           | 1.6562        | 0.0037            | 1.6993            | 0.0466           | 7.7609       | 13.9610    | 14.2556        |
|      | Q2  | 52.0591   | 0.4738       | 58.4750 | 66.8978        | 36.4156           | 38.1884          | 6.6405          | 12.5591           | 1.6475        | 0.0036            | 1.6738            | 0.0447           | 7.6297       | 13.8823    | 14.1744        |
|      | Q3  | 51.7676   | 0.4824       | 57.5713 | 63.8264        | 35.4755           | 37.6554          | 6.6118          | 12.4355           | 1.6863        | 0.0037            | 1.6608            | 0.0434           | 7.3796       | 13.8028    | 14.0949        |
|      | Q4  | 50.9993   | 0.4692       | 56.4359 | 65.6419        | 34.8126           | 37.4025          | 6.5164          | 12.2454           | 1.6842        | 0.0036            | 1.6728            | 0.0434           | 7.2381       | 13.5987    | 13.8857        |
| 2020 | Ave | 49.6241   | 0.4647       | 56.5701 | 63.6620        | 34.1983           | 35.9761          | 6.3982          | 11.8175           | 1.5866        | 0.0034            | 1.6853            | 0.0421           | 7.1897       | 13.2260    | 13.5112        |
|      | Q1  | 50.8290   | 0.4666       | 56.0530 | 65.1249        | 33.5008           | 36.7322          | 6.5413          | 12.1848           | 1.6280        | 0.0036            | 1.6892            | 0.0427           | 7.2866       | 13.5470    | 13.8393        |
|      | Q2  | 50.4626   | 0.4695       | 55.5438 | 62.6375        | 33.1070           | 35.7417          | 6.5104          | 11.6796           | 1.5785        | 0.0034            | 1.6886            | 0.0414           | 7.1201       | 13.4387    | 13.7395        |
|      | Q3  | 48.9388   | 0.4609       | 57.1669 | 63.1725        | 34.9487           | 35.5950          | 6.3144          | 11.6515           | 1.5628        | 0.0033            | 1.6688            | 0.0412           | 7.0705       | 13.0498    | 13.3247        |
|      | Q4  | 48.2660   | 0.4619       | 57.5167 | 63.7130        | 35.2365           | 35.8357          | 6.2267          | 11.7541           | 1.5772        | 0.0034            | 1.6944            | 0.0432           | 7.2814       | 12.8686    | 13.1415        |
| 2021 | Ave |           |              |         |                |                   |                  |                 |                   |               |                   |                   |                  |              |            |                |
|      | Q1  | 48.2800   | 0.4564       | 58.2353 | 66.5575        | 37.2906           | 36.2585          | 6.2244          | 11.8887           | 1.5972        | 0.0034            | 1.7208            | 0.0434           | 7.4521       | 12.8724    | 13.1452        |

Source: Bangko Sentral ng Pilipinas

**13a EXCHANGE RATES OF THE PESO**  
period averages; units of foreign currency per peso

|      | Period | US Dollar | Japanese Yen | Euro   | Pound Sterling | Australian Dollar | Singapore Dollar | Hongkong Dollar | Malaysian Ringgit | Thailand Baht | Indonesian Rupiah | New Taiwan Dollar | South Korean Won | Chinese Yuan | Saudi Rial | Emirati Dirham |
|------|--------|-----------|--------------|--------|----------------|-------------------|------------------|-----------------|-------------------|---------------|-------------------|-------------------|------------------|--------------|------------|----------------|
| 2018 | Ave    | 0.0190    | 2.0972       | 0.0161 | 0.0142         | 0.0254            | 0.0256           | 0.1488          | 0.0766            | 0.6134        | 269.8477          | 0.5721            | 20.8761          | 0.1255       | 0.0712     | 0.0698         |
|      | Q1     | 0.0194    | 2.1040       | 0.0158 | 0.0140         | 0.0247            | 0.0256           | 0.1521          | 0.0762            | 0.6131        | 263.6854          | 0.5692            | 20.8331          | 0.1235       | 0.0729     | 0.0714         |
|      | Q2     | 0.0191    | 2.0798       | 0.0160 | 0.0140         | 0.0252            | 0.0254           | 0.1496          | 0.0752            | 0.6081        | 265.2805          | 0.5673            | 20.5740          | 0.1215       | 0.0715     | 0.0700         |
|      | Q3     | 0.0187    | 2.0813       | 0.0161 | 0.0143         | 0.0255            | 0.0255           | 0.1465          | 0.0764            | 0.6158        | 273.4316          | 0.5723            | 20.9209          | 0.1270       | 0.0700     | 0.0686         |
|      | Q4     | 0.0188    | 2.1237       | 0.0165 | 0.0146         | 0.0262            | 0.0258           | 0.1471          | 0.0784            | 0.6168        | 276.9934          | 0.5795            | 21.1766          | 0.1300       | 0.0705     | 0.0690         |
| 2019 | Ave    | 0.0193    | 2.1047       | 0.0173 | 0.0151         | 0.0278            | 0.0263           | 0.1513          | 0.0800            | 0.5994        | 273.1630          | 0.5965            | 22.4860          | 0.1334       | 0.0724     | 0.0709         |
|      | Q1     | 0.0191    | 2.1036       | 0.0168 | 0.0147         | 0.0268            | 0.0259           | 0.1499          | 0.0781            | 0.6038        | 269.5659          | 0.5885            | 21.4654          | 0.1289       | 0.0716     | 0.0701         |
|      | Q2     | 0.0192    | 2.1108       | 0.0171 | 0.0149         | 0.0275            | 0.0262           | 0.1506          | 0.0796            | 0.6070        | 274.1912          | 0.5975            | 22.3788          | 0.1311       | 0.0720     | 0.0705         |
|      | Q3     | 0.0193    | 2.0731       | 0.0174 | 0.0157         | 0.0282            | 0.0266           | 0.1512          | 0.0804            | 0.5930        | 272.7659          | 0.6021            | 23.0442          | 0.1355       | 0.0724     | 0.0709         |
|      | Q4     | 0.0196    | 2.1315       | 0.0177 | 0.0152         | 0.0287            | 0.0267           | 0.1535          | 0.0817            | 0.5937        | 276.1289          | 0.5978            | 23.0556          | 0.1382       | 0.0735     | 0.0720         |
| 2020 | Ave    | 0.0202    | 2.1520       | 0.0177 | 0.0157         | 0.0293            | 0.0278           | 0.1564          | 0.0846            | 0.6304        | 292.4244          | 0.5934            | 23.7589          | 0.1391       | 0.0756     | 0.0740         |
|      | Q1     | 0.0197    | 2.1434       | 0.0178 | 0.0154         | 0.0299            | 0.0272           | 0.1529          | 0.0821            | 0.6143        | 278.6507          | 0.5920            | 23.4217          | 0.1372       | 0.0738     | 0.0723         |
|      | Q2     | 0.0198    | 2.1299       | 0.0180 | 0.0160         | 0.0302            | 0.0280           | 0.1536          | 0.0856            | 0.6335        | 294.4950          | 0.5922            | 24.1700          | 0.1404       | 0.0744     | 0.0728         |
|      | Q3     | 0.0204    | 2.1698       | 0.0175 | 0.0158         | 0.0286            | 0.0281           | 0.1584          | 0.0858            | 0.6399        | 298.6283          | 0.5992            | 24.2758          | 0.1414       | 0.0766     | 0.0750         |
|      | Q4     | 0.0207    | 2.1648       | 0.0174 | 0.0157         | 0.0284            | 0.0279           | 0.1606          | 0.0851            | 0.6340        | 297.9236          | 0.5902            | 23.1683          | 0.1373       | 0.0777     | 0.0761         |
| 2021 | Ave    |           |              |        |                |                   |                  |                 |                   |               |                   |                   |                  |              |            |                |
| Q1   | 0.0207 | 2.1910    | 0.0172       | 0.0150 | 0.0268         | 0.0276            | 0.1607           | 0.0841          | 0.6261            | 293.0476      | 0.5811            | 23.0461           | 0.1342           | 0.0777       | 0.0761     |                |

Note: Annual data may or may not be equal to the average of the monthly data due to rounding.

Source: Bangko Sentral ng Pilipinas

## 13b EFFECTIVE EXCHANGE RATE INDICES OF THE PESO

1980=100; period averages

|             | N O M I N A L                               |  |  | R E A L                                     |  |  |
|-------------|---|--|--|---|--|--|
|             | Overall<br>Trading<br>Partners <sup>1</sup> | Advanced<br>Trading<br>Partners <sup>2</sup> | Developing<br>Trading<br>Partners <sup>3</sup> | Overall<br>Trading<br>Partners <sup>1</sup> | Advanced<br>Trading<br>Partners <sup>2</sup> | Developing<br>Trading<br>Partners <sup>3</sup> |
| <b>2018</b> | <b>13.29</b>                                | <b>10.83</b>                                 | <b>21.21</b>                                   | <b>80.80</b>                                | <b>76.96</b>                                 | <b>105.39</b>                                  |
| Q1          | 13.28                                       | 10.87  | 21.15  | 80.42                                       | 77.85  | 103.96   |
| Q2          | 13.15                                       | 10.80  | 20.90  | 80.07                                       | 76.64  | 104.17   |
| Q3          | 13.28                                       | 10.74  | 21.27  | 80.60                                       | 76.02  | 105.70   |
| Q4          | 13.48                                       | 10.93  | 21.57  | 82.17                                       | 77.37  | 107.87   |
| <b>2019</b> | <b>13.77</b>                                | <b>11.15</b>                                 | <b>22.04</b>                                   | <b>84.45</b>                                | <b>80.26</b>                                 | <b>110.30</b>                                  |
| Q1          | 13.51                                       | 11.02  | 21.55  | 83.98                                       | 81.06  | 108.72   |
| Q2          | 13.70                                       | 11.11  | 21.91  | 84.56                                       | 80.20  | 110.57   |
| Q3          | 13.83                                       | 11.12  | 22.24  | 84.11                                       | 79.22  | 110.42   |
| Q4          | 14.04                                       | 11.36  | 22.49  | 85.26                                       | 80.63  | 111.67   |
| <b>2020</b> | <b>14.32</b>                                | <b>11.50</b>                                 | <b>23.04</b>                                   | <b>89.45</b>                                | <b>84.49</b>                                 | <b>117.24</b>                                  |
| Q1          | 14.11                                       | 11.43  | 22.59  | 88.25                                       | 85.23  | 114.24   |
| Q2          | 14.35                                       | 11.46  | 23.15  | 90.12                                       | 84.40  | 118.68   |
| Q3          | 14.48                                       | 11.54  | 23.40  | 89.77                                       | 83.86  | 118.38   |
| Q4          | 14.34                                       | 11.57  | 23.03  | 89.81 <sup>r</sup>                          | 84.60  | 117.87 <sup>r</sup>                            |
| <b>2021</b> |   |  |  |   |  |  |
| Q1          | 14.21                                       | 11.56  | 22.71  | 92.31                                       | 89.31  | 119.37   |

<sup>1</sup> Australia, Euro Area, US, Japan, Hong Kong, Taiwan, Thailand, Indonesia, Malaysia, Singapore, South Korea, China, Saudi Arabia and UAE

<sup>2</sup> US, Japan, Euro Area and Australia

<sup>3</sup> Hong Kong, Taiwan, Thailand, Indonesia, Malaysia, Singapore, South Korea, China, Saudi Arabia and UAE

<sup>r</sup> Revised

Source: Bangko Sentral ng Pilipinas

## 14 TOTAL EXTERNAL DEBT <sup>1</sup>

as of periods indicated; in million US dollars

|                             | 31 December 2019 |               |                       |                            | 31 December 2020 |               |                       |                            | 31 March 2021 |               |                       |                            |
|-----------------------------|------------------|---------------|-----------------------|----------------------------|------------------|---------------|-----------------------|----------------------------|---------------|---------------|-----------------------|----------------------------|
|                             | Short-Term       |               | Medium &<br>Long-Term | Total                      | Short-Term       |               | Medium &<br>Long-Term | Total                      | Short-Term    |               | Medium &<br>Long-Term | Total                      |
|                             | Trade            | Non-Trade     |                       |                            | Trade            | Non-Trade     |                       |                            | Trade         | Non-Trade     |                       |                            |
| <b>Grand Total</b>          | <b>3,417</b>     | <b>13,792</b> | <b>66,410</b>         | <b>83,618 <sup>a</sup></b> | <b>2,219</b>     | <b>11,989</b> | <b>84,279</b>         | <b>98,488 <sup>a</sup></b> | <b>2,453</b>  | <b>11,202</b> | <b>83,392</b>         | <b>97,047 <sup>a</sup></b> |
| Public Sector               |                  | 633           | 42,162 <sup>b</sup>   | 42,794                     |                  | 414           | 57,706 <sup>b</sup>   | 58,119                     |               | 355           | 56,395 <sup>b</sup>   | 56,750                     |
| Banks                       |                  | 633           | 3,174                 | 3,807                      |                  | 414           | 3,199                 | 3,613                      |               | 355           | 3,078                 | 3,434                      |
| Bangko Sentral ng Pilipinas |                  |               | 1,306 <sup>c</sup>    | 1,306                      |                  |               | 1,336 <sup>c</sup>    | 1,336                      |               |               | 1,315 <sup>c</sup>    | 1,315                      |
| Others                      |                  | 633           | 1,868                 | 2,501                      |                  | 414           | 1,864                 | 2,277                      |               | 355           | 1,763                 | 2,119                      |
| Non-Banks                   |                  |               | 38,987                | 38,987                     |                  |               | 54,506                | 54,506                     |               |               | 53,317                | 53,317                     |
| NG and Others               |                  |               | 38,987                | 38,987                     |                  |               | 54,506                | 54,506                     |               |               | 53,317                | 53,317                     |
| Private Sector              | 3,417            | 13,159        | 24,248                | 40,824                     | 2,219            | 11,576        | 26,574                | 40,369                     | 2,453         | 10,847        | 26,997                | 40,297                     |
| Banks                       |                  | 12,557        | 7,580                 | 20,136                     |                  | 10,584        | 7,363                 | 17,947                     |               | 9,808         | 6,450                 | 16,257                     |
| Foreign Bank Branches       |                  | 5,078         | 151                   | 5,228 <sup>d</sup>         |                  | 5,140         | 71                    | 5,211 <sup>d</sup>         |               | 5,370         | 70                    | 5,440 <sup>d</sup>         |
| Domestic Banks              |                  | 7,479         | 7,429                 | 14,908                     |                  | 5,444         | 7,291                 | 12,736                     |               | 4,438         | 6,380                 | 10,818                     |
| Non-Banks                   | 3,417            | 602           | 16,669 <sup>e</sup>   | 20,687                     | 2,219            | 992           | 19,211 <sup>e</sup>   | 22,422                     | 2,453         | 1,039         | 20,547 <sup>e</sup>   | 24,040                     |

<sup>1</sup> Covers debt owed to non-residents, with classification by borrower based on primary obligor per covering loan/rescheduling agreement/document.

|  | 31 Dec 2019 | 31 Dec 2020 | 31 Mar 2021 |
|--|-------------|-------------|-------------|
| <b>Exclusions:</b>   |             |             |             |
| <sup>a</sup> Residents' holdings of Philippine debt papers issued offshore;  | 17,382      | 15,548      | 15,184      |
| Non-residents' holdings of peso-denominated debt securities  | 5,165       | 4,450       | 3,908       |
| <b>Inclusions:</b>   |             |             |             |
| <sup>b</sup> Cumulative foreign exchange revaluation on US \$-denominated multi-currency loans from Asian Development Bank and World Bank                | -16         | 80          | 37          |
| <sup>c</sup> Accumulated SDR allocations from the IMF  | 1,154       | 1,208       | 1,187       |
| <sup>d</sup> "Due to Head Office/Branches Abroad" (DTHOBA) accounts of branches and offshore banking units of foreign banks operating in the Philippines | 3,802       | 3,597       | 3,419       |
| <sup>e</sup> Loans without BSP approval/registration which cannot be serviced using foreign exchange from the banking system;                            | 6,395       | 5,794       | 7,567       |
| Obligations under capital lease agreements   | 869         | 736         | 690         |

Source: Bangko Sentral ng Pilipinas

## 15 SELECTED FOREIGN DEBT SERVICE INDICATORS

for periods indicated; in million US dollars

|   | 2019 <sup>r</sup> |         |         |         | 2020 <sup>p</sup> |        |        |         | 2021 <sup>p</sup> |
|---|-------------------|---------|---------|---------|-------------------|--------|--------|---------|-------------------|
|   | Q1                | Q2      | Q3      | Q4      | Q1                | Q2     | Q3     | Q4      | Q1                |
| Debt Service Burden (DSB) <sup>1</sup>  | 1,734             | 3,104   | 1,357   | 2,506   | 3,166             | 1,233  | 1,421  | 1,251   | 3,839             |
| Principal   | 846               | 2,350   | 530     | 1,907   | 2,397             | 803    | 819    | 829     | 3,196             |
| Interest  | 888               | 754     | 827     | 599     | 769               | 430    | 603    | 422     | 643               |
| Export Shipments (XS) <sup>2</sup>  | 12,375            | 13,634  | 14,123  | 13,345  | 11,602            | 9,095  | 13,075 | 13,639  | 12,885            |
| Exports of Goods and Receipts<br>from Services and Income (XGSI) <sup>2,3</sup> | 30,350            | 31,937  | 33,578  | 33,584  | 28,943            | 22,510 | 29,737 | 30,551  | 28,495            |
| Current Account Receipts (CAR) <sup>2</sup>                                     | 32,117            | 33,767  | 35,461  | 35,543  | 30,564            | 24,183 | 31,535 | 32,374  | 30,390            |
| External Debt   | 80,431            | 81,259  | 82,674  | 83,618  | 81,421            | 87,453 | 91,979 | 98,488  | 97,047            |
| Gross Domestic Product (GDP)  | 84,536            | 93,470  | 91,291  | 107,843 | 87,467            | 81,935 | 85,882 | 106,807 | 90,011            |
| Gross National Income (GNI)   | 93,995            | 102,759 | 100,964 | 117,150 | 96,401            | 89,306 | 92,853 | 111,241 | 92,375            |
| <b>RATIOS (%):</b>  |                   |         |         |         |                   |        |        |         |                   |
| DSB to XS   | 14.01             | 22.77   | 9.61    | 18.78   | 27.28             | 13.56  | 10.87  | 9.17    | 29.79             |
| DSB to XGSI   | 5.71              | 9.72    | 4.04    | 7.46    | 10.94             | 5.48   | 4.78   | 4.10    | 13.47             |
| DSB to CAR  | 5.40              | 9.19    | 3.83    | 7.05    | 10.36             | 5.10   | 4.51   | 3.86    | 12.63             |
| DSB to GNI  | 1.84              | 3.02    | 1.34    | 2.14    | 3.28              | 1.38   | 1.53   | 1.12    | 4.16              |
| External Debt to GDP <sup>4</sup>   | 22.88             | 22.71   | 22.58   | 22.19   | 21.43             | 23.72  | 25.31  | 27.25   | 26.65             |
| External Debt to GNI <sup>4</sup>   | 20.69             | 20.55   | 20.47   | 20.17   | 19.52             | 21.65  | 23.22  | 25.30   | 25.18             |

<sup>1</sup> Debt service burden represents principal and interest payments after rescheduling. In accordance with the internationally-accepted concept, debt service burden consists of: (a) principal and interest payments on fixed MLT credits including IMF credits, loans covered by the Paris Club and Commercial Banks rescheduling, and New Money Facilities; and (b) interest payments on fixed and revolving short-term liabilities of banks and non-banks but excludes (i) prepayments of future years' maturities of foreign loans and (ii) principal payments on fixed and revolving ST liabilities of banks and non-banks.

<sup>2</sup> Based on the accounting principle under the Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)

<sup>3</sup> Includes cash remittances of overseas Filipino workers that were coursed through and reported by commercial banks which are reflected under Compensation of Employees in the Primary Income account and workers' remittances in the Secondary Income account.

<sup>4</sup> GNI and GDP figures were annualized by taking the sum over the past 4 quarters of the GNI and GDP, respectively.

<sup>p</sup> Preliminary

<sup>r</sup> Revised

Source: Bangko Sentral ng Pilipinas

## 16 BALANCE SHEET OF THE BANGKO SENTRAL NG PILIPINAS

as of end-periods indicated; in billion pesos

|   | 2018           |                |                |                | 2019           |                |                |                | 2020           |                  |                  |                  | 2021             |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
|   | Mar            | Jun            | Sep            | Dec            | Mar            | Jun            | Sep            | Dec            | Mar            | Jun <sup>p</sup> | Sep <sup>p</sup> | Dec <sup>p</sup> | Mar <sup>p</sup> |
| <b>Assets</b>   | <b>4,781.7</b> | <b>4,726.6</b> | <b>4,646.3</b> | <b>4,851.6</b> | <b>5,145.2</b> | <b>5,064.5</b> | <b>5,096.0</b> | <b>5,084.2</b> | <b>5,441.1</b> | <b>6,295.4</b>   | <b>6,608.3</b>   | <b>7,071.7</b>   | <b>7,555.6</b>   |
| International Reserves  | 4,187.1        | 4,116.8        | 4,031.0        | 4,140.2        | 4,375.2        | 4,326.7        | 4,405.8        | 4,434.1        | 4,484.2        | 4,618.6          | 4,828.5          | 5,249.9          | 5,034.2          |
| Domestic Securities   | 224.9          | 224.6          | 224.2          | 223.3          | 224.2          | 224.9          | 226.1          | 226.1          | 237.7          | 897.8            | 1,306.0          | 1,380.9          | 1,394.6          |
| Loans and Advances  | 167.0          | 170.9          | 180.2          | 277.5          | 329.7          | 301.5          | 248.8          | 200.2          | 162.6          | 172.8            | 163.7            | 130.9            | 665.4            |
| Government Securities Purchased Under Repurchase Agreements           | -              | -              | -              | -              | -              | -              | -              | -              | 300.0          | 300.0            | 0.0              | 0.0              | 0.0              |
| Bank Premises and Other Fixed Assets                                  | 23.0           | 22.8           | 22.9           | 23.8           | 23.9           | 24.2           | 24.3           | 24.4           | 23.5           | 23.4             | 23.2             | 23.1             | 22.9             |
| Derivative Instruments in a Gain Position                             | 0.1            | 0.1            | .              | 0.1            | 0.0            | 0.1            | 0.0            | .              | 0.1            | 0.0              | 0.0              | .                | 1.7              |
| Other Assets  | 179.6          | 191.5          | 188.0          | 186.8          | 192.2          | 187.1          | 190.9          | 199.4          | 233.1          | 282.8            | 286.9            | 286.8            | 436.8            |
| <b>Liabilities</b>  | <b>4,690.3</b> | <b>4,616.1</b> | <b>4,523.8</b> | <b>4,735.1</b> | <b>5,018.3</b> | <b>4,920.2</b> | <b>4,959.9</b> | <b>4,938.6</b> | <b>5,305.5</b> | <b>6,130.9</b>   | <b>6,455.3</b>   | <b>6,900.8</b>   | <b>7,429.2</b>   |
| Currency Issue  | 1,250.9        | 1,232.5        | 1,247.1        | 1,490.2        | 1,382.6        | 1,383.0        | 1,386.6        | 1,679.1        | 1,697.7        | 1,807.2          | 1,760.7          | 2,038.9          | 1,889.9          |
| Deposits  | 2,466.8        | 2,418.0        | 2,298.2        | 2,304.1        | 2,709.5        | 2,659.1        | 2,642.0        | 2,411.2        | 2,729.8        | 3,593.5          | 3,720.2          | 3,732.2          | 4,425.9          |
| Reserve Deposits of Other Depository Corporations (ODCs) <sup>1</sup> | 1,792.9        | 1,746.2        | 1,767.8        | 1,843.8        | 1,841.0        | 1,725.9        | 1,700.3        | 1,550.5        | 1,442.0        | 1,317.4          | 1,241.0          | 1,331.0          | 1,369.2          |
| Reserve Deposits of Other Financial Corporations (OFCs) <sup>2</sup>  | 2.0            | 1.3            | 1.3            | 1.3            | 0.7            | 0.7            | 0.4            | 0.4            | 0.4            | 0.3              | 0.3              | 0.4              | 0.3              |
| Secured Settlement Accounts   | -              | 0.3            | 1.6            | 2.7            | 2.7            | 4.3            | 3.5            | 8.1            | 22.6           | 17.4             | 17.5             | 31.5             | 31.5             |
| Overnight Deposit Facility <sup>5</sup>                               | 24.6           | 20.1           | 6.1            | 58.6           | 59.9           | 26.8           | 82.3           | 266.2          | 312.3          | 1,096.4          | 719.2            | 1,119.3          | 638.9            |
| Term Deposit Facility <sup>3</sup>                                    | 182.5          | 152.2          | 109.4          | 69.2           | 70.1           | 42.9           | 174.7          | 283.2          | 80.1           | 200.1            | 720.1            | 320.1            | 820.1            |
| Treasurer of the Philippines <sup>4</sup>                             | 318.8          | 338.6          | 257.5          | 170.2          | 575.1          | 709.7          | 533.9          | 159.9          | 722.5          | 825.5            | 889.5            | 798.6            | 1,434.5          |
| Foreign Financial Institutions  | 115.1          | 122.9          | 122.8          | 122.8          | 120.0          | 115.6          | 113.2          | 107.7          | 107.7          | 99.2             | 99.2             | 97.0             | 97.0             |
| Other Foreign Currency Deposits                                       | 0.8            | 0.8            | 1.1            | 1.1            | 1.3            | 1.1            | 1.1            | 1.1            | 1.2            | 3.7              | 3.6              | 4.6              | 4.6              |
| Other Deposits <sup>5</sup>   | 30.2           | 35.6           | 30.6           | 34.4           | 38.7           | 32.2           | 32.7           | 34.1           | 41.0           | 33.5             | 29.6             | 29.7             | 29.7             |
| Foreign Loans Payable   | .              | .              | .              | .              | .              | .              | .              | 0.0            | 0.0            | 0.0              | 0.0              | 0.0              | 0.0              |
| Net Bonds Payable   | 26.7           | 26.7           | 27.6           | 26.3           | 26.9           | 25.6           | 26.5           | 25.4           | 25.9           | 24.9             | 24.7             | 24.0             | 24.8             |
| Derivative Instruments in a Loss Position                             | .              | .              | 0.0            | 0.0            | 0.1            | 0.0            | .              | 0.0            | 0.0            | 0.4              | 1.1              | 0.0              | 0.0              |
| Derivatives Liability   | 0.2            | 0.1            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0            | 0.0              | .                | 0.0              | .                |
| Allocation of SDRs  | 63.7           | 63.0           | 63.4           | 61.4           | 61.3           | 59.8           | 59.3           | 58.9           | 58.1           | 57.4             | 57.1             | 58.0             | 57.7             |
| Revaluation of Foreign Currency Accounts <sup>6</sup>                 | 562.5          | 588.3          | 575.4          | 535.0          | 569.7          | 471.0          | 511.7          | 425.9          | 474.2          | 414.8            | 495.2            | 478.4            | 385.4            |
| Reverse Repurchase Facility <sup>5</sup>                              | 305.1          | 272.0          | 299.2          | 301.0          | 250.7          | 305.1          | 302.1          | 305.1          | 305.0          | 200.0            | 305.0            | 305.0            | 305.0            |
| Net Bills Payable - Domestic  | -              | -              | -              | -              | -              | -              | -              | -              | -              | -                | 49.9             | 219.9            | 297.2            |
| Other Liabilities   | 14.3           | 15.5           | 12.9           | 17.2           | 17.5           | 16.5           | 31.7           | 33.0           | 14.7           | 32.7             | 41.3             | 44.5             | 43.2             |
| <b>Net Worth</b>  | <b>91.4</b>    | <b>110.5</b>   | <b>122.5</b>   | <b>116.5</b>   | <b>126.8</b>   | <b>144.3</b>   | <b>136.0</b>   | <b>145.6</b>   | <b>135.6</b>   | <b>164.5</b>     | <b>153.0</b>     | <b>170.9</b>     | <b>126.4</b>     |
| Capital   | 50.0           | 50.0           | 50.0           | 50.0           | 50.0           | 50.0           | 50.0           | 50.0           | 50.0           | 50.0             | 50.0             | 50.0             | 50.0             |
| Surplus/Reserves  | 41.4           | 60.5           | 72.5           | 66.5           | 76.8           | 94.3           | 86.0           | 95.6           | 85.6           | 114.5            | 103.0            | 120.9            | 76.4             |

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

<sup>1</sup> ODCs are deposit-generating institutions other than the BSP such as universal and commercial banks (UB/KBs), specialized government banks (SCBs), thrift banks (TBs), rural banks (RBs) and non-banks with quasi-banking functions (NBQBs).

<sup>2</sup> OFCs are trust units of banks.

<sup>3</sup> Starting 3 June 2016, the Reverse Repurchase Agreement and Special Deposit Account have been replaced by the Reverse Repurchase Facility and Overnight Deposit Facility, respectively and a Term Deposit Facility was introduced in line with the implementation of the Interest Rate Corridor (IRC) system. Includes accrued interest payables.

<sup>4</sup> Includes foreign currency deposits

<sup>5</sup> Mostly GOCC deposits

<sup>6</sup> Previously named Revaluation of International Reserves

<sup>p</sup> Based on the preliminary and unaudited BSP Financial Statements (FS).

. Rounds off to zero

- Not applicable

Source: Bangko Sentral ng Pilipinas

## 17 INCOME POSITION OF THE BANGKO SENTRAL NG PILIPINAS

for periods indicated; in billion pesos

|  | 2018          |               |               |               |               | 2019          |               |               |               |                | 2020          |                 |                 |                 |                 | 2021            |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | Q1            | Q2            | Q3            | Q4            | FY            | Q1            | Q2            | Q3            | Q4            | FY             | Q1            | Q2 <sup>P</sup> | Q3 <sup>P</sup> | Q4 <sup>P</sup> | FY <sup>P</sup> | Q1 <sup>P</sup> |
| <b>Revenues</b>  | <b>14.918</b> | <b>22.160</b> | <b>12.556</b> | <b>18.405</b> | <b>68.039</b> | <b>26.410</b> | <b>38.906</b> | <b>30.005</b> | <b>26.355</b> | <b>121.676</b> | <b>26.124</b> | <b>20.786</b>   | <b>34.254</b>   | <b>37.058</b>   | <b>118.222</b>  | <b>47.960</b>   |
| Interest Income  | 16.878        | 19.006        | 19.914        | 22.364        | 78.162        | 25.675        | 27.546        | 25.070        | 22.124        | 100.415        | 20.799        | 18.051          | 23.332          | 23.251          | 85.433          | 24.022          |
| International Reserves   | 14.182        | 15.865        | 16.387        | 17.729        | 64.163        | 20.195        | 20.761        | 19.925        | 17.814        | 78.695         | 17.198        | 12.369          | 13.358          | 12.080          | 55.004          | 11.988          |
| Domestic Securities  | 1.461         | 1.686         | 2.023         | 2.346         | 7.516         | 3.051         | 3.232         | 2.712         | 2.401         | 11.396         | 1.962         | 3.818           | 8.103           | 9.394           | 23.277          | 9.728           |
| Loans and Advances   | 0.480         | 0.524         | 0.543         | 1.126         | 2.673         | 1.509         | 2.370         | 1.510         | 0.831         | 6.220          | 0.615         | 0.581           | 0.541           | 0.367           | 2.103           | 0.326           |
| Others   | 0.755         | 0.931         | 0.961         | 1.163         | 3.810         | 0.920         | 1.183         | 0.923         | 1.078         | 4.104          | 1.024         | 1.283           | 1.331           | 1.411           | 5.048           | 1.980           |
| Miscellaneous Income <sup>1</sup>  | -2.013        | 3.104         | -7.532        | -3.846        | -10.287       | 0.711         | 11.221        | 4.848         | 4.176         | 20.956         | 5.296         | 2.713           | 10.883          | 13.752          | 32.644          | 23.882          |
| Net Income from Branches   | 0.053         | 0.050         | 0.174         | -0.113        | 0.164         | 0.024         | 0.139         | 0.087         | 0.055         | 0.305          | 0.029         | 0.022           | 0.039           | 0.055           | 0.145           | 0.056           |
| <b>Expenses</b>  | <b>12.143</b> | <b>16.981</b> | <b>15.641</b> | <b>21.508</b> | <b>66.273</b> | <b>18.950</b> | <b>22.483</b> | <b>20.851</b> | <b>25.050</b> | <b>87.334</b>  | <b>18.225</b> | <b>16.405</b>   | <b>19.023</b>   | <b>24.136</b>   | <b>77.789</b>   | <b>23.486</b>   |
| Interest Expenses  | 6.431         | 6.592         | 7.881         | 9.031         | 29.935        | 10.330        | 11.162        | 12.224        | 10.972        | 44.688         | 10.957        | 10.274          | 11.918          | 13.286          | 46.435          | 13.799          |
| National Government Deposits   | 1.954         | 1.879         | 2.385         | 3.202         | 9.420         | 4.452         | 6.668         | 5.822         | 3.041         | 19.983         | 2.514         | 2.965           | 3.758           | 3.803           | 13.040          | 4.092           |
| Reverse Repurchase Facility <sup>2</sup>   | 2.266         | 2.179         | 2.564         | 3.104         | 10.113        | 3.176         | 2.801         | 3.241         | 3.040         | 12.258         | 2.843         | 1.001           | 1.701           | 1.667           | 7.212           | 1.525           |
| Bills Payable - Domestic   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -              | -             | -               | 0.010           | 1.135           | 1.145           | 1.339           |
| Overnight Deposit Facility <sup>2</sup>  | 0.592         | 0.231         | 0.172         | 0.346         | 1.341         | 0.601         | 0.241         | 0.605         | 1.101         | 2.548          | 1.704         | 5.017           | 3.243           | 2.334           | 12.298          | 2.509           |
| Term Deposit Facility <sup>2</sup>   | 0.908         | 1.539         | 1.876         | 1.495         | 5.818         | 1.153         | 0.545         | 1.698         | 2.976         | 6.372          | 3.077         | 0.577           | 2.533           | 3.685           | 9.872           | 3.676           |
| Loans Payable and Other Foreign Currency Deposits  | 0.696         | 0.724         | 0.832         | 0.847         | 3.099         | 0.886         | 0.850         | 0.837         | 0.774         | 3.347          | 0.756         | 0.686           | 0.669           | 0.662           | 2.773           | 0.657           |
| Other Liabilities  | 0.015         | 0.040         | 0.052         | 0.037         | 0.144         | 0.062         | 0.057         | 0.021         | 0.040         | 0.180          | 0.063         | 0.028           | 0.004           | 0.001           | 0.096           | 0.001           |
| Cost of Minting/Printing of Currency   | 1.893         | 2.329         | 2.818         | 4.220         | 11.260        | 3.544         | 3.082         | 2.611         | 3.236         | 12.473         | 2.442         | 2.123           | 2.549           | 4.495           | 11.609          | 2.952           |
| Taxes and Licenses   | 0.397         | 2.476         | 0.446         | 2.204         | 5.523         | 0.774         | 3.868         | 0.753         | 3.671         | 9.066          | 0.320         | -0.037          | -0.532          | -0.677          | -0.926          | 1.898           |
| Others   | 3.422         | 5.584         | 4.496         | 6.053         | 19.555        | 4.302         | 4.371         | 5.263         | 7.171         | 21.107         | 4.506         | 4.045           | 5.088           | 7.031           | 20.670          | 4.836           |
| <b>Net Income/(Loss) Before Net Gain/(Loss) on FX Rate Fluctuations and Income Tax Expense/(Benefit)</b> | <b>2.775</b>  | <b>5.179</b>  | <b>-3.085</b> | <b>-3.103</b> | <b>1.766</b>  | <b>7.460</b>  | <b>16.423</b> | <b>9.154</b>  | <b>1.305</b>  | <b>34.342</b>  | <b>7.899</b>  | <b>4.381</b>    | <b>15.231</b>   | <b>12.922</b>   | <b>40.434</b>   | <b>24.474</b>   |
| Net Gain/(Loss) on Foreign Exchange Rate Fluctuations <sup>3</sup>                                       | 7.040         | 14.471        | 27.292        | 4.305         | 53.108        | 5.670         | 3.330         | 5.365         | 0.360         | 14.725         | 2.021         | -0.441          | -6.132          | -1.226          | -5.779          | 0.927           |
| Income Tax Expense/(Benefit)   | 0.000         | 0.019         | 8.425         | 6.810         | 15.254        | 0.000         | 3.000         | 5.753         | -5.925        | 2.828          | 0.005         | 0.141           | 0.003           | -0.028          | 0.121           | 0.000           |
| <b>Net Income/(Loss) After Tax</b>   | <b>9.815</b>  | <b>19.631</b> | <b>15.782</b> | <b>-5.608</b> | <b>39.620</b> | <b>13.130</b> | <b>16.753</b> | <b>8.766</b>  | <b>7.590</b>  | <b>46.239</b>  | <b>9.915</b>  | <b>3.799</b>    | <b>9.096</b>    | <b>11.723</b>   | <b>34.533</b>   | <b>25.401</b>   |

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

<sup>1</sup> This includes trading gains/losses, fees, penalties and other operating income, among others.

<sup>2</sup> Starting 3 June 2016, the Reverse Repurchase Agreement and Special Deposit Account have been replaced by the Reverse Repurchase Facility and Overnight Deposit Facility, respectively and a Term Deposit Facility was introduced in line with the implementation of the Interest Rate Corridor (IRC) system.

<sup>3</sup> This represents realized gains or losses from fluctuations in foreign exchange rates arising from foreign currency-denominated transactions of the BSP.

<sup>P</sup> Based on the preliminary and unaudited BSP Financial Statements (FS).

- Not applicable

Source: Bangko Sentral ng Pilipinas