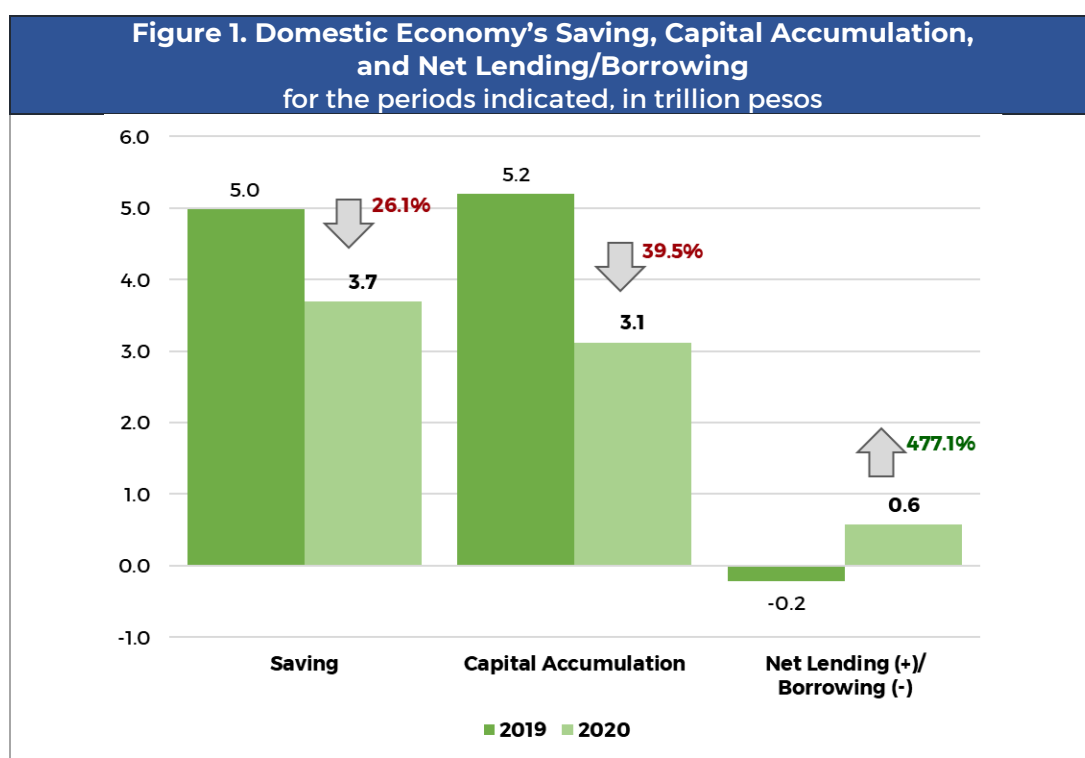


PHILIPPINE FLOW OF FUNDS ¹

2020 Developments

The domestic economy's total saving reached ₱3.7 trillion in 2020, 26.1 percent lower than the ₱5 trillion recorded in 2019 (Figure 1).² The steep decline in national saving emanated from the overall contraction in economic activities in 2020 due to the lockdown measures implemented by the government to control the spread of COVID-19. These measures dampened domestic consumption and production activities of major industries. Further, real investments or capital accumulation fell sharply by 39.5 percent to ₱3.1 trillion from ₱5.2 trillion recorded in 2019.³

Overall, the domestic economy became a net lender vis-à-vis the rest of the world (ROW) at ₱575.9 billion, a reversal from the previous year's net borrower position of ₱152.7 billion. This development reflected the reversal in the country's current account from a deficit in 2019 to a surplus in 2020.⁴ The reversal was caused mainly by the contraction in trade in goods deficit, resulting from the sharp decline in the importation of goods.



¹ The Flow of Funds (FOF), which is part of the System of National Accounts (SNA), is a summary of the financial transactions of and among the different institutional sectors of the domestic economy, including the rest of the world. In the Philippines, the FOF is presented as an integrated matrix of capital and financial accounts of each of the institutional sectors and the whole economy, linking saving, capital accumulation, and the associated financial flows. Source: 2008 SNA and Monetary and Financial Statistics Manual Compilation Guide

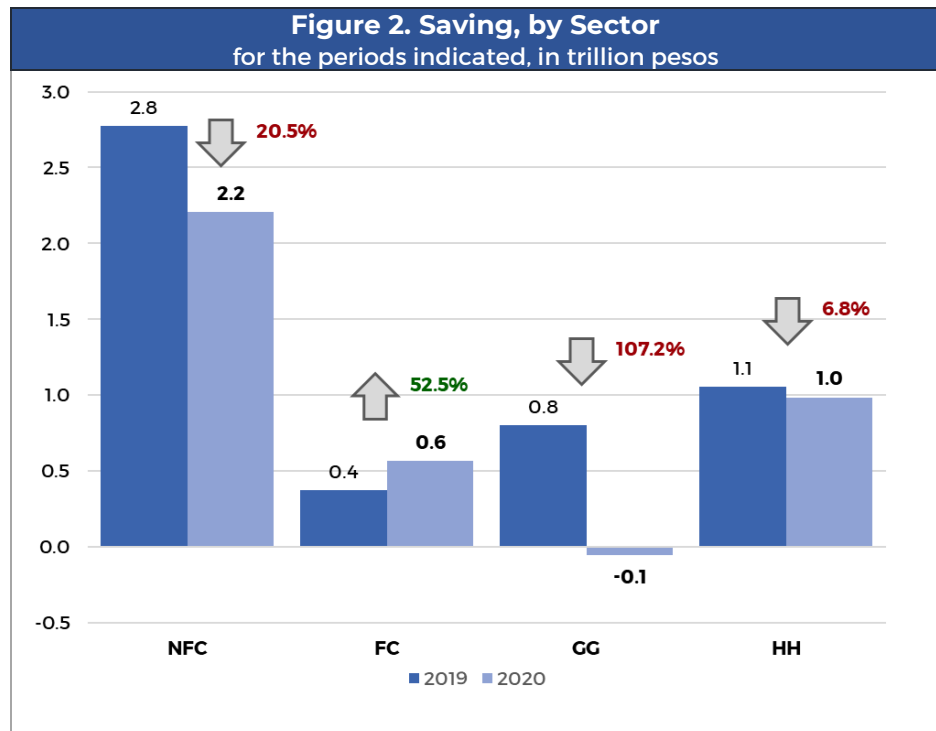
² Saving represents that part of disposable income that is not spent on the final consumption of goods and services. Source: *Ibid*

³ Capital accumulation is the sum of gross capital formation (GCF) and other capital accumulation (OCA), where GCF includes the total value of gross capital formation, changes in inventories, and acquisitions less disposals of valuables. OCA includes purchases and sale of patents, copyrights, trademarks, and franchises. The purchase and sale of land are also included but will only be covered in transactions among the domestic sectors and will cancel out in the process of national consolidation. Source: *Ibid*

⁴ The current account posted a surplus of US\$11.6 billion, a reversal from the US\$3 billion deficit recorded in 2019. Source: Balance of Payments, Bangko Sentral ng Pilipinas (BSP)



Saving Institutions



The NFCs' saving contracts amid lower profitability of core industries.

The effect of the pandemic was evident in the 20.5 percent drop in the non-financial corporations' (NFCs) gross saving to ₱2.2 trillion in 2020 from ₱2.8 trillion in the previous year (Figure 2). However, due to its high gross saving in 2019, the NFC sector remained the top saver in the domestic economy in 2020. In addition, core industries, such as manufacturing, real estate, and utilities supply, managed to post net income during the year, albeit about a third lower from 2019.^{5,6}

Manufacturing corporations recorded a 30 percent decline in net income in 2020.⁷ The industry's 10-year continuous expansion was cut-short in 2020 amid the 12.3 percent year-on-year (YoY) contraction in its nominal Gross Value Added (GVA).⁸ More than half of the decline in the industry's production was due to the tapered production of coke and refined petroleum; computer, electronic and optical goods; and food. Moreover, the Value of Production Index (VaPI) of manufacturing also registered a 13.9 percent decline, which was faster than the 6.9 percent contraction in 2019.⁹

Likewise, real estate activities suffered from the weak consumer and business demand as the industry incurred a 36.3 percent decline in net income in 2020.¹⁰ In particular, the real estate industry's GVA contracted by almost a third to ₱490.6 billion in 2020 from ₱692 billion a year ago as the use of office space and rent of residential

⁵ Utilities supply, particularly for Electricity, Gas, Steam and Air Conditioning Supply.

⁶ Source: BusinessWorld Top 1000 Corporations in the Philippines, 2021 edition

⁷ Source: *Ibid*

⁸ Source: National Accounts of the Philippines (NAP), Philippine Statistics Authority (PSA)

⁹ Source: Value of Production Index, Monthly Integrated Survey of Selected Industries, PSA

¹⁰ Source: BusinessWorld Top 1000 Corporations in the Philippines, 2021 edition



properties dropped.¹¹ This resulted in higher office space vacancy rates, particularly in the Makati Central Business District, Alabang, and Quezon City, as majority of the employed worked remotely.¹² Notably, there were also less office and residential occupancies from Philippine Offshore Gaming Operators, following their mass exit due to higher taxes and mobility restrictions.¹³

High office space vacancy rates spilled over to the utilities industry through lower electricity consumption by the commercial and industrial sectors.¹⁴ By the end of 2020, the Electricity, Gas, Steam and Air Conditioning Supply industry recorded a decline of 13.7 percent in its net income.¹⁵

Notably, the transportation industry was affected the most by the pandemic as it incurred a net loss in 2020 from a net income in 2019 due to worldwide mobility restrictions and the imposition of strict quarantine measures.¹⁶ The industry's GVA at current prices also reflected a 27.3 percent decline on the back of the double-digit contractions in the GVA of land, air, and water transport at 25.7 percent, 70.5 percent, and 33.3 percent, respectively.¹⁷

HHs' saving declines amid higher unemployment and lower current transfers from OFWs.

The households (HHs) sector, albeit being the second largest saver in the domestic economy, recorded a lower gross saving of ₱983.2 billion in 2020 from ₱1.1 trillion in 2019. The decline in the sector's saving was due mainly to the adverse effects of the pandemic on domestic and global labor market conditions as reflected through higher unemployment rates and lower inflows of Overseas Filipino (OF) personal remittances.

The annual underemployment and unemployment rates rose to 16.2 percent and 10.3 percent from 13.8 percent and 5.1 percent in 2019, respectively. At the height of the Covid-19 health crisis in the Philippines, the unemployment rate reached an all-time high of 17.6 percent in April 2020 as the enhanced community quarantine restrictions prompted businesses to close or reduce their manpower. Correspondingly, household disposable income dropped amid bleaker labor conditions. Moreover, the lower legislated real wage rates for both agricultural and non-agricultural groups contributed to the decline in HH disposable income.¹⁸ The HHs sector also received less remittances abroad as some migrants were displaced from work due to the contraction in global economic activities.^{19,20}

¹¹ Source: Gross Value Added (GVA) at Current Prices, NAP, PSA

¹² Source: Colliers International Quarterly Property Market Report – Philippines Office, Q4 2020

¹³ Source: *Ibid*

¹⁴ Source: 2020 Philippine Power Statistics, Department of Energy

¹⁵ Source: BusinessWorld Top 1000 Corporations in the Philippines, 2021 edition

¹⁶ Source: *Ibid*

¹⁷ Source: NAP, PSA

¹⁸ The legislated real wage rates for the agricultural sector in the National Capital Region (NCR) decreased to ₱470.81 in 2020 from ₱481.23 in 2019. Meanwhile, the legislated real wage rates for the non-agricultural sector in the NCR decreased to ₱505.65 in 2020 from ₱516.84 in 2019. Source: Selected Labor and Wages Indicators, BSP

¹⁹ OF remittances declined by 0.8 percent to US\$33.2 billion from US\$33.5 billion in 2019. Source: BSP

²⁰ In 2020, the number of OFWs fell by nearly a fifth to 1.8 million from 2.2 million in 2019. Source: PSA



The FCs post firm growth in saving amid higher output of core industries.

The financial corporations (FCs) sector generated an aggregate saving of ₱564.4 billion, 52.5 percent higher than the ₱370.1 billion recorded in the previous year, despite the headwinds and uncertainties caused by the pandemic.²¹ Among the FCs' sub-sectors, the other depository corporations (ODCs) and other financial corporations (OFCs) posted higher saving.^{22,23} In contrast, the Bangko Sentral ng Pilipinas (BSP) recorded a dissaving during the review period.

The ODCs held the largest share of the FCs' saving at ₱404.8 billion, 60.4 percent higher than ₱252.4 billion posted in 2019. This resulted mainly from the sub-sector's increased output from financial intermediation services indirectly measured (FISIM) on deposit-taking and lending activities.²⁴ In particular, the financial intermediation costs of ODCs improved as their average savings and time deposit rates declined, while lending rates remained stable.²⁵

The OFCs' saving expanded by 64.8 percent to reach ₱169.3 billion from ₱102.7 billion in 2019. This was on account of the larger saving of trust institutions and life insurance corporations as they recorded higher commissions and premium income, respectively.²⁶

Meanwhile, the BSP posted a dissaving of ₱9.7 billion, a reversal from the ₱15 billion saving recorded in the previous year. This was driven by the (a) reduction in its interest income from international reserves and the (b) higher dividends remitted to the National Government (NG).^{27,28}

²¹ The FCs sector consists of all resident corporations that are principally engaged in providing financial services, including insurance and pension services, to other institutional units. This is composed of the following residential institutional units: the Central Bank, the ODCs, and the OFCs.

²² The ODCs sub-sector is composed of universal/commercial banks, thrift banks, rural and cooperative banks, non-banks with quasi-banking functions, non-stock savings and loan associations, money market funds, and offshore banking units.

²³ The OFCs sub-sector includes 1) trust entities, 2) private and public insurance companies, 3) pre-need companies, 4) holding companies, 5) government financial institutions (specifically government corporations engaged in financial intermediation), 6) non-money market funds covering unit investment trust funds and investment companies, and 7) other financial intermediaries and auxiliaries (consisting of non-banks without quasi-banking functions).

²⁴ FISIM refers to the difference between the rate paid to banks by borrowers and the reference rate, plus the difference between the reference rate and the rate actually paid to depositors. This arises when financial institutions, such as banks, accept deposits from entities that want to receive interest on funds for which they have no immediate use, and lend the same to other entities whose funds are insufficient. Source: 2008 SNA 6.163

²⁵ In 2020, the average bank lending rate remained generally stable at 7 percent; while the average savings and time deposit rates declined from 2.8 percent to about 1 percent in 2019 and 2020, respectively. Source: BSP

²⁶ Commissions are equivalent to trust fund management fees.

²⁷ Albeit the year-on-year growth in the BSP's gross international reserves in 2020 (to US\$110.1 billion from US\$87.8 billion in 2019), the interest earned thereon declined due to the low interest rate environment and the appreciation of the Philippine Peso (PHP) against the US dollar. In particular, the US Federal Reserve policy rates declined to 0.25 percent as of end-2020 from 1.75 percent as of end-2019. Meanwhile the average PHP-per-USD rates were 49.6 and 51.8 in 2020 and 2019, respectively. Sources: Bloomberg and BSP

²⁸ The BSP remitted ₱40.5 billion and ₱4 billion dividends to the NG in 2020 and 2019, respectively. Source: BSP 2020 Audited Financial Statements



The GG records negative saving amid pandemic-related expenditures.

The general government (GG) sector became a dissaver at ₱58.1 billion, a reversal from its ₱801.5 billion saving in 2019. The outturn was mainly driven by the Central Government's (CG) dissaving, which reached ₱631.7 billion from a saving of ₱281 billion a year ago. The CG's dissaving was principally caused by the surge in government spending on pandemic-related expenditures. It may be noted that tax collections were also subdued in 2020.²⁹

The CG's expenditures were on social amelioration programs and other social welfare and protection services provided to families who were severely affected by the health crisis. Further, the increase in government spending can be traced from higher disbursements to support the health sector, such as hiring of additional human resources and provision of special risk allowances and hazard pay.^{30,31}

Following the NG's dissaving were the improvements in the gross saving of the Local Government Units (LGUs) and Social Security Funds (SSFs) during the year. The LGUs' saving increased by 10.8 percent to reach ₱437.7 billion from ₱395.2 billion in the prior year largely on the back of higher internal revenue allotment (IRA) and other current transfers from the NG.^{32,33,34} Likewise, the saving of the SSFs recorded an 8.4 percent increase to reach ₱135.9 billion, compared with the ₱125.4 billion recorded a year ago.³⁵ This was on the back of higher contributions from members, particularly from the Government Service Insurance System (GSIS).³⁶ The robust saving of the GSIS and Philippine Health Insurance Corporation (PHIC) more than offset the decline in the Social Security Services' (SSS) saving to ₱29.3 billion from ₱47.2 billion in 2019. The SSS' lower saving emanated from lower contributions resulting from the closures of private enterprises and higher unemployment rate among SSS members.³⁷

²⁹ Tax collections declined by 11.9 percent year-on-year to ₱2.5 trillion from ₱2.8 trillion in 2019. Source: 2020 Annual Audited Report of the National Government

³⁰ Personnel services rose by 5.7 percent year-on-year to ₱1.2 trillion in 2020 following: 1) the first tranche implementation of Salary Standardization Law V, 2) the hiring of human resources for the health sector, and 3) the provision of special risk allowance and hazard pay. Source: National Government Disbursement Performance as of December 2020, Department of Budget and Management (DBM), p.5

³¹ Source: *op. cit.*, p.5

³² Section 284 of the Local Government Code of 1991 (Republic Act RA No. 7160) provides that LGUs shall have a forty percent (40%) share in the national internal revenue taxes (NIRT) based on the collection of the third fiscal year (FY) preceding the current FY. Source: Republic Act RA No. 7160

³³ The IRA remained as the LGUs' major source of revenue in 2020 at ₱518 billion from ₱454.6 billion in 2019, representing 64.3 percent and 61.9 percent of its total operating revenue, respectively. The bulk of other current transfers include subsidies from the NG. Source: 2020 Annual Financial Report of the LGUs

³⁴ The increase in IRA boosted the saving of the LGUs as a sub-sector but did not have an effect on the GG's overall saving as a result of eliminating entries in the sectoral consolidation process.

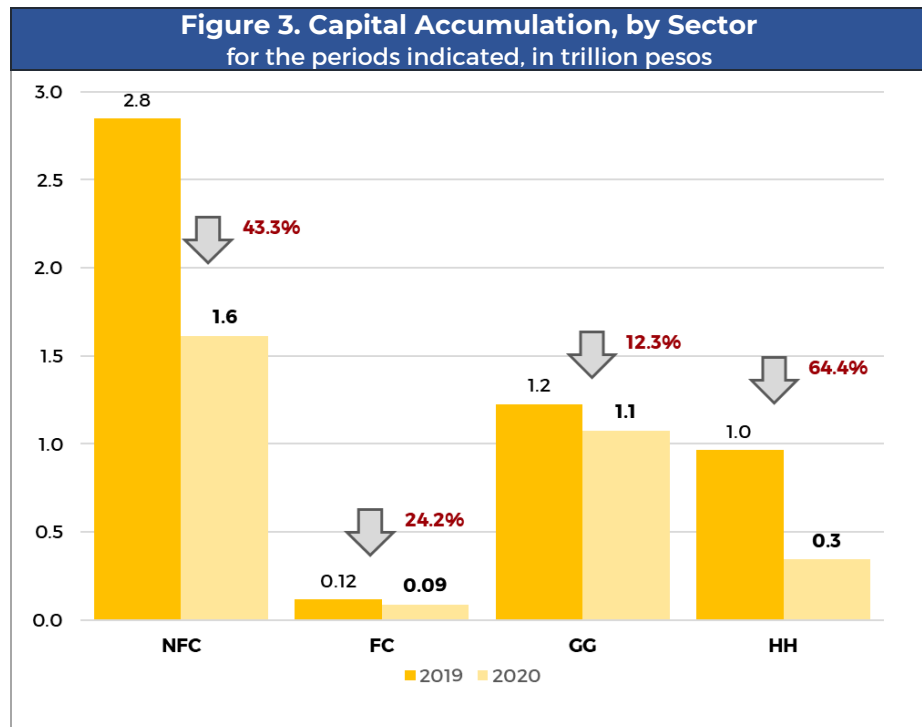
³⁵ The SSFs are comprised of the GSIS, SSS, and PHIC.

³⁶ Source: 2020 Annual Audited Report of the GSIS

³⁷ Source: 2020 Annual Audited Report of the SSS



Investing Institutions



The NFCs' real investments contract amid decline in private NFCs' capital accumulation.

The NFCs' real investments contracted by 43.3 percent, down to ₱1.6 trillion in 2020 from the ₱2.8 trillion recorded in 2019 (Figure 3). This was due mainly to the decrease in private NFCs' investing activities by 49.2 percent to ₱1.4 trillion from ₱2.8 trillion in 2019. Meanwhile, the public NFCs' real investments more than tripled to ₱199 billion from ₱61.5 billion in 2019. The public NFCs' capital buildup was mostly from the development and construction of projects of the Manila Water Sewerage System (MWSS) and Bases Conversion Development Authority (BCDA).³⁸

The decline in private NFCs' capital formation was reflected in the decline in non-residential construction activities in 2020, especially for commercial buildings as public and private construction activities were deferred due to the quarantine restrictions.³⁹

Similarly, the sector's expenditures on durable equipment contracted by more than a third from 2019 especially on transport equipment.⁴⁰ Further, given the weaker global demand during the year, less importation of capital goods was recorded, most especially on power generating and specialized machines; aircraft, ships, and boats; and land transportation equipment.⁴¹

³⁸ The MWSS acquired service concession assets, such as the completion of water utility plans; while the BCDA continued with its expansion of the Clark International Airport and construction of the airport access road. Sources: 2020 Annual Audited Reports of the MWSS and BCDA

³⁹ Source: Construction Statistics from Approved Building Permits Philippines: 2020, PSA

⁴⁰ Source: Gross Domestic Capital Formation in Durable Equipment, NAP, PSA, April 2023

⁴¹ Source: Foreign Trade Statistics, PSA



The GG records lower real investments.

The GG's capital accumulation reached ₱1.1 trillion, 12.3 percent lower than the ₱1.2 trillion recorded in 2019. All sub-sectors recorded lower real investments during the period, with the CG contributing significantly to the decline in the sector's capital accumulation.

The CG's capital accumulation reached ₱884.7 billion, 11.4 percent lower than the ₱998.9 billion recorded in 2019. The lower investments on infrastructure projects in 2020 was due mainly to delays in construction activities and deferment of some capital outlay projects to reallocate the funds toward pandemic response measures.⁴²

Likewise, the capital accumulation of the LGUs dipped by 13.1 percent to ₱187.3 billion from ₱215.5 billion in 2019. This was due to the modest acquisition of land and other infrastructure assets as the LGUs prioritized social assistance programs to help the poor and vulnerable population affected by the pandemic.⁴³

The SSFs' capital accumulation also dipped by 75.5 percent to ₱2.6 billion from ₱10.4 billion in 2019 as a result of the sub-sector's disposal of real assets.

HHs' capital accumulation contracts as investment in residential properties tapers off.

The lockdown measures also significantly restrained HHs' investing activities as the sector's real investments decreased markedly to ₱343.6 billion from the ₱965.4 billion in 2019. The significant decline was driven mainly by the HHs' lower investments in real estate. In particular, residential construction, based on approved building permits, contracted by 42 percent to ₱131.1 billion, from the ₱225.8 billion construction value posted in 2019.⁴⁴ The slump in housing demand also caused residential real estate loans to decelerate to 8.7 percent from the 12.2 percent growth registered a year ago.⁴⁵ When surveyed, fewer HHs thought it was a good time to buy a house and lot in 2020.⁴⁶

The FCs' real investment activities soften.

The FCs' real investments fell to ₱87.3 billion, 24.2 percent lower than the ₱115.1 billion reported a year ago. The ODCs continued to hold the largest share of the sector's real investments in 2020 at 74.1 percent, followed by the BSP and the OFCs at 20.4 percent and 5.5 percent, respectively.

The ODCs' capital accumulation declined by 29.7 percent, settling at ₱64.6 billion from ₱92 billion a year ago due to the lower acquisitions of property and equipment during the year. This was also reflected in the sluggish growth of the country's physical banking network at 1.4 percent compared with the 4.1 percent expansion in 2019.⁴⁷

⁴² The NG's infrastructure spending in 2020 declined by 22.7 percent to ₱681.5 billion compared with the ₱881.7 billion infrastructure disbursements in 2019. Source: National Government Disbursement Performance as of December 2020, Department of Budget and Management (DBM), p.5

⁴³ The Bayanihan to Recover as One Act (Republic Act 11494) was enacted in 2020 to support the government's COVID-19 response. The Act authorizes the local chief executives to realign their respective local funds in response to the pandemic.

⁴⁴ Source: Construction Statistics from Approved Building Permits Philippines: 2020, PSA

⁴⁵ Source: Philippine Banking System Report on Consumer Loans, BSP

⁴⁶ Source: Consumer Expectations Survey (CES): Q4 2020, BSP

⁴⁷ The number of total bank offices in 2018, 2019, and 2020 was 12,364, 12,870, and 13,044, respectively. Source: BSP



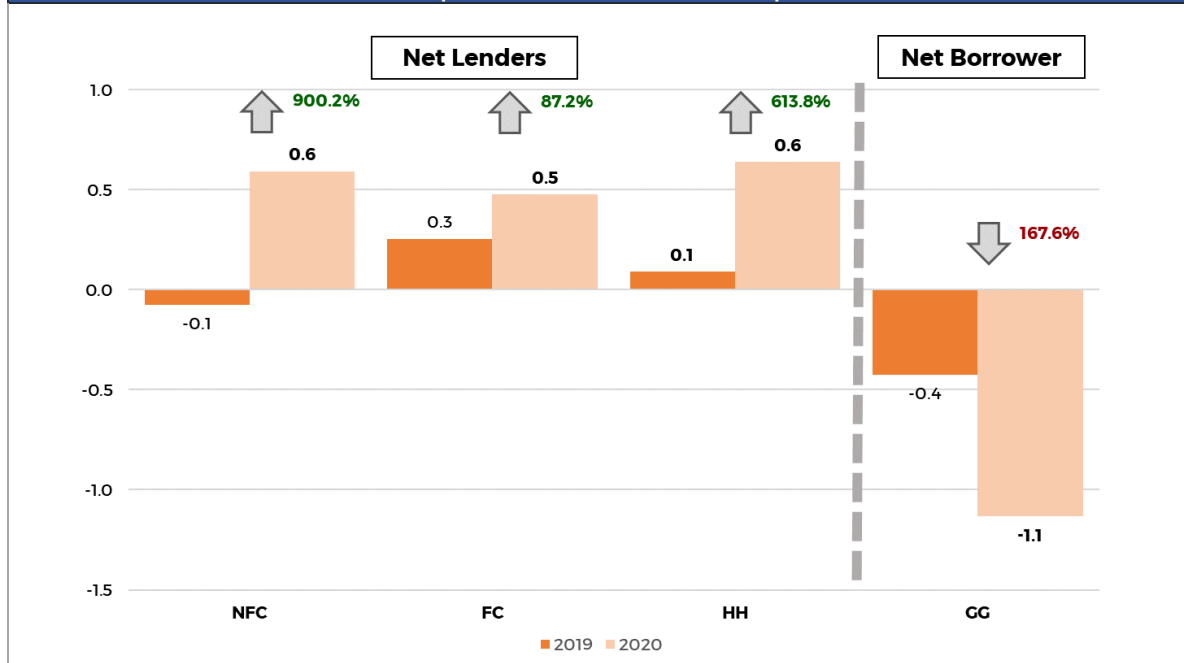
Likewise, the disposal of real and other properties acquired (ROPA) contributed to the dampened capital accumulation of the ODCs.⁴⁸

The OFCs' real investments declined by 78.6 percent to ₱4.8 billion from ₱22.3 billion in the previous year, owing to the lower investing activities of life and non-life insurance corporations.

In contrast, the BSP's real investments surged to ₱17.8 billion from a mere ₱0.8 billion in the preceding year. This was on account of the increase in plant inventories, non-monetary gold, and non-produced non-financial assets.⁴⁹

Lenders and Borrowers in the Economy

Figure 4. Net Lending (+)/Borrowing (-), by Sector
for the periods indicated, in trillion pesos



⁴⁸ In 2020, the ODCs' net disposal of ROPA amounted to ₱1.2 billion, a turnaround from the ₱1.8 billion net acquisition of ROPA in 2019. Source: Philippine Banking System Balance Sheet, BSP

⁴⁹ The pandemic dampened demand for low-denominated currencies and restricted mobility, resulting in logistical problems in banks' withdrawals of currencies, thus increasing inventory levels. The growing adoption of digital transactions, particularly due to the pandemic contributed to the decreased demand for cash. Source: BSP 2020 Audited Financial Statements



HHs expand their net lender position.

The HHs sector, despite having a lower gross saving position, expanded its net lender position to ₱639.6 billion from ₱89.6 billion in 2019 as the contraction in its capital accumulation was more than that of the decrease in its saving (Figure 4).

The sector's acquisition of financial assets in 2020 rose to ₱1.3 trillion from ₱967 billion in 2019. This was driven mainly by the continued accumulation of currency and deposits, amounting to ₱983.6 billion higher than ₱823 billion in the previous year. Meanwhile, the HHs' holdings of equity and investment fund shares increased markedly from ₱342.2 billion in 2019 to ₱504.6 billion in 2020 on bargain-hunting as equity valuations declined significantly during the period.⁵⁰ The HHs' acquisition of insurance, pension and standardized guarantee schemes also showed a significant increase at ₱170.2 billion from the ₱89.3 billion recorded a year ago, reflecting the HHs' stronger preference for these instruments as a safety net against the effects of the pandemic (Figure 5).⁵¹ On the other hand, the HHs' incurrence of financial liabilities declined to ₱646.9 billion from the ₱877.4 billion recorded in 2019. In particular, the HHs sector's net availment of loans declined to ₱95.6 billion from ₱532 billion in 2019 (Figure 6).

The NFCs reverse to a net lending position.

The NFCs became a net lender in 2020 from being a net borrower for the last three years, following the sector's weaker saving and investing activities. The sector's net acquisition of financial assets increased by 64.3 percent to ₱1.4 trillion from ₱853.3 billion in 2019. The sector's net lending position was further reinforced by its lower net incurrence of financial liabilities, which fell by 12.6 percent to ₱810.4 billion from ₱927.3 billion in 2019.

Private NFCs, which recorded lower real investments in 2020, mostly kept their financial assets in the form of bank deposits and debt securities issued by non-residents. On the contrary, the higher investment activities of public NFCs led to less cash placements in short-term time deposits, especially for the Philippine Amusement and Gaming Corporation (PAGCOR), the BCDA, and the Tourism Infrastructure and Enterprise Zone Authority (TIEZA).⁵²

Meanwhile, the sector's net incurrence of financial liabilities declined to ₱810.4 billion in 2020 from ₱927.3 billion in the previous year. This was due mainly to the 59.6 percent decrease in loan availments by private NFCs to ₱340.2 billion from ₱841.8 billion in 2019. The said decrease stemmed from their pessimistic outlook on their financial condition as well as difficulties in accessing credit.⁵³ The ODCs were risk averse towards lending, enforcing tighter credit standards on prospective borrowers (e.g., reduced credit line sizes, stricter collateral requirements and loan covenants, and increased use of interest rate floors).⁵⁴

⁵⁰ In 2020, amid the lockdowns, the volume of transactions traded on the Philippine Stock Exchange amounted to 1.5 trillion shares, higher than the 332.3 billion shares traded in 2019. Meanwhile, the number of retail investors increased to 1.4 million, higher than the 1.2 million number of retail investors in 2019. Sources: PSE and BSP

⁵¹ According to the Insurance Commission, the life insurers' sales grew by 5.9 percent to ₱247.7 billion in 2020. Source: <https://www.plia.org.ph/2021/04/20/life-insurance-sales-grow-in-2020-amid-pandemic/>

⁵² Source: 2020 Annual Audited Reports of the PAGCOR, BCDA, and TIEZA

⁵³ Source: Q4 2020 Business Expectations Survey, BSP

⁵⁴ Source: Q4 2020 Senior Bank Loan Officers' Survey, BSP



The FCs strengthen their net lending position.

The FCs' net lending position reached ₱477.1 billion, 87.2 percent higher than a year ago, driven by the higher net lending positions of the ODCs and OFCs. Their net lending positions grew by 112.1 percent and 104.6 percent to reach ₱340.2 billion and ₱164.5 billion, respectively (Figure 4). Meanwhile, the BSP became a net borrower at ₱27.6 billion, a reversal from being a net lender of ₱14.2 billion in 2019.

The FCs' total net acquisition of financial assets grew by 56.3 percent to reach ₱3.9 trillion from ₱2.5 trillion in 2019. The expansion stemmed mainly from its net acquisition of currency and deposits and debt securities. Notwithstanding the expansion in asset size, a decrease in the sector's lending activities was noted. The ODCs' loans receivable were lower by ₱170 billion in 2020 amid the economic uncertainty, a reversal from the ₱927.9 billion net loans provision recorded in the previous year. Nonetheless, the ODCs rechanneled its resources to relatively safer and more liquid investments during the year, such as investments in government securities (GS) and BSP bills. On the other hand, the BSP contributed to the growth in the sector's net acquisition of debt securities as it purchased GS to support the NG's pandemic response programs.⁵⁵ This resulted in the FCs' higher net acquisition of debt securities, which more than doubled to reach ₱2.8 trillion from ₱1.3 trillion a year ago (Figure 5).

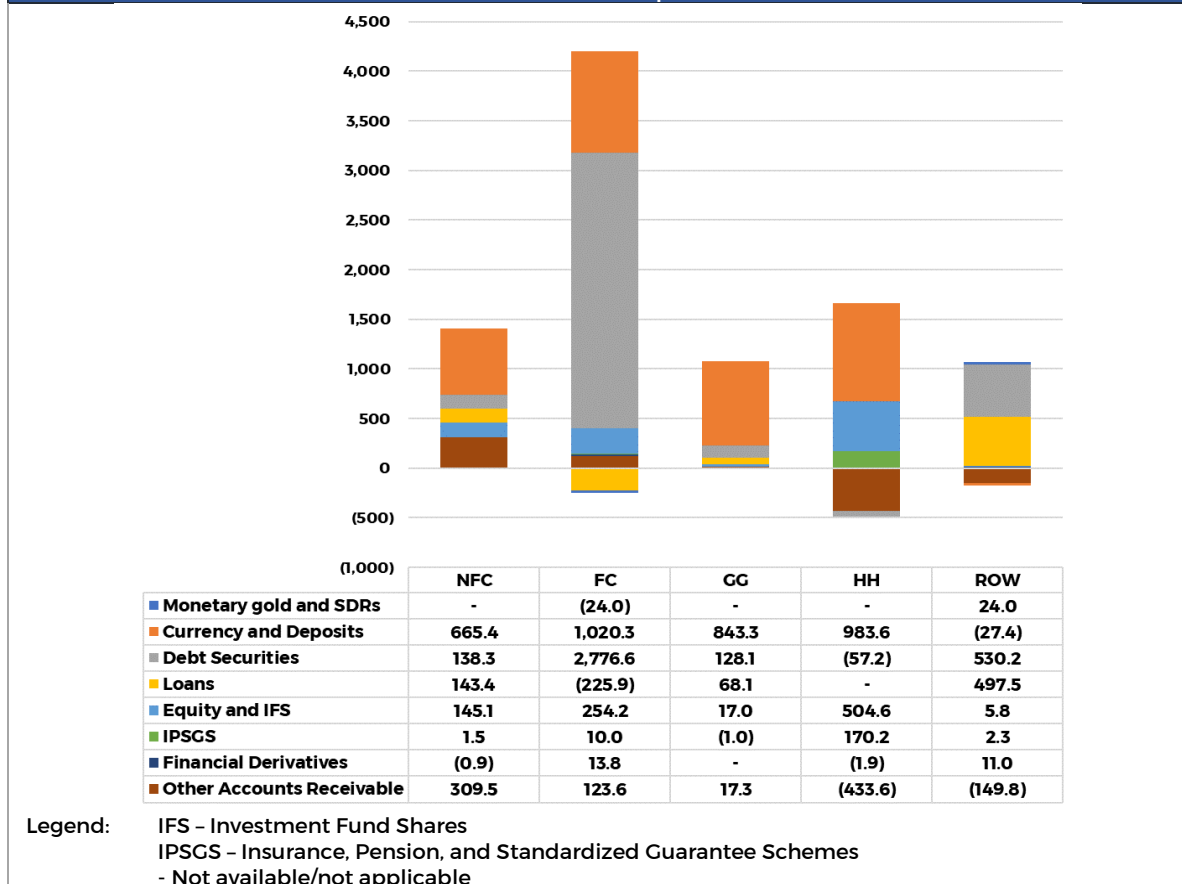
The FCs' total net incurrence of liabilities surged by 52.8 percent to reach ₱3.5 trillion from ₱2.3 trillion a year ago. Currency and deposits grew by ₱3 trillion compared with the ₱1.3 trillion expansion recorded a year ago. This developed amid the increase in the ODCs' deposits with the BSP as well as the BSP's extraordinary liquidity-enhancing measures to support the economy at the height of the pandemic.⁵⁶ Meanwhile, the FCs' loan obligations decreased by ₱390 billion, a reversal from ₱88.6 billion growth posted in the previous year (Figure 6).

⁵⁵ In 2020, the BSP's net acquisition of government securities amounted to ₱1.1 trillion. Source: BSP 2020 Audited Financial Statements

⁵⁶ In 2020, the BSP injected approximately ₱2 trillion into the economy. Source: BSP 2020 Annual Report



Figure 5. Net Acquisition of Financial Assets, by Sector and by Instrument
2020, in billion pesos



The GG continues to be a net borrower.

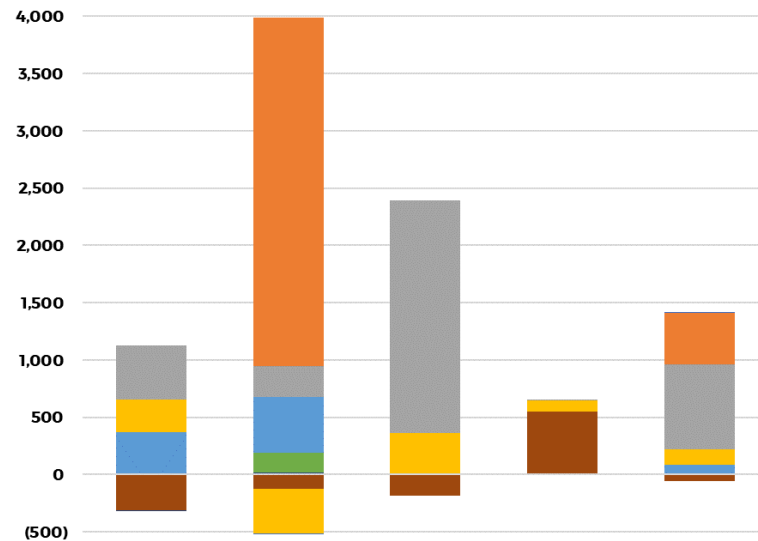
The GG became a larger net borrower in 2020 at ₱1.1 trillion, which was 167.6 percent higher than its net borrowing of ₱423.3 billion in 2019 (Figure 4). This ensued as the CG posted a net borrowing of ₱1.5 trillion, more than twice its ₱717.9 billion net borrowing in 2019, amid higher funding requirements for the government’s COVID-19 response measures. This more than offset the combined net lending positions of the LGUs and SSFs.

The sector’s net acquisition of financial assets, amounting to ₱1.1 trillion in 2020, is a reversal from its ₱103 billion net disposal of financial assets in 2019. This was driven by the significant increase in the NG’s deposits in banks and the BSP, consisting mainly of proceeds from its issuances of GS and higher net loan availments. As a result, the GG’s net acquisition of currency and deposit totaled ₱843.3 billion in 2020, a reversal from its net withdrawal of ₱140.3 billion in 2019 (Figure 5).

Meanwhile, the GG’s net incurrence of liabilities surged to ₱2.2 trillion from ₱320.3 billion a year ago. This emanated from the sector’s (1) higher net issuances of GS (to ₱2.0 trillion from ₱561.3 billion) and (2) increased net loan availments (to ₱358.4 billion from ₱82.9 billion) during the year. Both instruments remained important sources of financing for the government during the pandemic (Figure 6).



**Figure 6. Net Incurrence of Financial Liabilities,
by Sector and by Instrument**
2020, in billion pesos



(1,000)	NFC	FC	GG	HH	ROW
■ SDRs	-	(0.1)	-	-	.
■ Currency and Deposits	-	3,037.7	-	-	447.4
■ Debt Securities	471.3	272.6	2,027.4	.	744.6
■ Loans	283.6	(390.0)	358.4	95.6	135.6
■ Equity and IFS	369.0	484.1	-	-	73.7
■ IPSGS	-	176.4	-	-	6.5
■ Financial Derivatives	(0.1)	15.9	5.1	(1.0)	2.1
■ Other Accounts Payable	(313.4)	(125.1)	(185.5)	552.3	(61.4)

Legend: IFS - Investment Fund Shares
IPSGS - Insurance, Pension, and Standardized Guarantee Schemes
• Rounds off to zero
- Not available/not applicable

TRANSACTION CATEGORIES	2019 ^f							2020 ^p						
	NFC	FC	GG	HH ¹	TOTAL DE ²	ROW	TOTAL VOLUME	NFC	FC	GG	HH ¹	TOTAL DE ²	ROW	TOTAL VOLUME
CAPITAL ACCOUNT														
Gross Saving and Capital Transfers	2,773.6	370.1	801.5	1,055.0	5,000.2	152.9	5,153.1	2,205.6	564.4	-58.1	983.2	3,695.1	-576.8	3,118.3
Saving	2,765.9	370.1	796.8	1,061.0	4,993.8	159.3	5,153.1	2,200.4	564.4	-61.1	987.4	3,691.0	-572.7	3,118.3
Net capital transfers	7.7	0	4.7	-6.0	6.4	-6.4	0	5.2	0	3.0	-4.2	4.1	-4.1	0
Capital Accumulation	2,847.5	115.1	1,224.8	965.4	5,152.9	0.2	5,153.1	1,613.9	87.3	1,074.5	343.6	3,119.2	-1.0	3,118.3
Gross capital formation	2,845.5	118.5	1,152.8	1,036.2	5,153.1	-	5,153.1	1,632.3	87.5	1,054.9	343.6	3,118.3	-	3,118.3
Other capital accumulation ³	2.1	-3.4	72.0	-70.9	-0.2	0.2	0	-18.4	-0.3	19.6	0	1.0	-1.0	0
Net Lending (+) / Net Borrowing (-)	-74.0	254.9	-423.3	89.6	-152.7	152.7	0	591.7	477.1	-1,132.6	639.6	575.9	-575.9	0
FINANCIAL ACCOUNT														
Net Financing ⁴	-74.0	254.9	-423.3	89.6	-152.7	152.7	0	591.7	477.1	-1,132.6	639.6	575.9	-575.9	0
Net Acquisition of Financial Assets	853.3	2,526.7	-103.0	967.0	4,243.9	796.3	5,040.2	1,402.1	3,948.6	1,072.7	1,286.5	7,710.0	893.6	8,603.6
Monetary gold and SDRs	-	0.2	-	-	0.2	-	0.2	-	-24.0	-	-	-24.0	24.0	-
Currency and deposits	433.7	-430.1	-140.3	823.0	686.2	1.3	687.5	665.4	1,020.3	843.3	983.6	3,512.6	-27.4	3,485.1
Debt Securities	1.9	1,303.1	78.2	7.2	1,390.5	164.2	1,554.7	138.3	2,776.6	128.1	-57.2	2,985.8	530.2	3,516.0
Loans	102.6	1,578.8	74.1	-	1,755.5	383.9	2,139.4	143.4	-225.9	68.1	-	-14.4	497.5	483.1
Equity and Investment fund shares	180.7	11.6	-14.2	342.2	520.3	269.6	789.9	145.1	254.2	17.0	504.6	920.9	5.8	926.7
Insurance, pension and standardized guarantee schemes	2.6	28.5	1.0	89.3	121.3	3.6	125.0	1.5	10.0	-1.0	170.2	180.6	2.3	183.0
Financial Derivatives	-7.7	-11.9	-	5.4	-14.2	-2.1	-16.3	-0.9	13.8	0	-1.9	10.9	11.0	21.9
Other accounts receivable ⁵	139.4	46.5	-101.8	-159.3	-75.2	-24.3	-99.4	309.5	123.6	17.3	-433.6	16.7	-149.8	-133.1
Unclassified items ⁶	-	-	-	-140.7	-140.7	-	-140.7	-	-	-	-	120.9	-	120.9
Net Incurrence of Financial Liabilities	927.3	2,271.7	320.3	877.4	4,396.6	643.6	5,040.2	810.4	3,471.5	2,205.3	646.9	7,134.1	1,469.5	8,603.6
SDRs	-	-	-	-	-	0.2	0.2	-	-0.1	-	-	-0.1	-	-
Currency and deposits	-	1,291.9	-	-	1,291.9	-604.4	687.5	-	3,037.7	-	-	3,037.7	447.4	3,485.1
Debt Securities	215.5	204.2	561.3	-	981.0	573.7	1,554.7	471.3	272.6	2,027.4	-	2,771.3	744.6	3,516.0
Loans	720.7	88.6	82.9	532.0	1,424.0	715.3	2,139.4	283.6	-390.0	358.4	95.6	347.5	135.6	483.1
Equity and Investment fund shares	200.1	492.9	-	-	693.0	96.9	789.9	369.0	484.1	0	-	853.1	73.7	926.7
Insurance, pension and standardized guarantee schemes	-	129.7	-	-	129.7	-4.7	125.0	-	176.4	-	-	176.4	6.5	183.0
Financial Derivatives	-4.5	3.2	3.5	-7.0	-4.8	-11.5	-16.3	-0.1	15.9	5.1	-1.0	19.9	2.1	21.9
Other accounts payable ⁵	-204.5	61.2	-327.4	352.4	-118.2	18.8	-99.4	-313.4	-125.1	-185.5	552.3	-71.7	-61.4	-133.1
Unclassified items ⁶	-	-	-	-	-	-140.7	-140.7	-	-	-	-	-	-	120.9
NET LENDING / NET FINANCING BY FINANCIAL INSTRUMENT														
Net Financing ⁴	-74.0	254.9	-423.3	89.6	-152.7	152.7	0	591.7	477.1	-1,132.6	639.6	575.9	-575.9	0
Monetary gold and SDRs	-	0.3	-	-	0.3	-0.3	0	-	-24.0	-	-	-24.0	24.0	0
Currency and deposits	433.7	-1,722.1	-140.3	823.0	-605.7	605.7	0	665.4	-2,017.4	843.3	983.6	474.9	-474.9	0
Debt Securities	-213.6	1,098.9	-483.1	7.2	409.5	-409.5	0	-333.0	2,504.0	-1,899.3	-57.2	214.4	-214.4	0
Loans	-618.0	1,490.3	-8.8	-532.0	331.5	-331.5	0	-140.2	164.1	-290.2	-95.6	-361.9	361.9	0
Equity and Investment fund shares	-19.3	-481.4	-14.2	342.2	-172.7	172.7	0	-223.9	-229.8	17.0	504.6	67.9	-67.9	0
Insurance, pension and standardized guarantee schemes	2.6	-101.2	1.0	89.3	-8.4	8.4	0	1.5	-166.4	-1.0	170.2	4.2	-4.2	0
Financial Derivatives	-3.2	-15.1	-3.5	12.4	-9.4	9.4	0	-0.8	-2.1	-5.1	-0.9	-9.0	9.0	0
Other accounts receivable (+) / payable (-)	343.9	-14.7	225.6	-511.7	43.0	-43.0	0	622.9	248.7	202.8	-985.9	88.5	-88.5	0
Unclassified items ⁶	-	-	-	-140.7	-140.7	140.7	0	-	-	-	-	120.9	-120.9	0

^p Preliminary

^f Revised to reflect restated data from the Commission on Audit Annual Audited Reports, revisions in the financial statements of the financial corporations, non-financial and other financial corporations, National Accounts of the Philippines, and Balance of Payments, as well as other new data collected.

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

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

³ Computed as acquisition less disposal of non-produced non-financial assets (i.e., net acquisition of non-produced non-financial asset following the 2008 System of National Accounts).

⁴ Calculated as net acquisition of financial assets less net incurrence of financial liabilities.

⁵ Consists of trade credits and advances as well as other accounts payable/receivable.

⁶ Represents the unclassified financial assets/liabilities in the Balance of Payments.

- Rounds off to zero

- Not available/Not applicable

Details may not add up to total due to rounding.

NFC - Non-Financial Corporations
FC - Financial Corporations

GG - General Government
HH - Households

DE - Domestic Economy
ROW - Rest of the World

FLOW OF FUNDS SUMMARY MATRIX, BY SECTOR
year-on-year changes, in percent

Annex A.1

TRANSACTION CATEGORIES	NFC	FC	GG	HH ¹	TOTAL DE ²	ROW	TOTAL VOLUME
CAPITAL ACCOUNT							
Gross Saving and Capital Transfers	-20.5	52.5	-107.2	-6.8	-26.1	-477.2	-39.5
Saving	-20.4	52.5	-107.7	-6.9	-26.1	-459.6	-39.5
Net capital transfers	-31.8	--	-35.8	30.5	-35.9	35.9	--
Capital Accumulation	-43.3	-24.2	-12.3	-64.4	-39.5	-564.4	-39.5
Gross capital formation	-42.6	-26.2	-8.5	-66.8	-39.5	-	-39.5
Other capital accumulation ³	-979.2	92.0	-72.7	100.0	564.4	-564.4	--
Net Lending (+) / Net Borrowing (-)	900.2	87.2	-167.6	613.8	477.1	-477.1	--
FINANCIAL ACCOUNT							
Net Financing ⁴	900.2	87.2	-167.6	613.8	477.1	-477.1	--
Net Acquisition of Financial Assets	64.3	56.3	1,141.1	33.0	81.7	12.2	70.7
Monetary gold and SDRs	-	-10,801.4	-	-	-10,801.4	69,727.8	-122.6
Currency and deposits	53.4	337.2	701.1	19.5	411.9	-2,160.5	406.9
Debt Securities	7,157.3	113.1	63.8	-891.5	114.7	222.9	126.2
Loans	39.7	-114.3	-8.0	100.0	-100.8	29.6	-77.4
Equity and Investment fund shares	-19.7	2,100.0	219.4	47.5	77.0	-97.8	17.3
Insurance, pension and standardized guarantee schemes	-43.6	-64.8	-203.2	90.6	48.9	-35.8	46.4
Financial Derivatives	87.8	215.8	100.0	-135.6	176.9	626.2	234.6
Other accounts receivable ⁵	121.9	166.0	117.0	-172.2	122.3	-517.5	-33.8
Unclassified items ⁶	-	-	-	185.9	185.9	-	185.9
Net Incurrence of Financial Liabilities	-12.6	52.8	588.6	-26.3	62.3	128.3	70.7
SDRs	-	-93.0	-	-	-93.0	-90.4	-122.6
Currency and deposits	-	135.1	-	-	135.1	174.0	406.9
Debt Securities	118.7	33.5	261.2	320.8	182.5	29.8	126.2
Loans	-60.7	-540.4	332.4	-82.0	-75.6	-81.0	-77.4
Equity and Investment fund shares	84.4	-1.8	100.0	-	23.1	-24.0	17.3
Insurance, pension and standardized guarantee schemes	-	36.1	-	-	36.1	238.5	46.4
Financial Derivatives	98.0	389.2	45.7	85.5	516.1	117.9	234.6
Other accounts payable ⁵	-53.3	-304.4	43.3	56.7	39.3	-427.2	-33.8
Unclassified items ⁶	-	-	-	-	-	185.9	185.9
NET LENDING / NET FINANCING BY FINANCIAL INSTRUMENT							
Net Financing ³	900.2	87.2	-167.6	613.8	477.1	-477.1	--
Monetary gold and SDRs	-	-9,391.4	-	-	-9,391.4	9,391.4	--
Currency and deposits	53.4	-17.1	701.1	19.5	178.4	-178.4	--
Debt Securities	-55.9	127.9	-293.2	-893.1	-47.6	47.6	--
Loans	77.3	-89.0	-3,190.2	82.0	-209.2	209.2	--
Equity and Investment fund shares	-1,058.2	52.3	219.5	47.5	139.3	-139.3	--
Insurance, pension and standardized guarantee schemes	-43.6	-64.4	-203.2	90.6	150.1	-150.1	--
Financial Derivatives	73.2	86.0	-45.5	-107.3	4.9	-4.9	--
Other accounts receivable (+) / payable (-)	81.1	1,786.6	-10.1	-92.7	105.6	-105.6	--
Unclassified items ⁶	-	-	-	185.9	185.9	-185.9	--

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

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

³ Computed as acquisition less disposal of non-produced non-financial assets (i.e., net acquisition of non-produced non-financial asset following the 2008 System of National Accounts).

⁴ Calculated as net acquisition of financial assets less net incurrence of financial liabilities.

⁵ Consists of trade credits and advances as well as other accounts payable/receivable.

⁶ Represents the unclassified financial assets/liabilities in the Balance of Payments.

- Not available/Not applicable

-- Infinite growth rate

Details may not add up to total due to rounding.

NFC - Non-Financial Corporations

FC - Financial Corporations

GG - General Government

HH - Households

DE - Domestic Economy

ROW - Rest of the World

FLOW OF FUNDS SUMMARY MATRIX
FINANCIAL CORPORATIONS (FC)

Annex B

in billion pesos

TRANSACTION CATEGORIES	2019 ^F				2020 ^P				Y-o-Y Changes (in percent)			
	BSP	ODCs ¹	OFCs	TOTAL FC	BSP	ODCs ¹	OFCs	TOTAL FC	BSP	ODCs ¹	OFCs	TOTAL FC
CAPITAL ACCOUNT												
Gross Saving and Capital Transfers	15.0	252.4	102.7	370.1	-9.7	404.8	169.3	564.4	-165.2	60.4	64.8	52.5
Saving	15.0	252.4	102.7	370.1	-9.7	404.8	169.3	564.4	-165.2	60.4	64.8	52.5
Net capital transfers	0	0	0	0	0	0	0	0	--	--	--	--
Capital Accumulation	0.8	92.0	22.3	115.1	17.8	64.6	4.8	87.3	2,141.0	-29.7	-78.6	-24.2
Gross Capital formation	4.7	92.0	21.9	118.5	18.3	64.6	4.6	87.5	292.6	-29.7	-79.0	-26.2
Other capital accumulation ²	-3.9	0	0.4	-3.4	-0.5	0	0.2	-0.3	87.8	--	-56.0	92.0
Net Lending (+) / Net Borrowing (-)	14.2	160.4	80.4	254.9	-27.6	340.2	164.5	477.1	-294.7	112.1	104.6	87.2
FINANCIAL ACCOUNT												
Net Financing ³	14.2	160.4	80.4	254.9	-27.6	340.2	164.5	477.1	-294.7	112.1	104.6	87.2
Net Acquisition of Financial Assets	336.0	1,534.4	656.2	2,526.7	1,888.2	1,619.3	441.0	3,948.6	462.0	5.5	-32.8	56.3
Monetary gold and SDRs	0.2	0	0	0.2	-24.0	0	0	-24.0	-10,801.4	--	--	-10,801.4
Currency and deposits	-634.6	236.7	-32.2	-430.1	336.8	885.6	-202.0	1,020.3	153.1	274.1	-526.5	337.2
Debt Securities	494.0	353.8	455.4	1,303.1	1,689.7	910.4	176.4	2,776.6	242.1	157.4	-61.3	113.1
Loans	469.2	927.9	181.7	1,578.8	-123.8	-170.0	67.9	-225.9	-126.4	-118.3	-62.7	-114.3
Equity and investment fund shares	7.7	15.0	-11.2	11.6	10.2	-39.7	283.8	254.2	31.7	-365.1	2,645.1	2,100.0
Insurance, pension and standardized guarantee schemes	0	1.2	27.3	28.5	0	0.7	9.3	10.0	--	-43.2	-65.7	-64.8
Financial derivatives	0	-11.8	-0.1	-11.9	0	12.7	1.1	13.8	--	207.5	1,629.6	215.8
Other accounts receivable ⁴	-0.5	11.7	35.4	46.5	-0.6	19.6	104.6	123.6	-11.8	68.6	195.7	166.0
Net Incurrence of Financial Liabilities	321.8	1,374.1	575.8	2,271.7	1,915.8	1,279.2	276.5	3,471.5	495.3	-6.9	-52.0	52.8
SDRs	.	0	0	.	-0.1	0	0	-0.1	-93.0	--	--	-93.0
Currency and deposits	301.5	966.4	24.1	1,291.9	1,684.9	1,353.0	-0.2	3,037.7	458.9	40.0	-100.9	135.1
Debt Securities	.	214.1	-9.9	204.2	220.0	12.8	39.7	272.6	4,381,616.5	-94.0	500.1	33.5
Loans	4.1	-27.4	111.8	88.6	-0.1	-319.2	-70.8	-390.0	-102.4	-1,066.8	-163.3	-540.4
Equity and investment fund shares	0	82.1	410.8	492.9	0	28.7	455.3	484.1	--	-65.0	10.8	-1.8
Insurance, pension and standardized guarantee schemes	0	0	129.7	129.7	0	0	176.4	176.4	--	--	36.1	36.1
Financial derivatives	0	1.0	2.2	3.2	0	11.9	4.0	15.9	--	1,045.0	79.1	389.2
Other accounts payable ⁴	16.3	137.7	-92.8	61.2	11.0	191.9	-328.0	-125.1	-32.5	39.3	-253.6	-304.4
NET LENDING / NET FINANCING BY FINANCIAL INSTRUMENT												
Net Financing ³	14.2	160.4	80.4	254.9	-27.6	340.2	164.5	477.1	-294.7	112.1	104.6	87.2
Monetary gold and SDRs	0.3	0	0	0.3	-24.0	0	0	-24.0	-9,391.4	--	--	-9,391.4
Currency and deposits	-936.1	-729.6	-56.3	-1,722.1	-1,348.2	-467.4	-201.8	-2,017.4	-44.0	35.9	-258.4	-17.1
Debt Securities	494.0	139.6	465.3	1,098.9	1,469.6	897.6	136.7	2,504.0	197.5	542.9	-70.6	127.9
Loans	465.1	955.3	69.9	1,490.3	-123.7	149.2	138.6	164.1	-126.6	-84.4	98.3	-89.0
Equity and investment fund shares	7.7	-67.2	-421.9	-481.4	10.2	-68.5	-171.5	-229.8	31.7	-2.0	59.3	52.3
Insurance, pension and standardized guarantee schemes	0	1.2	-102.4	-101.2	0	0.7	-167.1	-166.4	--	-43.2	-63.2	-64.4
Financial derivatives	0	-12.9	-2.3	-15.1	0	0.8	-2.9	-2.1	--	106.0	-27.1	86.0
Other accounts receivable/payable ⁴	-16.8	-126.1	128.1	-14.7	-11.6	-172.2	432.5	248.7	31.0	-36.6	237.6	1,786.6

^P Preliminary

^F Revised to reflect revisions in the financial statements of financial corporations and new data collected.

¹ Includes universal/commercial banks, thrift banks, rural banks and other deposit-taking institutions (i.e., non-stock savings and loan associations and non-bank financial institutions with quasi-banking functions).

² Computed as acquisition less disposal of non-produced non-financial assets (i.e., net acquisition of non-produced non-financial asset following the 2008 System of National Accounts)

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

⁴ Consists of trade credits and advances as well as other accounts receivable/payable.

. Rounds off to zero

-- Infinite growth rate

Details may not add up to total due to rounding.

ODCs - Other Depository Corporations
OFCs - Other Financial Corporations

FC - Financial Corporations

GENERAL GOVERNMENT (GG)

in billion pesos

TRANSACTION CATEGORIES	2019 ^r				2020 ^p				Y-o-Y Changes (in percent)			
	CG	LGU	SSFs	TOTAL GG	CG	LGU	SSFs	TOTAL GG	CG	LGU	SSFs	TOTAL GG
CAPITAL ACCOUNT												
Gross Saving and Capital Transfers	281.0	395.2	125.4	801.5	-631.7	437.7	135.9	-58.1	-324.8	10.8	8.4	-107.2
Saving	276.2	395.2	125.4	796.8	-634.7	437.7	135.9	-61.1	-329.8	10.8	8.4	-107.7
Net capital transfers	4.7	.	0	4.7	3.0	.	0	3.0	-35.8	98.0	--	-35.8
Capital Accumulation	998.9	215.5	10.4	1,224.8	884.7	187.3	2.6	1,074.5	-11.4	-13.1	-75.5	-12.3
Gross Capital formation	971.4	197.2	-15.8	1,152.8	880.4	176.0	-1.5	1,054.9	-9.4	-10.7	90.2	-8.5
Other capital accumulation ¹	27.4	18.3	26.2	72.0	4.3	11.2	4.1	19.6	-84.3	-38.6	-84.4	-72.7
Net Lending (+)/Net Borrowing (-)	-717.9	179.7	114.9	-423.3	-1,516.4	250.4	133.3	-1,132.6	-111.2	39.4	16.0	-167.6
FINANCIAL ACCOUNT												
Net Financing ²	-717.9	179.7	114.9	-423.3	-1,516.4	250.4	133.3	-1,132.6	-111.2	39.4	16.0	-167.6
Net Acquisition of Financial Assets	-475.4	200.5	171.8	-103.0	589.1	329.3	154.4	1,072.7	223.9	64.2	-10.2	1,141.1
Currency and deposits	-216.6	6.6	69.8	-140.3	740.5	63.1	39.6	843.3	441.8	863.6	-43.2	701.1
Debt Securities	42.6	.	35.6	78.2	96.4	-0.4	32.1	128.1	126.0	-7,957.3	-9.8	63.8
Loans	0.3	0.3	73.4	74.1	-9.6	1.3	76.3	68.1	-3,015.7	292.1	4.0	-8.0
Equity and investment fund shares	10.7	.	-24.9	-14.2	3.5	3.3	10.2	17.0	-67.2	136,985.7	140.8	219.4
Insurance, pension and standardized guarantee schemes	1.0	-	-	1.0	-1.0	-	-	-1.0	-203.2	-	-	-203.2
Financial derivatives	.	-	-	.	0	-	-	0	100.0	-	-	100.0
Other accounts receivable ³	-313.4	193.6	18.0	-101.8	-240.8	261.9	-3.8	17.3	23.2	35.3	-121.3	117.0
Net Incurrence of Financial Liabilities	242.5	20.8	56.9	320.3	2,105.4	78.9	21.1	2,205.3	768.1	278.8	-63.0	588.6
Debt Securities	558.3	3.0	-	561.3	2,027.5	-0.1	-	2,027.4	263.2	-103.2	-	261.2
Loans	78.4	4.4	-	82.9	352.4	6.0	-	358.4	349.2	34.9	-	332.4
Equity and investment fund shares	.	-	-	.	0	-	-	0	100.0	-	-	100.0
Financial derivatives	.	-	3.5	3.5	-1.2	-	6.3	5.1	-18,433.9	-	79.9	45.7
Other accounts payable ³	-394.2	13.4	53.4	-327.4	-273.2	73.0	14.8	-185.5	30.7	445.2	-72.3	43.3
NET LENDING / NET FINANCING BY FINANCIAL INSTRUMENT												
Net Financing ²	-717.9	179.7	114.9	-423.3	-1,516.4	250.4	133.3	-1,132.6	-111.2	39.4	16.0	-167.6
Currency and deposits	-216.6	6.6	69.8	-140.3	740.5	63.1	39.6	843.3	441.8	863.6	-43.2	701.1
Debt Securities	-515.6	-3.0	35.6	-483.1	-1,931.1	-0.3	32.1	-1,899.3	-274.5	90.0	-9.8	-293.2
Loans	-78.1	-4.1	73.4	-8.8	-361.9	-4.7	76.3	-290.2	-363.3	-13.6	4.0	-3,190.2
Equity and investment fund shares	10.7	.	-24.9	-14.2	3.5	3.3	10.2	17.0	-67.2	136,985.7	140.8	219.5
Insurance, pension and standardized guarantee schemes	1.0	-	-	1.0	-1.0	-	-	-1.0	-203.2	-	-	-203.2
Financial derivatives	.	-	-3.5	-3.5	1.2	-	-6.3	-5.1	222,949	-	-79.9	-45
Other accounts receivable/payable ³	80.8	180.2	-35.4	225.6	32.5	188.9	-18.6	202.8	-59.8	4.8	47.4	-10

^p Preliminary.^r Revised to reflect restated data from COA Annual Audited Reports and new data collected.¹ Computed as acquisition less disposal of non-produced non-financial assets (i.e., net acquisition of non-produced non-financial asset following the 2008 System of National Accounts)² Net acquisition of financial assets less net incurrence of financial liabilities³ Consists of trade credits and advances as well as other accounts receivable/payable.

. Rounds off to zero

- Not available/Not applicable

-- Infinite growth rate

Details may not add up to total due to rounding.

FLOW OF FUNDS SUMMARY MATRIX
NON-FINANCIAL CORPORATIONS (NFC)

Annex D

in billion pesos

TRANSACTION CATEGORIES	2019 ^r			2020 ^p			Y-o-Y Changes (in percent)		
	Private	Public	Total NFC	Private	Public	Total NFC	Private	Public	Total NFC
CAPITAL ACCOUNT									
Gross Saving and Capital Transfers	2,709.4	64.2	2,773.6	2,180.2	25.4	2,205.6	-19.5	-60.4	-20.5
Saving	2,696.6	69.3	2,765.9	2,169.9	30.5	2,200.4	-19.5	-56.0	-20.4
Net capital transfers	12.8	-5.2	7.7	10.3	-5.1	5.2	-19.2	0.7	-31.8
Capital Accumulation	2,786.1	61.5	2,847.5	1,414.9	199.0	1,613.9	-49.2	223.8	-43.3
Gross Capital formation	2,799.5	45.9	2,845.5	1,444.6	187.7	1,632.3	-48.4	308.6	-42.6
Other capital accumulation ¹	-13.4	15.5	2.1	-29.7	11.3	-18.4	-121.2	-27.2	-979.2
Net Lending (+) / Net Borrowing (-)	-76.7	2.7	-74.0	765.3	-173.6	591.7	1,098.1	-6,463.4	900.2
FINANCIAL ACCOUNT									
Net Financing ²	-76.7	2.7	-74.0	765.3	-173.6	591.7	1,098.1	-6,463.4	900.2
Net Acquisition of Financial Assets	1093.6	-240.3	853.3	1569.6	-167.4	1,402.1	43.5	30.3	64.3
Currency and deposits	421.6	12.0	433.7	741.2	-75.8	665.4	75.8	-729.3	53.4
Debt Securities	5.5	-3.6	1.9	150.2	-11.9	138.3	2,650.3	-234.1	7,157.3
Loans	145.5	-42.9	102.6	185.1	-41.7	143.4	27.2	2.7	39.7
Equity and investment fund shares	178.7	2.1	180.7	144.2	0.8	145.1	-19.3	-60.0	-19.7
Insurance, pension and standardized guarantee schemes	2.6	-	2.6	1.5	-	1.5	-43.6	-	-43.6
Financial derivatives	-8.1	0.4	-7.7	-1.4	0.4	-0.9	83.1	10.8	87.8
Other accounts receivable ³	347.8	-208.3	139.4	348.8	-39.3	309.5	0.3	81.1	121.9
Net Incurrence of Financial Liabilities	1170.2	-243.0	927.3	804.2	6.2	810.4	-31.3	102.5	-12.6
Debt Securities	218.0	-2.4	215.5	488.2	-16.9	471.3	124.0	-593.2	118.7
Loans	841.8	-121.2	720.7	340.2	-56.6	283.6	-59.6	53.3	-60.7
Equity and investment fund shares	202.1	-2.0	200.1	367.7	1.3	369.0	81.9	164.0	84.4
Financial derivatives	-4.5	-	-4.5	-0.1	-	-0.1	98.0	-	98.0
Other accounts payable ³	-87.1	-117.3	-204.5	-391.8	78.4	-313.4	-349.6	166.8	-53.3
NET LENDING / NET FINANCING BY FINANCIAL INSTRUMENT									
Net Financing ²	-76.7	2.7	-74.0	765.3	-173.6	591.7	1,098.1	-6,463.4	900.2
Currency and deposits	421.6	12.0	433.7	741.2	-75.8	665.4	75.8	-729.3	53.4
Debt Securities	-212.5	-1.1	-213.6	-338.0	5.0	-333.0	-59.1	553.1	-55.9
Loans	-696.3	78.3	-618.0	-155.1	14.9	-140.2	77.7	-81.0	77.3
Equity and investment fund shares	-23.4	4.1	-19.3	-223.4	-0.5	-223.9	-853.2	-111.7	-1,058.2
Insurance, pension and standardized guarantee schemes	2.6	-	2.6	1.5	-	1.5	-43.6	-	-43.6
Financial derivatives	-3.5	0.4	-3.2	-1.3	0.4	-0.8	64.2	10.8	73.2
Other accounts receivable/payable ³	434.9	-91.0	343.9	740.5	-117.7	622.9	70.3	-29.3	81.1

^p Preliminary

^r Revised to reflect restated data from the Commission on Audit Annual Audited Reports, revisions in the financial statements of non-financial corporations and National Accounts of the Philippines, as well as other new data collected.

¹ Computed as acquisition less disposal of non-produced non-financial assets (i.e., net acquisition of non-produced non-financial asset following the 2008 System of National Accounts).

² Net acquisition of financial assets less net incurrence of financial liabilities.

³ Consists of trade credits and advances as well as other accounts payable/receivable.

- Not available/Not applicable

Details may not add up to total due to rounding.

NET LENDERS AND BORROWERS IN THE ECONOMY

Annex E

Net Lenders (Sources of Funds)			Net Fund Provision/ Availment (in ₱ Billions)	Net Borrowers (Users of Funds)		
Net Lending		% to Total Fund Provision		Net Borrowing		
₱ Billions				₱ Billions		% to Total Fund Availment
2015						
Non-Financial Corporations	263	53.0%	495	Rest of the World	333	67.2%
Financial Corporations	183	36.9%		General Government	162	32.8%
Households	50	10.1%				
2016						
Financial Corporations	216	68.2%	317	General Government	259	81.8%
Rest of the World	53	16.9%		Households	58	18.2%
Non-Financial Corporations	47	14.9%				
2017						
Financial Corporations	278	72.7%	382	General Government	304	79.7%
Rest of the World	104	27.3%		Households	45	11.8%
				Non-Financial Corporations	33	8.5%
2018						
Rest of the World	466	66.2%	705	General Government	393	55.8%
Financial Corporations	238	33.8%		Non-Financial Corporations	212	30.0%
				Households	100	14.1%
2019 ^r						
Financial Corporations	255	51.3%	497	General Government	423	85.1%
Rest of the World	153	30.7%		Non-Financial Corporations	74	14.9%
Households	90	18.0%				
2020 ^p						
Households	640	37.4%	1,708	General Government	1,133	66.3%
Non-Financial Corporations	592	34.6%		Rest of the World	576	33.7%
Financial Corporations	477	27.9%				

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