

BANGKO SENTRAL NG PILIPINAS

Q3 2020

Philippine Balance Sheet Approach

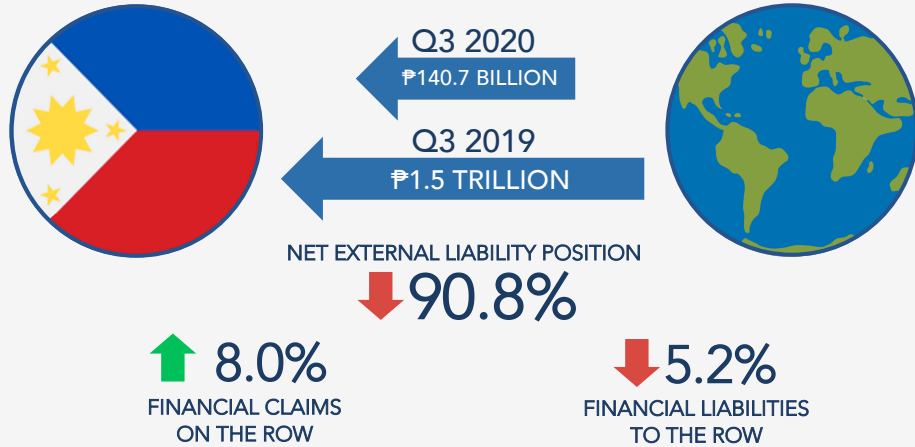
Department of Economic Statistics
Monetary and Economics Sector
Bangko Sentral ng Pilipinas

Q3 2020 PHILIPPINE BALANCE SHEET APPROACH

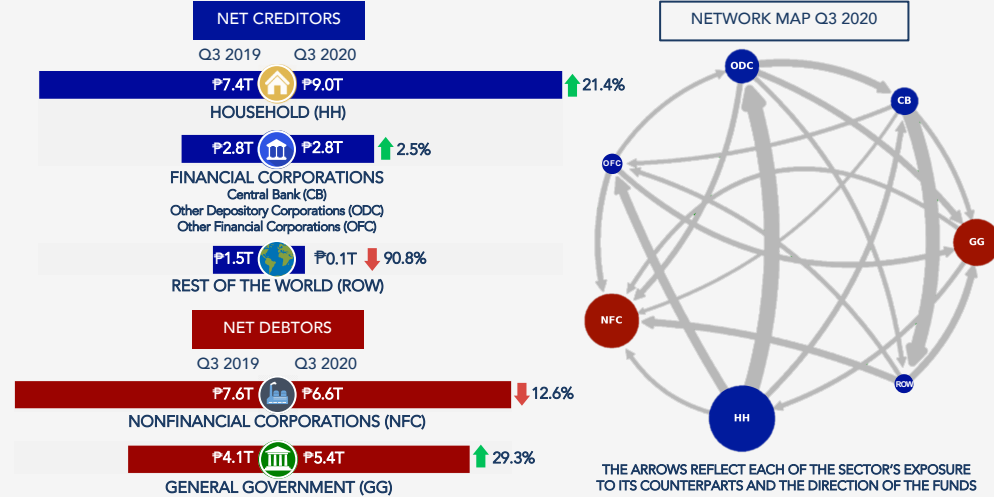
THE BALANCE SHEET APPROACH IS A PRESENTATION OF THE COUNTRY'S FINANCIAL BALANCE SHEETS ON A FROM WHOM-TO-WHOM (WTW) BASIS USING THE AGGREGATE BALANCE SHEET DATA OF EACH SECTOR OF THE ECONOMY

NET EXTERNAL FINANCIAL POSITION

DOMESTIC ECONOMY VS. REST OF THE WORLD (ROW)

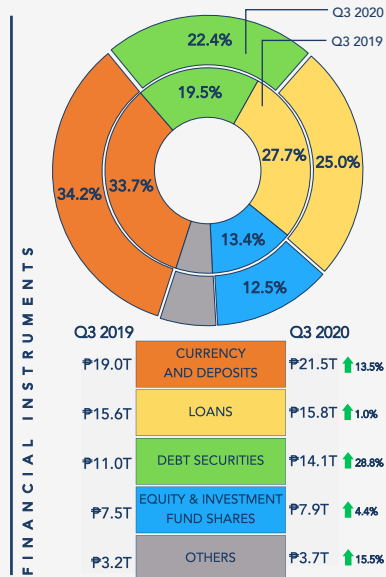
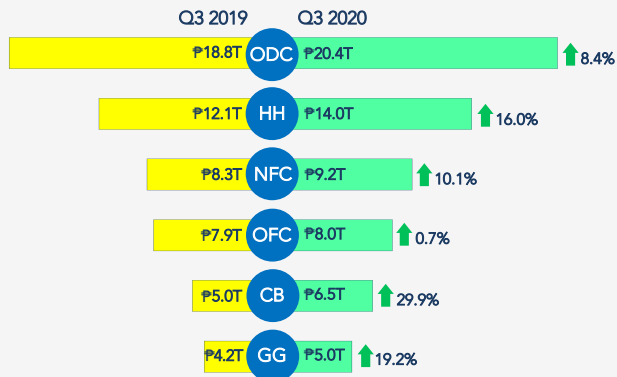


NET FINANCIAL POSITION



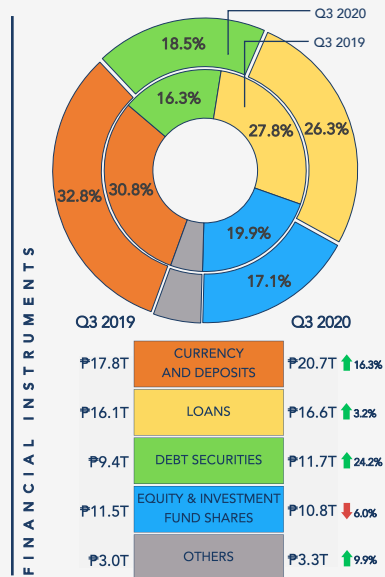
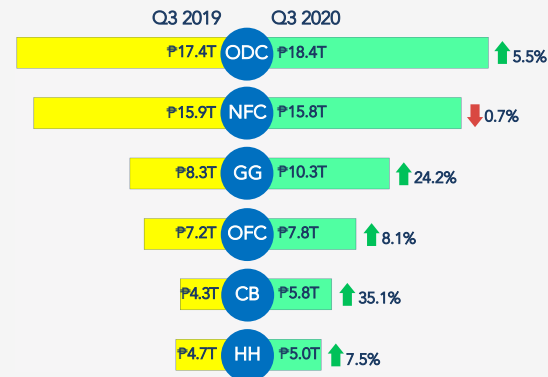
GROSS FINANCIAL ASSETS

DOMESTIC ECONOMY
₱63.0 TRILLION Q3 2020
₱56.3 TRILLION Q3 2019
↑ 11.9%



GROSS FINANCIAL LIABILITIES

DOMESTIC ECONOMY
₱63.2 TRILLION Q3 2020
₱57.8 TRILLION Q3 2019
↑ 9.2%



PHILIPPINE BALANCE SHEET APPROACH ¹

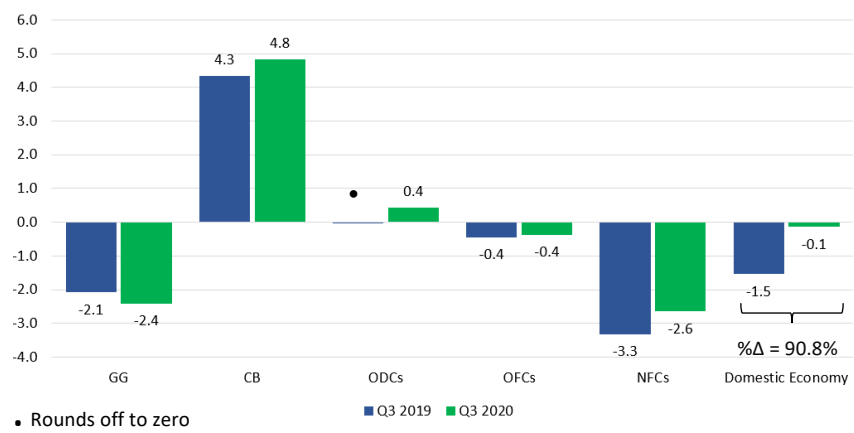
Q3 2020

❖ External Financial Position

The country's net external liability position narrows considerably in Q3 2020.

The country's net debtor position vis-à-vis the rest of the world (ROW) reached ₱140.7 billion in Q3 2020, a substantial improvement from the ₱1.5 trillion recorded in Q3 2019 (Figure 1, Annexes A and B). The 90.8 percent decline in the domestic economy's net external debtor position was supported mainly by the 8 percent expansion in external financial assets and the 5.2 percent contraction in external financial liabilities (Annexes A and C).

Figure 1: Net External Financial Position by Sector
as of end-periods indicated, in trillion pesos



The financial corporations sector contributes the most in the improvement of the economy's net debtor position.

The net external financial positions of all domestic sectors, except the general government (GG), improved in Q3 2020. The financial corporations (FCs) contributed the most in the improvement of the economy's net debtor position.² In particular, the Central Bank's (CB) net external financial asset position grew by 11.6 percent from ₱4.3 trillion in Q3 2019 to ₱4.8 trillion in Q3 2020 due to the strong growth of the country's gross international reserves (GIR).³ Meanwhile, the other depository corporations (ODCs) sub-sector recorded a net external asset position of ₱442.5 billion in Q3 2020, a reversal from its ₱24 billion net external liability position in Q3 2019. The other financial corporations (OFCs) sub-sector's net external liability position also improved in Q3 2020 at ₱370.5 billion from ₱446.1 billion in Q3 2019.

The non-financial corporations (NFCs) registered a narrower net external financial liability position of ₱2.6 trillion in Q3 2020 from ₱3.3 trillion in Q3 2019, following the revaluation losses incurred by non-residents from their equity investments amid uncertainties over the protracted impact of the COVID-19 pandemic on the economy. This was further supported by higher lending by NFCs to its non-resident related parties. Meanwhile, the general government (GG) registered a

¹ The Balance Sheet Approach (BSA) is a presentation of the country's financial balance sheets on a from whom-to-whom (WTW) basis using the aggregate balance sheet data of each sector of the economy. It is a financial stability surveillance tool developed by the International Monetary Fund (IMF) that is used to better monitor the potential vulnerabilities of economic sectors and their relationships with one another. The BSA is also useful in identifying the possible emergence of a financial crisis, specifically those arising from asset-liability mismatches and increasing balance sheet interlinkages.

² The FCs is comprised of the Central Bank, Other Depository Corporations, and Other Financial Corporations.

³ The GIR rose 20.9 percent to reach US\$103.8 billion in Q3 2020 from US\$85.8 billion in Q3 2019.

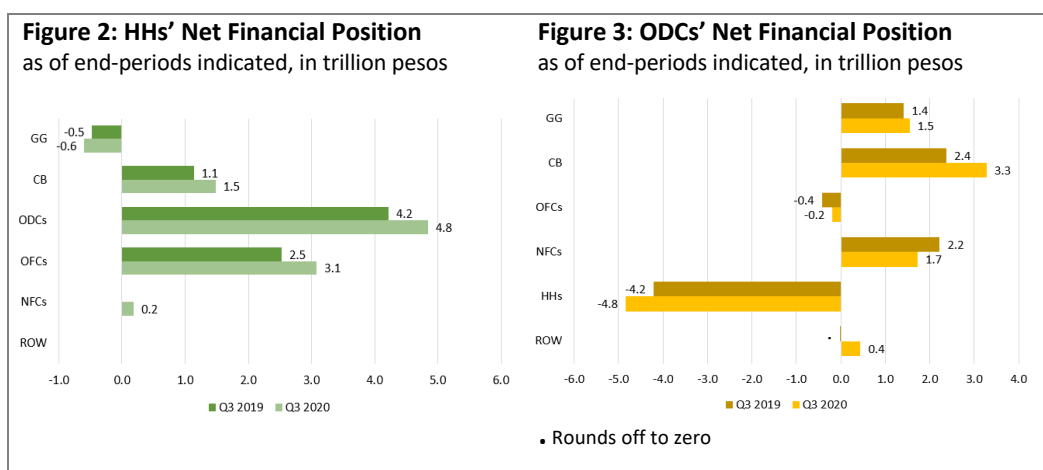
wider net external financial liability position vis-à-vis the ROW at ₱2.4 trillion in Q3 2020 from ₱2.1 trillion in Q3 2019.

The domestic economy’s financial assets vis-a-vis the ROW which stood at ₱10.8 trillion in Q3 2020 were mainly in the form of debt securities (37.9 percent), loans (30.9 percent), equity and investment fund shares (14.2 percent), and currency and deposits (10 percent) (Annex C). Meanwhile, the domestic economy’s financial obligations to the ROW of ₱11 trillion in Q3 2020 were mostly comprised of equity and investment fund shares (40.7 percent), loans (38.5 percent), and debt securities (15.6 percent).

❖ Net Financial Position, by Domestic Sectors

The HHs’ net financial asset position increases as growth in financial assets dominated that of its liabilities.

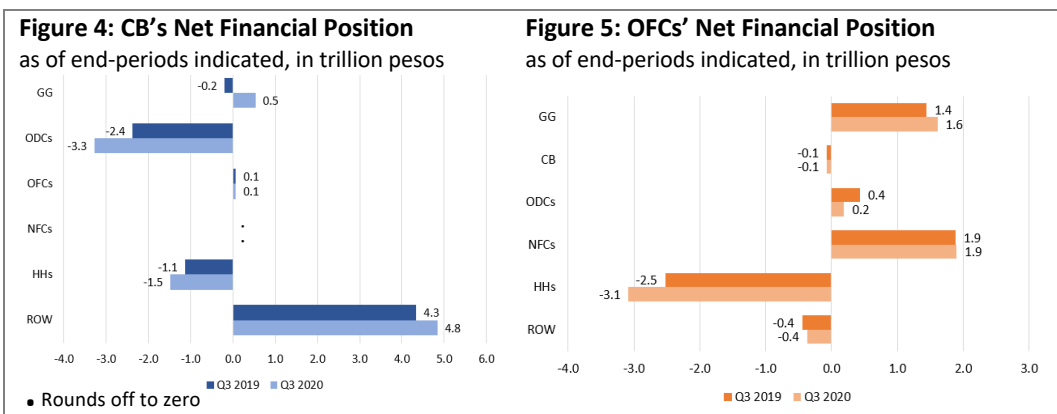
The household (HH) sector recorded the highest net financial asset position vis-à-vis the domestic economy in Q3 2020 at ₱9 trillion, 21.4 percent higher than the ₱7.4 trillion recorded in Q3 2019. The growth in the HHs’ financial assets at 16 percent more than offset the 7.5 percent increase in its liabilities (Annexes A and B). The HHs’ net claims were largely against the ODCs (in the form of deposits), and the OFCs (in equity and investment fund shares, and insurance, pension, and standardized guarantee schemes) (Figure 2).



The ODCs’ net financial asset position strengthened by a notable 45.8 percent to reach ₱2 trillion in Q3 2020 from ₱1.3 trillion in Q3 2019. This ensued as the ODCs substantially increased its deposits with the CB, bolstering its net claims against the BSP. In addition, the sub-sector’s lower external liabilities coupled with higher external assets led to a reversal to net asset position against the ROW in Q3 2020. (Figure 3). These partly reflect the ODCs’ risk aversion and conservative stance in their lending and funding operations to manage their balance sheets during the pandemic.

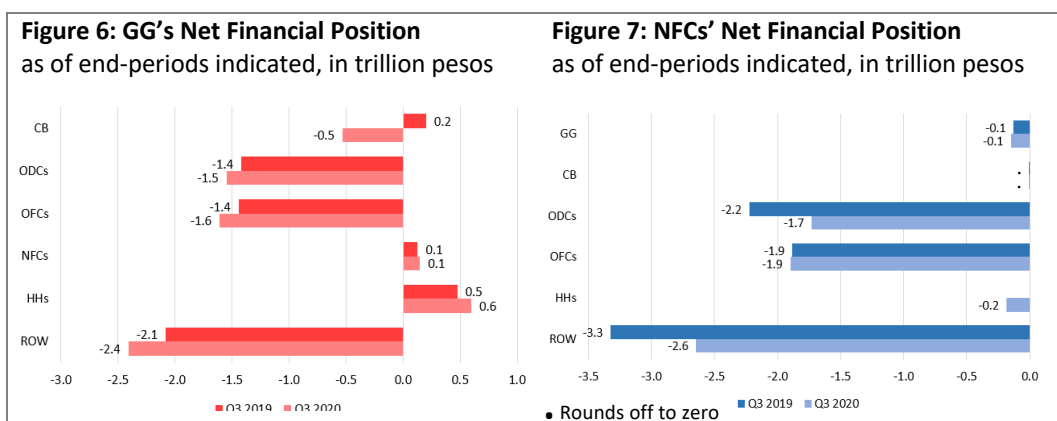
Meanwhile, the net financial asset position of both the CB and OFCs declined in Q3 2020 to ₱681.8 billion (from ₱697.4 billion) and ₱176.6 (from ₱709.5 billion), respectively. The former was mainly attributed to the CB’s higher net liabilities to the HHs and ODCs as HHs increased their currency holdings, while banks increased their deposits with the BSP (Figure 4). Meanwhile, the considerable contraction in the OFCs’ net financial asset position was driven by the expansion of its net liabilities to the HHs. The OFCs’ liabilities to the HH were largely in the

form of equity and investment fund shares as well as insurance, pensions, and standardized guarantee schemes.



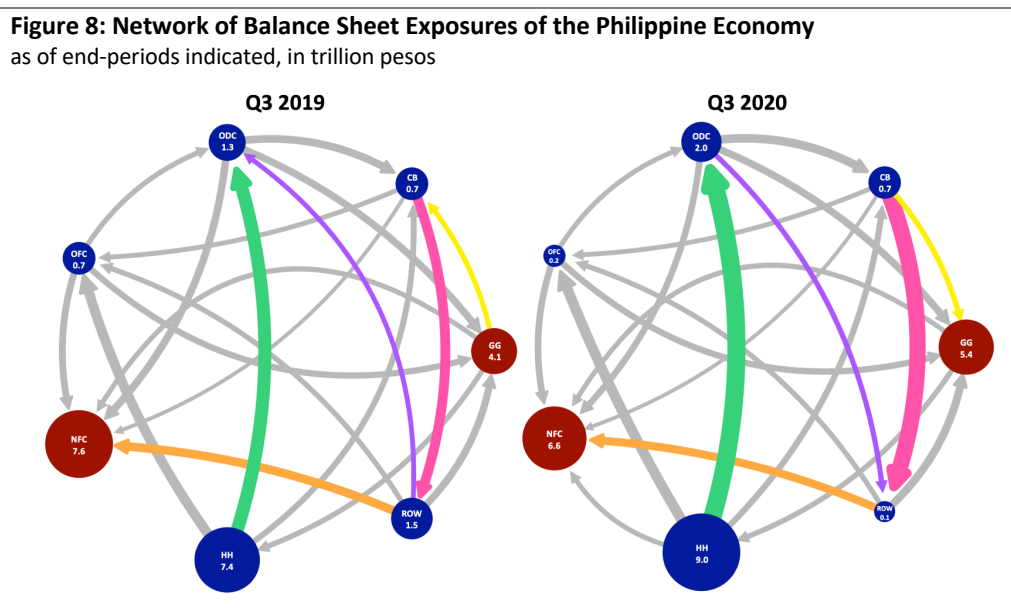
GG's net liability position widens on increased fiscal requirements to address the effects of Covid-19.

The GG's net liability position continued to widen, expanding by 29.3 percent to reach ₱5.4 trillion in Q3 2020 from ₱4.1 trillion in the same period a year ago. The spike in government debt, mostly aimed at raising additional funds to address the effects of COVID-19, stemmed from higher bond issuances as well as loans from non-residents (Figure 6). On the other hand, the NFCs reported a narrower net liability position of ₱6.6 trillion in Q3 2020, which is 12.6 percent lower than its ₱7.6 trillion net liability position in Q3 2019. This development was underpinned by the sustained decline of the NFCs' net liabilities against the ROW and the ODCs (Figure 7) amid continued uncertainties and weak business environment.



The network map in Figure 8 provides a comparative illustration of the financial interconnectedness and sectoral dependencies of the different domestic sectors and the ROW between Q3 2019 and Q3 2020. The cross-sectoral exposures based on the diagram below highlights the following:

- (i) The lower cross-border net financial liability position of NFCs (*thinner orange arrow from ROW to NFC*) due to:
 - (1) the decrease in the value of equity securities issued by domestic NFCs that are held by non-residents on account of revaluation losses amid uncertainties over the prolonged impact of the pandemic, (2) the increase in the sector's holdings of equity and debt securities issued by non-residents, and (3) the rise in the NFCs' loans to its related parties abroad;



Legend: Blue- net creditors Red- net debtors

CB- Central Bank GG- General Government NFC- Non-financial Corporations
HH- Household ROW- Rest of the World ODC- Other Depository Corporations
OFC- Other Financial Corporations

Notes: The nodes are reflective of the magnitude of the sectors' net financial position as of the periods indicated. The arrows reflect each of the sector's exposure to its counterpart and the direction of the funds. The arrowheads correspond to the recipient of the funds from the source.

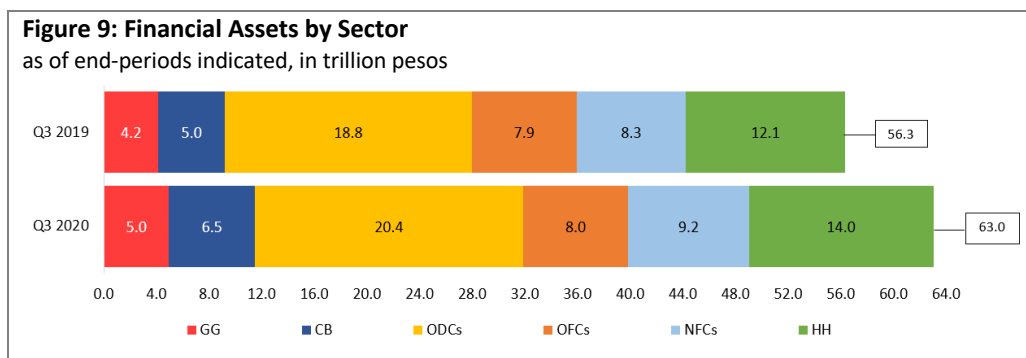
- (ii) stronger net asset position by the CB against the ROW (*thicker pink arrow from CB → ROW*) as the CB continued to build up its reserves;
- (iii) the reversal to net asset position by the ODCs against the ROW (*reversal in the violet arrowhead from ROW → ODC in Q3 2019 to ODC → ROW in Q3 2020*), following reduction in banks' foreign liabilities;
- (iv) the reversal to net asset position by the CB against the GG (*reversal in the yellow arrowhead from GG → CB in Q3 2019 to CB → GG in Q3 2020*), following the BSP's loan advances and holdings of government securities to assist the financial requirement of the NG to fund government's programs related to the fight against COVID-19. This swift action, albeit leading to the further deterioration of the GG's overall net liability position (bigger node for GG), in turn, assisted the NG in meeting its funding gap given the unexpected severity of the pandemic on the economy and Filipino people;⁴ and
- (v) the marked increase in HHS' net creditor position (*bigger blue node for HH*) as the sector's net financial assets against the ODCs increased (*thicker green arrow from HH to ODC*), on account mainly of the HHS' continued buildup of deposits.

⁴ The BSP's Role in Economic Recovery and Lessons in Monetary Policy (5 January 2021), Speech by Governor Benjamin E Diokno at Kapihan sa Manila Bay

❖ Financial Assets

The ODCs and HHs own more than half of the economy’s financial assets.

In Q3 2020, the domestic sector’s gross financial assets aggregated ₱63 trillion, 11.9 percent higher than the ₱56.3 trillion recorded in the same period a year ago (Figure 9, Annexes A and B). The financial assets in Q3 2020 were comprised mainly of currency and deposits (34.2 percent), loans (25 percent), debt securities (22.4 percent), and equity and investment fund shares (12.5 percent) (Figure 10 and Annex C.1). The ODCs and HHs held more than half of the economy’s financial claims with a combined ownership of 54.5 percent of the domestic economy’s total financial assets (Annex A).

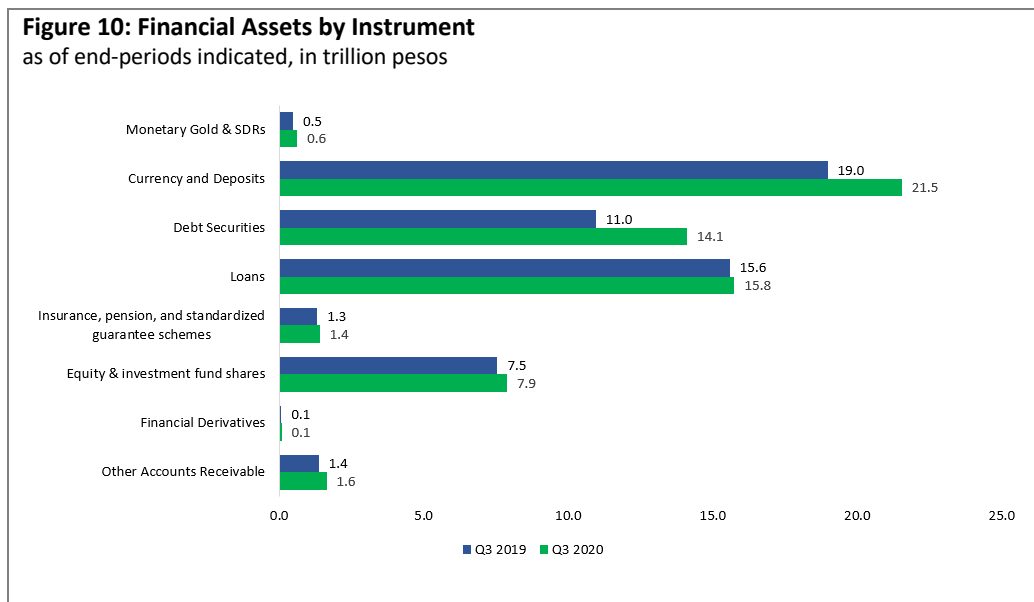


Majority of ODCs’ financial assets are claims on NFCs and HHs.

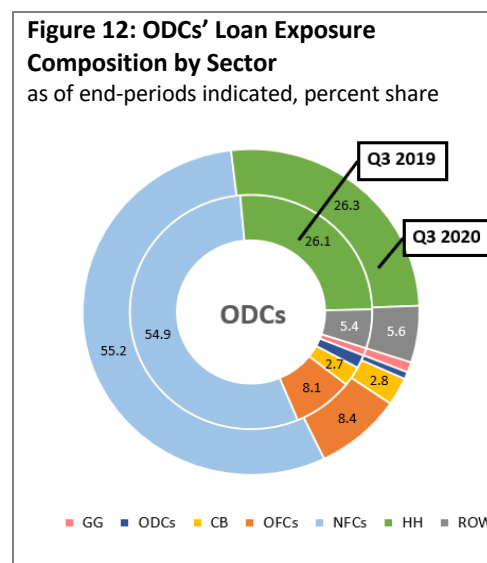
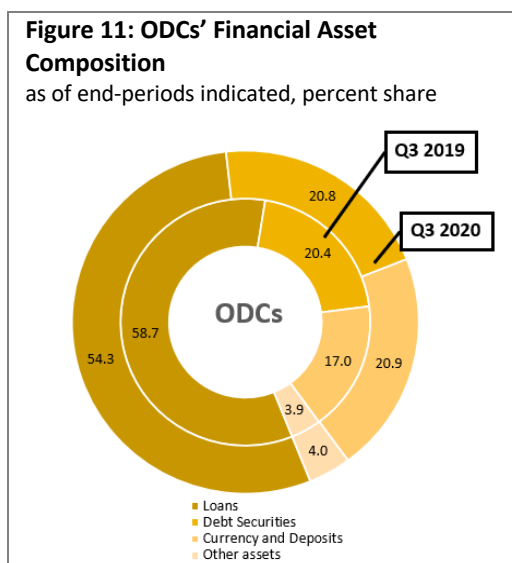
The ODCs remained the largest holder of the economy’s financial assets, owning about a third of the domestic economy’s total financial claims (Figure 9 and Annex A). In Q3 2020, the sub-sector’s financial assets reached ₱20.4 trillion, 8.4 percent higher than the ₱18.8 trillion recorded in Q3 2019. Financial claims on the NFCs and HHs accounted for 31.7 percent and 16.1 percent, respectively, of the ODCs’ total stock of financial assets in Q3 2020.

Loans continued to account for the bulk of the ODCs’ financial assets at 54.3 percent, despite barely increasing from its level a year ago (Figure 11). Loans marginally increased by 0.4 percent from ₱11 trillion to ₱11.1 trillion in Q3 2020 as banks reported tighter credit standards for both enterprises and consumers, characterized by reduced credit line sizes, among others.⁵ Loans extended to NFCs and HHs dominated the ODCs’ total loan portfolio, accounting for 55.2 percent and 26.3 percent of the total, respectively (Figure 12). The ODCs’ considerable credit exposure to said sectors could be a potential source of systemic risk in the event of liquidity problems or credit default of these counterparty sectors. The ODC’s loan exposure to the OFCs remained steady at nearly ₱1 trillion, equivalent to 8.4 percent of its total loan portfolio.

⁵ BSP’s Q3 2020 Senior Bank Loan Officers’ Survey (SLOS)

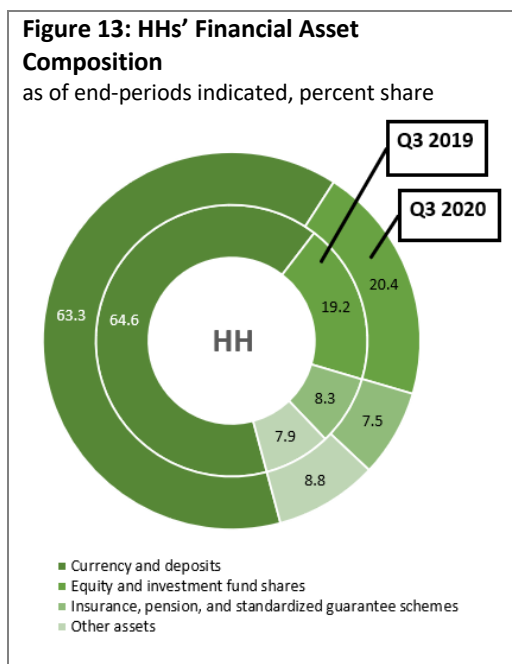


The second largest assets of ODCs were in the form of currency and deposits, representing 20.9 percent, or ₱4.3 trillion, of the total. The sub-sector’s currency and deposits grew by 33 percent as local banks preferred to park more of their loanable funds in BSP facilities. The ODCs’ deposits with the BSP, comprising 14.4 percent of its gross financial assets, surged 35.1 percent in Q3 2020 to reach ₱2.9 trillion. Debt securities made up 20.8 percent of the ODCs’ total financial assets. The ODCs’ holdings of debt securities in Q3 2020 increased by 10.6 percent year-on-year due to higher holdings of government securities.



The HHs held the second highest financial assets among the domestic sectors at ₱14 trillion, 16 percent higher compared to the ₱12.1 trillion recorded in Q3 2019. This comprised 22.2 percent of the domestic economy’s total financial claims. Currency and deposits constituted 63.3 percent the HHs’ financial assets in Q3 2020 (Figure 13 and Annex C.1). The sector accounts for most of the CB’s currency issuances and the ODCs’ deposit liabilities.⁶

⁶ Includes the currency holdings of other institutional units not elsewhere classified.



The HHs also has substantial claims against the OFCs, representing more than half of the latter’s total liabilities. These claims are predominantly equity investments and insurance, pension, and standardized guarantee schemes.

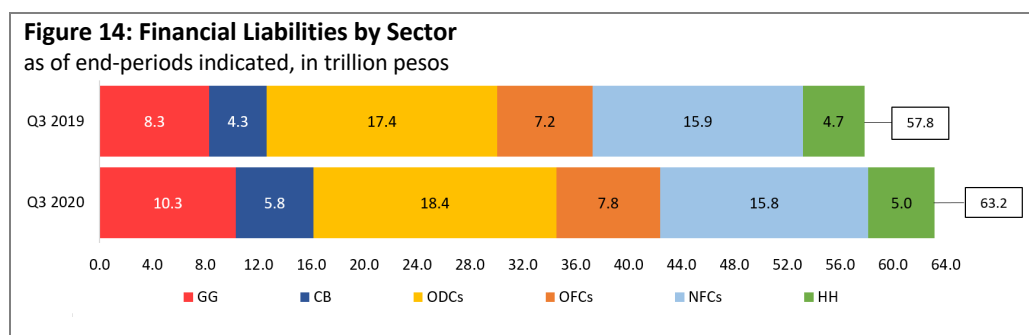
The NFCs’ financial assets grew by 10.1 percent to reach ₱9.2 trillion in Q3 2020 from ₱8.3 trillion in Q3 2019. The upturn was driven by (1) increase in deposit placements with the ODCs, (2) bigger loan extensions to related parties abroad, and (3) higher equity and debt investments with the ROW.

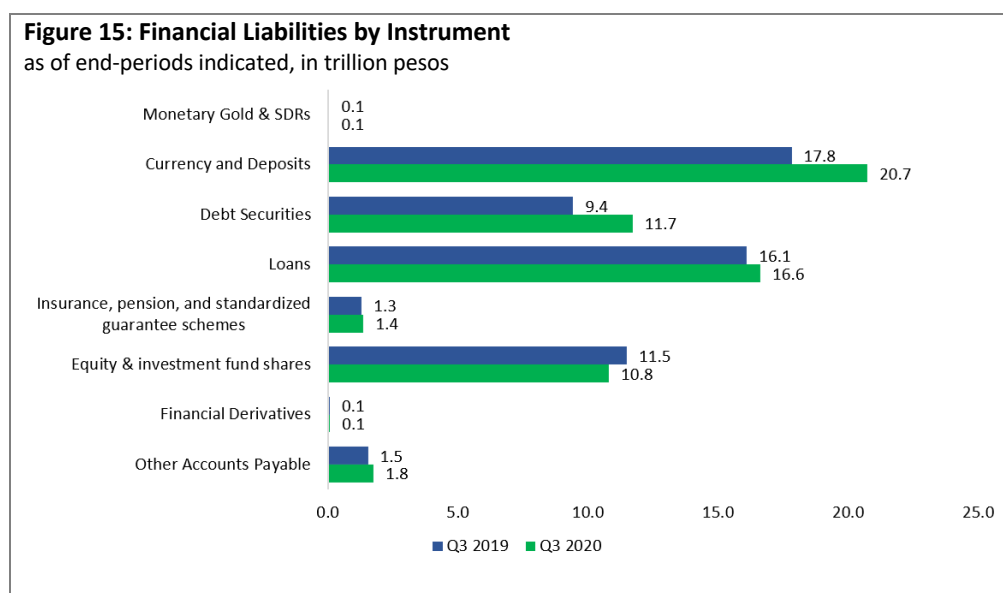
The OFCs’ financial assets, which were predominantly invested in equity and investment fund shares as well as debt securities, slightly rose in Q3 2020 to ₱8 trillion from ₱7.9 trillion in the same period a year ago. Meanwhile, the CB’s financial assets, which largely correspond to the BSP’s gross international reserves, increased by 29.9 percent year-on-year to ₱6.5 trillion from the Q3 2019 level of ₱5 trillion. Despite expanding by 19.2 percent year-on-year from ₱4.1 trillion in Q3 2019, the GG still registered the lowest level of financial assets among the domestic sectors at ₱5 trillion. The GG’s financial assets were mainly holdings of currency and deposits with the ODCs and CB as well as debt securities held by social security agencies.

❖ **Financial Liabilities**

The ODCs and NFCs are the biggest debtors in the country.

The domestic economy accumulated financial liabilities of ₱63.2 trillion in Q3 2020, 9.2 percent higher than the ₱57.8 trillion recorded in Q3 2019 (Figure 14, Annexes A and B). The domestic economy’s indebtedness in Q3 2020 were mostly in the form of currency and deposits (32.8 percent), loans (26.3 percent), debt securities (18.5 percent), and equity and investment fund shares (17.1 percent) (Annex C.2). About 54.1 percent of the domestic economy’s total liabilities were owed by the ODCs and NFCs sectors. (Annex A)





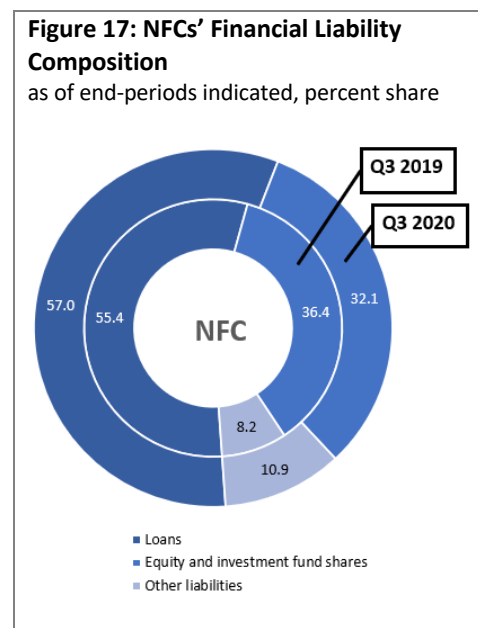
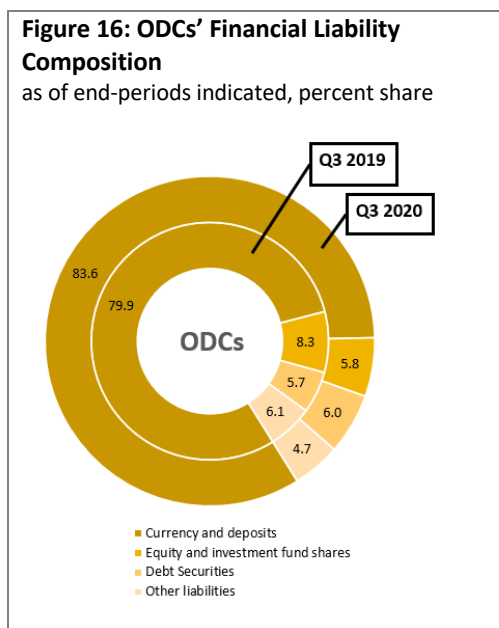
The ODCs recorded the highest liabilities, accounting for 29.1 percent of the domestic economy's total liabilities. The sub-sector's liabilities expanded by 5.5 percent to reach ₱18.4 trillion in Q3 2020 from the ₱17.4 trillion recorded in Q3 2019. Nearly 70 percent of its obligations in Q3 2020 were owed to the HHs and NFCs. In terms of instruments, deposits constituted 83.6 percent of the ODCs liabilities (Figure 16 and Annex C.2). Deposit liabilities of ODCs rose 10.4 percent to ₱15.4 trillion from ₱13.9 trillion.⁷ This rise is due to the limited spending of businesses and households following the necessary containment measures implemented to curb the spread of COVID-19 and the heightened uncertainty on income stream.⁸ Furthermore, these factors may have in part contributed to liquidity being channeled back to the ODCs. The HHs and NFCs' deposits in banks comprised 78.3 percent of the ODCs deposit liabilities in Q3 2020.

The NFCs posted the second largest financial obligations among the domestic sectors in Q3 2020, accounting for a fourth of the domestic economy's liabilities. The NFCs recorded a decline in its liabilities from ₱15.9 trillion to ₱15.8 trillion in Q3 2020. The sector's liabilities consisted mainly of loans and equity and investment fund shares, comprising almost 90 percent of the sector's total liabilities (Figure 17 and Annex C.2). For NFC's loans payable, 68 percent were owed to the ODCs; while for its equity and investment fund shares, 67.7 percent were owed to non-residents. NFCs' outstanding loans from ODCs registered a meager growth of 1.1 percent year-on-year, which may be attributed to the banks' net tightening of credit standards to enterprises.⁹

⁷ The ODCs cannot incur currency liabilities as it is only the CB that has the authority to issue currency and hence, record currency liabilities.

⁸ Sources: PSA's National Accounts of the Philippines (January 2021) and Quarterly Economic Indices in the Philippines (Q3 2020), BSP's Business and Consumer Expectations Surveys (Q3 2020)

⁹ Source: BSP's Senior Bank Loan Officers' Survey (Q3 2020)



The GG's financial obligations rise on more issuances of government securities.

The GG's liabilities surged 24.2 percent to reach ₱10.3 trillion in Q3 2020 from ₱8.3 trillion in Q3 2019. A large part of its obligations was in the form of debt securities held mostly by the FCs and the ROW at 67.6 percent and 13.5 percent, respectively. The increase in the GG's liabilities was in light of the government's fiscal stimulus to counter the adverse impact of Covid-19 on the economy.

The OFCs' liabilities also expanded by 8.1 percent to aggregate at ₱7.8 trillion from ₱7.2 trillion in Q3 2019. Almost 60 percent of its liabilities in Q3 2020 are in the form of equity and investment fund shares, which were largely held by the HHs.

Meanwhile, the CB's liabilities grew by 35.1 percent year-on-year from ₱4.3 trillion to ₱5.8 trillion in Q3 2020. Bulk of the CB's financial obligations were currency holdings of the public and deposits of the ODCs. The HHs have the least liabilities in Q3 2020 at ₱5 trillion, albeit higher than the ₱4.7 trillion posted in Q3 2019. Loans made up 84.9 percent of HHs' obligations, of which ₱2.9 trillion (or 68.3 percent) were owed to banks, ₱752.3 billion were owed to OFCs, and ₱597.6 billion owed to Social Security Agencies.

BALANCE SHEET APPROACH MATRIX: FROM WHOM-TO-WHOM^{P,†}
as of periods indicated

ANNEX A

1 NET FINANCIAL POSITION

LEVELS (in billion pesos)

Counterparty Sector (To)	ECONOMIC SECTORS															
	GG		CB		ODCs		OFCs		NFCs		HHs		DE		ROW	
	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020
GG	0	0	-201.0	531.1	1,419.1	1,548.4	1,441.3	1,608.8	-127.8	-147.8	-474.6	-597.7	2,057.0	2,942.8	2,081.9	2,408.3
CB	201.0	-531.1			2,376.5	3,281.4	-71.4	-69.4	-3.1	-3.6	1,136.9	1,481.9	3,639.8	4,159.2	-4,337.2	-4,840.9
ODCs	-1,419.1	-1,548.4	-2,376.5	-3,281.4	0	0	429.1	190.8	-2,223.9	-1,728.2	4,217.7	4,843.5	-1,372.7	-1,523.7	24.0	-442.5
OFCs	-1,441.3	-1,608.8	71.4	69.4	-429.1	-190.8	0	0	-1,883.0	-1,899.1	2,526.4	3,082.2	-1,155.7	-547.1	446.1	370.5
NFCs	127.8	147.8	3.1	3.6	2,223.9	1,728.2	1,883.0	1,899.1	-	-	-	183.7	4,237.8	3,962.4	3,322.5	2,645.3
HHs	474.6	597.7	-1,136.9	-1,481.9	-4,217.7	-4,843.5	-2,526.4	-3,082.2	-	-183.7	-	-	-7,406.3	-8,993.6	-	-
ROW	-2,081.9	-2,408.3	4,337.2	4,840.9	-24.0	442.5	-446.1	-370.5	-3,322.5	-2,645.3	-	-	-1,537.4	-140.7		
TOTAL	-4,138.9	-5,351.1	697.4	681.8	1,348.7	1,966.2	709.5	176.6	-7,560.3	-6,607.7	7,406.3	8,993.6	-1,537.4	-140.7	1,537.4	140.7

Year-on-Year Changes (in Percent)

Counterparty Sector (To)	ECONOMIC SECTORS															
	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW								
GG	--	364.3	9.1	11.6	-15.6	-25.9	43.1	15.7								
CB	-364.3		38.1	2.9	-18.1	30.3	14.3	-11.6								
ODCs	-9.1	-38.1	--	-55.5	22.3	14.8	-11.0	-1,943.0								
OFCs	-11.6	-2.9	55.5	--	-0.9	22.0	52.7	-16.9								
NFCs	15.6	18.1	-22.3	0.9	-	-	-6.5	-20.4								
HHs	25.9	-30.3	-14.8	-22.0	-	-	-21.4	-								
ROW	-15.7	11.6	1,943.0	16.9	20.4	-	90.8									
TOTAL	-29.3	-2.2	45.8	-75.1	12.6	21.4	90.8	-90.8								

2 GROSS FINANCIAL ASSETS

LEVELS (in billion pesos)

Counterparty Sector (To)	ECONOMIC SECTORS															
	GG		CB		ODCs		OFCs		NFCs		HHs		DE		ROW	
	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020
GG	1,543.4	1,758.0	419.0	1,507.0	2,724.3	2,942.5	1,496.7	1,651.8	-	-	-	-	6,183.5	7,859.4	2,109.3	2,443.4
CB	620.0	975.9			2,479.0	3,298.0	11.0	15.3	.	.	1,138.7	1,484.1	4,248.8	5,773.2	-333.6	-485.3
ODCs	1,305.2	1,394.1	102.6	16.6	1,240.7	1,475.0	1,529.7	1,295.4	4,135.5	4,720.6	7,381.9	8,129.0	15,695.6	17,030.8	1,735.0	1,362.0
OFCs	55.4	43.1	82.5	84.6	1,100.6	1,104.6	1,230.0	1,193.7	537.8	555.3	3,548.7	4,208.9	6,555.1	7,190.3	682.0	634.3
NFCs	127.8	147.8	3.1	3.6	6,359.4	6,448.9	2,420.9	2,454.4	-	68.1	-	183.7	8,911.2	9,306.5	6,969.0	6,463.1
HHs	474.6	597.7	1.8	2.2	3,164.2	3,285.4	1,022.4	1,126.7	-	-	-	-	4,663.0	5,012.0	-	-
ROW	27.3	35.1	4,418.8	4,917.1	1,711.0	1,804.5	235.9	263.7	3,646.5	3,817.8	-	-	10,039.4	10,838.2		
TOTAL	4,153.8	4,951.7	5,027.7	6,531.1	18,779.3	20,359.0	7,946.6	8,001.1	8,319.9	9,161.8	12,069.3	14,005.6	56,296.6	63,010.4	11,161.6	10,417.4
<i>Share to total DE</i>	<i>7.4</i>	<i>7.9</i>	<i>8.9</i>	<i>10.4</i>	<i>33.4</i>	<i>32.3</i>	<i>14.1</i>	<i>12.7</i>	<i>14.8</i>	<i>14.5</i>	<i>21.4</i>	<i>22.2</i>	<i>100.0</i>	<i>100.0</i>		

Counterparty Sector (To)	Y-o-Y Changes (in percent)								Share to Total Financial Assets of the Sector (in percent) Q3 2020					
	ECONOMIC SECTORS								ECONOMIC SECTORS					
	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW	GG	CB	ODCs	OFCs	NFCs	HH
GG	13.9	259.7	8.0	10.4	-	-	27.1	15.8	35.5	23.1	14.5	20.6	-	-
CB	57.4		33.0	38.5	-6.5	30.3	35.9	-45.5	19.7		16.2	0.2	.	10.6
ODCs	6.8	-83.8	18.9	-15.3	14.1	10.1	8.5	-21.5	28.2	0.3	7.2	16.2	51.5	58.0
OFCs	-22.3	2.6	0.4	-3.0	3.3	18.6	9.7	-7.0	0.9	1.3	5.4	14.9	6.1	30.1
NFCs	15.6	18.1	1.4	1.4	-	-	4.4	-7.3	3.0	0.1	31.7	30.7	0.7	1.3
HHs	25.9	18.1	3.8	10.2	-	-	7.5	-	12.1	.	16.1	14.1	-	-
ROW	28.4	11.3	5.5	11.8	4.7	-	8.0		0.7	75.3	8.9	3.3	41.7	-
TOTAL	19.2	29.9	8.4	0.7	10.1	16.0	11.9	-6.7	100.0	100.0	100.0	100.0	100.0	100.0

3 GROSS FINANCIAL LIABILITIES

LEVELS (in billion pesos)

Counterparty Sector (To)	ECONOMIC SECTORS															
	GG		CB		ODCs		OFCs		NFCs		HHs		DE		ROW	
	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020
GG	1,543.4	1,758.0	620.0	975.9	1,305.2	1,394.1	55.4	43.1	127.8	147.8	474.6	597.7	4,126.5	4,916.6	27.3	35.1
CB	419.0	1,507.0			102.6	16.6	82.5	84.6	3.1	3.6	1.8	2.2	608.9	1,614.0	4,003.6	4,355.6
ODCs	2,724.3	2,942.5	2,479.0	3,298.0	1,240.7	1,475.0	1,100.6	1,104.6	6,359.4	6,448.9	3,164.2	3,285.4	17,068.3	18,554.5	1,711.0	1,804.5
OFCs	1,496.7	1,651.8	11.0	15.3	1,529.7	1,295.4	1,230.0	1,193.7	2,420.9	2,454.4	1,022.4	1,126.7	7,710.8	7,737.4	235.9	263.7
NFCs	-	-	.	.	4,135.5	4,720.6	537.8	555.3	-	68.1	-	-	4,673.4	5,344.1	3,646.5	3,817.8
HHs	-	-	1,138.7	1,484.1	7,381.9	8,129.0	3,548.7	4,208.9	-	183.7	-	-	12,069.3	14,005.6	-	-
ROW	2,109.3	2,443.4	81.6	76.1	1,735.0	1,362.0	682.0	634.3	6,969.0	6,463.1	-	-	11,576.8	10,978.9		
TOTAL	8,292.7	10,302.8	4,330.4	5,849.3	17,430.5	18,392.8	7,237.1	7,824.6	15,880.2	15,769.5	4,663.0	5,012.0	57,834.0	63,151.1	9,624.2	10,276.8
<i>Share to total DE</i>	<i>14.3</i>	<i>16.3</i>	<i>7.5</i>	<i>9.3</i>	<i>30.1</i>	<i>29.1</i>	<i>12.5</i>	<i>12.4</i>	<i>27.5</i>	<i>25.0</i>	<i>8.1</i>	<i>7.9</i>	<i>100.0</i>	<i>100.0</i>		

Counterparty Sector (To)	Y-o-Y Changes (in percent)								Share to Total Financial Liabilities of the Sector (in percent) Q3 2020					
	ECONOMIC SECTORS								ECONOMIC SECTORS					
	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW	GG	CB	ODCs	OFCs	NFCs	HH
GG	13.9	57.4	6.8	-22.3	15.6	25.9	19.1	28.4	17.1	16.7	7.6	0.6	0.9	11.9
CB	259.7		-83.8	2.6	18.1	18.1	165.1	8.8	14.6		0.1	1.1	.	.
ODCs	8.0	33.0	18.9	0.4	1.4	3.8	8.7	5.5	28.6	56.4	8.0	14.1	40.9	65.6
OFCs	10.4	38.5	-15.3	-3.0	1.4	10.2	0.3	11.8	16.0	0.3	7.0	15.3	15.6	22.5
NFCs	-	-6.5	14.1	3.3	-	-	14.4	4.7	-	.	25.7	7.1	0.4	-
HHs	-	30.3	10.1	18.6	-	-	16.0	-	-	25.4	44.2	53.8	1.2	-
ROW	15.8	-6.7	-21.5	-7.0	-7.3	-	-5.2		23.7	1.3	7.4	8.1	41.0	-
TOTAL	24.2	35.1	5.5	8.1	-0.7	7.5	9.2	6.8	100.0	100.0	100.0	100.0	100.0	100.0

^p Preliminary Q3 2020

^r Revised Q3 2019

- Not available

■ Not applicable

. Rounds off to zero

-- Undefined/indeterminate

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

Sources: 1SR, 2SR, 4SR, International Investment Position (IIP), Outstanding Resident Investment in Philippine Debt Papers Issued Offshore, Commission on Audit (COA) Audited Financial Reports, Philippine Depository and Trust Corporation (PDTC) Holders and Issuers of Outstanding Corporate Debt Securities, and individual financial reports

in billion pesos

as of periods indicated

1 NET FINANCIAL POSITION

Q 1 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	0	-244.8	1,296.3	1,342.5	-125.2	-442.2	1,826.5	2,090.8
CB	244.8		2,245.6	-69.0	-3.5	1,148.2	3,566.0	-4,300.8
ODCs	-1,296.3	-2,245.6	0	463.1	-2,240.2	4,083.8	-1,235.2	48.6
OFCs	-1,342.5	69.0	-463.1	0	-1,854.5	2,507.7	-1,083.3	464.8
NFCs	125.2	3.5	2,240.2	1,854.5	-	-	4,223.4	3,565.7
HHs	442.2	-1,148.2	-4,083.8	-2,507.7	-	-	-7,297.5	-
ROW	-2,090.8	4,300.8	-48.6	-464.8	-3,565.7	-	-1,869.0	
TOTAL	-3,917.3	734.8	1,186.5	618.5	-7,789.1	7,297.5	-1,869.0	1,869.0

Q 2 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	0	-378.6	1,422.8	1,398.6	-120.2	-456.1	1,866.5	2,033.5
CB	378.6		2,162.3	-71.8	-3.1	1,139.5	3,605.4	-4,255.4
ODCs	-1,422.8	-2,162.3	0	485.0	-2,265.5	4,098.6	-1,267.0	-0.7
OFCs	-1,398.6	71.8	-485.0	0	-1,862.2	2,508.5	-1,165.5	469.0
NFCs	120.2	3.1	2,265.5	1,862.2	-	-	4,251.0	3,529.9
HHs	456.1	-1,139.5	-4,098.6	-2,508.5	-	-	-7,290.4	-
ROW	-2,033.5	4,255.4	0.7	-469.0	-3,529.9	-	-1,776.3	
TOTAL	-3,900.0	650.0	1,267.7	696.5	-7,780.9	7,290.4	-1,776.3	1,776.3

Q 3 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	0	-201.0	1,419.1	1,441.3	-127.8	-474.6	2,057.0	2,081.9
CB	201.0		2,376.5	-71.4	-3.1	1,136.9	3,639.8	-4,337.2
ODCs	-1,419.1	-2,376.5	0	429.1	-2,223.9	4,217.7	-1,372.7	24.0
OFCs	-1,441.3	71.4	-429.1	0	-1,883.0	2,526.4	-1,155.7	446.1
NFCs	127.8	3.1	2,223.9	1,883.0	-	-	4,237.8	3,322.5
HHs	474.6	-1,136.9	-4,217.7	-2,526.4	-	-	-7,406.3	-
ROW	-2,081.9	4,337.2	-24.0	-446.1	-3,322.5	-	-1,537.4	
TOTAL	-4,138.9	697.4	1,348.7	709.5	-7,560.3	7,406.3	-1,537.4	1,537.4

Q 4 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	0	170.2	1,494.6	1,435.8	-137.6	-519.0	2,444.0	2,064.5
CB	-170.2		2,653.4	-73.8	-3.6	1,349.7	3,755.5	-4,370.8
ODCs	-1,494.6	-2,653.4	0	325.4	-2,212.8	4,444.1	-1,591.3	25.9
OFCs	-1,435.8	73.8	-325.4	0	-1,904.9	2,611.4	-980.8	432.5
NFCs	137.6	3.6	2,212.8	1,904.9	0	175.9	4,434.6	3,395.9
HHs	519.0	-1,349.7	-4,444.1	-2,611.4	-175.9	-	-8,062.1	-
ROW	-2,064.5	4,370.8	-25.9	-432.5	-3,395.9	-	-1,548.0	
TOTAL	-4,508.5	615.2	1,565.4	548.4	-7,830.5	8,062.1	-1,548.0	1,548.0

Q 1 2020								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	0	-80.0	1,479.7	1,506.2	-138.3	-546.8	2,220.8	2,147.6
CB	80.0		2,433.9	-75.3	-3.8	1,376.5	3,811.3	-4,447.6
ODCs	-1,479.7	-2,433.9	0	335.1	-2,178.5	4,393.1	-1,364.0	-142.9
OFCs	-1,506.2	75.3	-335.1	0	-1,809.3	2,935.7	-639.6	362.3
NFCs	138.3	3.8	2,178.5	1,809.3	0	178.0	4,307.9	2,553.8
HHs	546.8	-1,376.5	-4,393.1	-2,935.7	-178.0	-	-8,336.4	-
ROW	-2,147.6	4,447.6	142.9	-362.3	-2,553.8	-	-473.2	
TOTAL	-4,368.4	636.3	1,506.9	277.3	-6,861.7	8,336.4	-473.2	473.2

Q 2 2020								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	0	488.0	1,434.3	1,604.8	-145.4	-553.9	2,827.9	2,311.8
CB	-488.0		3,084.1	-70.2	-3.6	1,495.3	4,017.7	-4,627.8
ODCs	-1,434.3	-3,084.1	0	267.5	-2,018.6	4,775.1	-1,494.4	-270.0
OFCs	-1,604.8	70.2	-267.5	0	-1,948.6	3,039.3	-711.4	413.3
NFCs	145.4	3.6	2,018.6	1,948.6	0	179.0	4,295.2	2,774.1
HHs	553.9	-1,495.3	-4,775.1	-3,039.3	-179.0	-	-8,934.9	-
ROW	-2,311.8	4,627.8	270.0	-413.3	-2,774.1	-	-601.4	
TOTAL	-5,139.7	610.2	1,764.4	298.1	-7,069.3	8,934.9	-601.4	601.4

Q 3 2020								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	0	531.1	1,548.4	1,608.8	-147.8	-597.7	2,942.8	2,408.3
CB	-531.1		3,281.4	-69.4	-3.6	1,481.9	4,159.2	-4,840.9
ODCs	-1,548.4	-3,281.4	0	190.8	-1,728.2	4,843.5	-1,523.7	-442.5
OFCs	-1,608.8	69.4	-190.8	0	-1,899.1	3,082.2	-547.1	370.5
NFCs	147.8	3.6	1,728.2	1,899.1	0	183.7	3,962.4	2,645.3
HHs	597.7	-1,481.9	-4,843.5	-3,082.2	-183.7	-	-8,993.6	-
ROW	-2,408.3	4,840.9	442.5	-370.5	-2,645.3	-	-140.7	
TOTAL	-5,351.1	681.8	1,966.2	176.6	-6,607.7	8,993.6	-140.7	140.7

2 GROSS FINANCIAL ASSETS

Q 1 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,479.2	417.3	2,662.7	1,406.7	-	-	5,965.9	2,116.5
CB	662.1		2,430.6	13.3		1,150.3	4,256.3	-347.9
ODCs	1,366.4	184.9	1,024.7	1,499.2	3,975.7	6,973.7	15,024.7	1,582.8
OFCs	64.2	82.3	1,036.1	1,218.3	497.2	3,521.3	6,419.4	707.9
NFCs	125.2	3.5	6,215.8	2,351.7	-	-	8,696.3	7,084.9
HHs	442.2	2.1	2,889.9	1,013.6	-	-	4,347.9	-
ROW	25.7	4,385.3	1,534.2	243.1	3,519.1	-	9,707.5	
TOTAL	4,165.1	5,075.5	17,794.1	7,745.9	7,992.1	11,645.3	54,418.0	11,144.2

Q 2 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,511.5	416.1	2,753.1	1,459.1	-	-	6,139.9	2,058.6
CB	794.7		2,317.9	10.4		1,141.3	4,264.4	-329.4
ODCs	1,330.3	155.6	996.7	1,532.0	4,014.2	7,174.8	15,203.6	1,602.5
OFCs	60.5	82.2	1,047.0	1,222.6	535.3	3,520.7	6,468.3	701.4
NFCs	120.2	3.1	6,279.6	2,397.5	-	-	8,800.4	7,052.6
HHs	456.1	1.9	3,076.2	1,012.2	-	-	4,546.4	-
ROW	25.1	4,336.7	1,603.2	232.4	3,522.7	-	9,720.2	
TOTAL	4,298.5	4,995.7	18,073.8	7,866.2	8,072.2	11,836.8	55,143.0	11,085.7

Q 3 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,543.4	419.0	2,724.3	1,496.7	-	-	6,183.5	2,109.3
CB	620.0		2,479.0	11.0		1,138.7	4,248.8	-333.6
ODCs	1,305.2	102.6	1,240.7	1,529.7	4,135.5	7,381.9	15,695.6	1,735.0
OFCs	55.4	82.5	1,100.6	1,230.0	537.8	3,548.7	6,555.1	682.0
NFCs	127.8	3.1	6,359.4	2,420.9	-	-	8,911.2	6,969.0
HHs	474.6	1.8	3,164.2	1,022.4	-	-	4,663.0	-
ROW	27.3	4,418.8	1,711.0	235.9	3,646.5	-	10,039.4	
TOTAL	4,153.8	5,027.7	18,779.3	7,946.6	8,319.9	12,069.3	56,296.6	11,161.6

Q 4 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,571.4	420.7	2,690.6	1,492.2	-	-	6,174.9	2,093.1
CB	250.6		2,707.7	9.9		1,351.8	4,320.0	-326.9
ODCs	1,196.0	54.3	1,304.1	1,483.7	4,447.7	7,724.9	16,210.6	1,697.9
OFCs	56.3	83.7	1,158.3	1,327.6	545.7	3,695.0	6,866.7	682.6
NFCs	137.6	3.6	6,660.4	2,450.6	64.5	175.9	9,492.5	7,059.0
HHs	519.0	2.1	3,280.8	1,083.6	-	-	4,885.5	-
ROW	28.6	4,451.1	1,672.0	250.1	3,663.2	-	10,065.0	
TOTAL	3,759.5	5,015.5	19,474.0	8,097.6	8,721.0	12,947.6	58,015.2	11,205.7

Q 1 2020								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,600.3	738.1	2,885.3	1,560.8	-	-	6,784.4	2,175.8
CB	818.1		2,450.4	9.3		1,378.7	4,656.4	-327.0
ODCs	1,405.5	16.4	1,279.9	1,430.6	4,528.6	7,712.0	16,373.1	1,553.6
OFCs	54.6	84.5	1,095.5	1,233.8	555.0	4,055.4	7,078.8	602.4
NFCs	138.3	3.8	6,707.1	2,364.3	59.0	178.0	9,450.5	6,208.9
HHs	546.8	2.3	3,318.9	1,119.7	-	-	4,987.7	-
ROW	28.2	4,527.7	1,696.6	240.1	3,655.1	-	10,147.6	
TOTAL	4,591.8	5,372.8	19,433.6	7,958.5	8,797.7	13,324.2	59,478.5	10,213.8

Q 2 2020								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,707.5	1,400.7	2,805.0	1,648.1	-	-	7,561.3	2,347.1
CB	912.7		3,109.5	14.3		1,497.5	5,534.0	-320.7
ODCs	1,370.6	25.5	1,329.9	1,357.3	4,605.1	8,065.6	16,754.1	1,420.7
OFCs	43.3	84.5	1,089.8	1,194.8	561.9	4,152.1	7,126.5	645.1
NFCs	145.4	3.6	6,623.7	2,510.4	61.6	179.0	9,523.7	6,590.4
HHs	553.9	2.1	3,290.5	1,112.8	-	-	4,959.3	-
ROW	35.3	4,706.3	1,690.7	231.8	3,816.2	-	10,480.3	
TOTAL	4,768.7	6,222.6	19,939.3	8,069.7	9,044.8	13,894.3	61,939.3	10,682.6

Q 3 2020								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,758.0	1,507.0	2,942.5	1,651.8	-	-	7,859.4	2,443.4
CB	975.9		3,298.0	15.3		1,484.1	5,773.2	-485.3
ODCs	1,394.1	16.6	1,475.0	1,295.4	4,720.6	8,129.0	17,030.8	1,362.0
OFCs	43.1	84.6	1,104.6	1,193.7	555.3	4,208.9	7,190.3	634.3
NFCs	147.8	3.6	6,448.9	2,454.4	68.1	183.7	9,306.5	6,463.1
HHs	597.7	2.2	3,285.4	1,126.7	-	-	5,012.0	-
ROW	35.1	4,917.1	1,804.5	263.7	3,817.8	-	10,838.2	
TOTAL	4,951.7	6,531.1	20,359.0	8,001.1	9,161.8	14,005.6	63,010.4	10,417.4

3 GROSS FINANCIAL LIABILITIES

Q 1 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,479.2	662.1	1,366.4	64.2	125.2	442.2	4,139.4	25.7
CB	417.3		184.9	82.3	3.5	2.1	690.2	3,953.0
ODCs	2,662.7	2,430.6	1,024.7	1,036.1	6,215.8	2,889.9	16,259.8	1,534.2
OFCs	1,406.7	13.3	1,499.2	1,218.3	2,351.7	1,013.6	7,502.7	243.1
NFCs	-	-	3,975.7	497.2	-	-	4,472.9	3,519.1
HHs	-	1,150.3	6,973.7	3,521.3	-	-	11,645.3	-
ROW	2,116.5	84.4	1,582.8	707.9	7,084.9	-	11,576.5	-
TOTAL	8,082.4	4,340.7	16,607.5	7,127.4	15,781.1	4,347.9	56,287.0	9,275.2

Q 2 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,511.5	794.7	1,330.3	60.5	120.2	456.1	4,273.4	25.1
CB	416.1		155.6	82.2	3.1	1.9	658.9	3,926.0
ODCs	2,753.1	2,317.9	996.7	1,047.0	6,279.6	3,076.2	16,470.6	1,603.2
OFCs	1,459.1	10.4	1,532.0	1,222.6	2,397.5	1,012.2	7,633.8	232.4
NFCs	-	-	4,014.2	535.3	-	-	4,549.5	3,522.7
HHs	-	1,141.3	7,174.8	3,520.7	-	-	11,836.8	-
ROW	2,058.6	81.3	1,602.5	701.4	7,052.6	-	11,496.4	-
TOTAL	8,198.4	4,345.7	16,806.1	7,169.7	15,853.1	4,546.4	56,919.3	9,309.5

Q 3 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,543.4	620.0	1,305.2	55.4	127.8	474.6	4,126.5	27.3
CB	419.0		102.6	82.5	3.1	1.8	608.9	4,003.6
ODCs	2,724.3	2,479.0	1,240.7	1,100.6	6,359.4	3,164.2	17,068.3	1,711.0
OFCs	1,496.7	11.0	1,529.7	1,230.0	2,420.9	1,022.4	7,710.8	235.9
NFCs	-	-	4,135.5	537.8	-	-	4,673.4	3,646.5
HHs	-	1,138.7	7,381.9	3,548.7	-	-	12,069.3	-
ROW	2,109.3	81.6	1,735.0	682.0	6,969.0	-	11,576.8	-
TOTAL	8,292.7	4,330.4	17,430.5	7,237.1	15,880.2	4,663.0	57,834.0	9,624.2

Q 4 2019								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,571.4	250.6	1,196.0	56.3	137.6	519.0	3,730.9	28.6
CB	420.7		54.3	83.7	3.6	2.1	564.4	4,043.9
ODCs	2,690.6	2,707.7	1,304.1	1,158.3	6,660.4	3,280.8	17,801.9	1,672.0
OFCs	1,492.2	9.9	1,483.7	1,327.6	2,450.6	1,083.6	7,847.6	250.1
NFCs	-	-	4,447.7	545.7	64.5	-	5,057.9	3,663.2
HHs	-	1,351.8	7,724.9	3,695.0	175.9	-	12,947.6	-
ROW	2,093.1	80.3	1,697.9	682.6	7,059.0	-	11,612.9	-
TOTAL	8,268.0	4,400.3	17,908.5	7,549.3	16,551.5	4,885.5	59,563.2	9,657.7

Q 1 2020								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,600.3	818.1	1,405.5	54.6	138.3	546.8	4,563.6	28.2
CB	738.1		16.4	84.5	3.8	2.3	845.1	4,120.6
ODCs	2,885.3	2,450.4	1,279.9	1,095.5	6,707.1	3,318.9	17,737.1	1,696.6
OFCs	1,560.8	9.3	1,430.6	1,233.8	2,364.3	1,119.7	7,718.4	240.1
NFCs	-	-	4,528.6	555.0	59.0	-	5,142.6	3,655.1
HHs	-	1,378.7	7,712.0	4,055.4	178.0	-	13,324.2	-
ROW	2,175.8	80.1	1,553.6	602.4	6,208.9	-	10,620.8	-
TOTAL	8,960.2	4,736.5	17,926.7	7,681.2	15,659.4	4,987.7	59,951.7	9,740.6

Q 2 2020								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,707.5	912.7	1,370.6	43.3	145.4	553.9	4,733.4	35.3
CB	1,400.7		25.5	84.5	3.6	2.1	1,516.4	4,307.2
ODCs	2,805.0	3,109.5	1,329.9	1,089.8	6,623.7	3,290.5	18,248.6	1,690.7
OFCs	1,648.1	14.3	1,357.3	1,194.8	2,510.4	1,112.8	7,837.9	231.8
NFCs	-	-	4,605.1	561.9	61.6	-	5,228.6	3,816.2
HHs	-	1,497.5	8,065.6	4,152.1	179.0	-	13,894.3	-
ROW	2,347.1	78.5	1,420.7	645.1	6,590.4	-	11,081.7	-
TOTAL	9,908.4	5,612.5	18,174.8	7,771.5	16,114.1	4,959.3	62,540.7	10,081.2

Q 3 2020								
ECONOMIC SECTORS								
Counterparty Sector (To)	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW
GG	1,758.0	975.9	1,394.1	43.1	147.8	597.7	4,916.6	35.1
CB	1,507.0		16.6	84.6	3.6	2.2	1,614.0	4,355.6
ODCs	2,942.5	3,298.0	1,475.0	1,104.6	6,448.9	3,285.4	18,554.5	1,804.5
OFCs	1,651.8	15.3	1,295.4	1,193.7	2,454.4	1,126.7	7,737.4	263.7
NFCs	-	-	4,720.6	555.3	68.1	-	5,344.1	3,817.8
HHs	-	1,484.1	8,129.0	4,208.9	183.7	-	14,005.6	-
ROW	2,443.4	76.1	1,362.0	634.3	6,463.1	-	10,978.9	-
TOTAL	10,302.8	5,849.3	18,392.8	7,824.6	15,769.5	5,012.0	63,151.1	10,276.8

P Preliminary Q3 2020

R Revised Q1 - Q4 2019 and Q1 - Q2 2020

- Not available

■ Not applicable

. Rounds off to zero

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

Sources: 1SR, 2SR, 4SR, International Investment Position (IIP), Outstanding Resident Investment in Philippine Debt Papers Issued Offshore, Commission on Audit (COA) Audited Financial Reports, Philippine Depository and

Trust Corporation (PDTC) Holders and Issuers of Outstanding Corporate Debt Securities, and individual financial reports

GG - General Government

CB - Central Bank

ODCs - Other Depository Corporations

OFCs - Other Financial Corporations

NFCs - Non-financial Corporations

HHs - Households

ROW - Rest of the World

DE - Domestic Economy

BALANCE SHEET APPROACH MATRIX: GROSS FINANCIAL ASSETS AND LIABILITIES, BY INSTRUMENT ^{P,†}
as of periods indicated

ANNEX C

1 EXTERNAL FINANCIAL ASSETS AND LIABILITIES OF THE DOMESTIC SECTOR

FINANCIAL INSTRUMENTS	Q 3 2019				Q 3 2020				Year-on-Year Changes (in percent)	
	Levels (in billion pesos)		Share to Total (in percent)		Levels (in billion pesos)		Share to Total (in percent)		A	L
	A	L	A	L	A	L	A	L		
Monetary Gold & SDRs	475.6	59.3	4.7	0.5	619.8	57.1	5.7	0.5	30.3	-3.6
Currency and deposits	1,506.5	360.1	15.0	3.1	1,086.6	285.8	10.0	2.6	-27.9	-20.6
Debt Securities	3,171.6	1,651.6	31.6	14.3	4,103.8	1,709.1	37.9	15.6	29.4	3.5
Loans	3,353.6	3,871.3	33.4	33.4	3,354.3	4,226.2	30.9	38.5	.	9.2
Insurance, pension, and standardized guarantee schemes	35.3	16.6	0.4	0.1	44.6	18.1	0.4	0.2	26.4	8.7
Equity & investment fund shares	1,417.5	5,360.6	14.1	46.3	1,539.9	4,466.3	14.2	40.7	8.6	-16.7
Financial Derivatives	21.8	23.0	0.2	0.2	23.1	29.3	0.2	0.3	5.6	27.6
Other AR/AP	57.5	234.3	0.6	2.0	66.1	187.0	0.6	1.7	14.9	-20.2
Total	10,039.4	11,576.8	100.0	100.0	10,838.2	10,978.9	100.0	100.0	8.0	-5.2

2 SECTORAL FINANCIAL ASSETS

LEVELS (in billion pesos)

FINANCIAL INSTRUMENTS	ECONOMIC SECTORS															
	GG		CB		ODCs		OFCs		NFCs		HHs		DE		ROW	
	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020
Monetary Gold & SDRs			475.6	619.8									475.6	619.8	-355.9	-504.3
Currency and Deposits	1,820.6	2,270.8	776.5	300.5	3,199.4	4,256.4	863.1	764.7	4,519.0	5,083.6	7,793.3	8,861.4	18,972.0	21,537.3	360.1	285.8
Debt Securities	1,589.4	1,807.3	2,335.4	4,276.5	3,831.8	4,236.4	2,401.7	2,723.0	363.4	485.9	431.6	580.1	10,953.2	14,109.2	1,651.6	1,709.1
Loans	590.2	731.7	1,340.8	1,209.8	11,015.6	11,059.4	937.1	1,039.6	1,704.6	1,710.9	0	0	15,588.2	15,751.4	3,871.3	4,226.2
Insurance, pension, and standardized guarantee schemes	3.2	3.1	0	0	6.0	6.1	254.3	281.8	55.9	61.9	1,001.5	1,047.3	1,320.9	1,400.2	16.6	18.1
Equity & investment fund shares	95.8	95.8	61.5	79.6	353.9	316.6	3,131.7	2,795.1	1,591.9	1,729.8	2,315.0	2,861.9	7,549.8	7,878.7	5,360.6	4,466.3
Financial Derivatives	0.1	0.1	.	.	45.7	53.5	1.0	2.2	17.0	16.7	8.2	5.8	72.1	78.2	23.0	29.3
Other AR/AP	54.6	43.0	38.0	44.8	326.9	430.7	357.7	394.8	68.1	73.1	519.7	649.2	1,364.9	1,635.7	234.3	187.0
TOTAL	4,153.8	4,951.7	5,027.7	6,531.1	18,779.3	20,359.0	7,946.6	8,001.1	8,319.9	9,161.8	12,069.3	14,005.6	56,296.6	63,010.4	11,161.6	10,417.4

FINANCIAL INSTRUMENTS	Y-o-Y Changes (in percent)								Share to Total Financial Assets of the Sector (in percent) Q3 2020							
	ECONOMIC SECTORS								ECONOMIC SECTORS							
	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW	GG	CB	ODCs	OFCs	NFCs	HHs	DE	
Monetary Gold & SDRs		30.3					30.3	-41.7		9.5					1.0	
Currency and Deposits	24.7	-61.3	33.0	-11.4	12.5	13.7	13.5	-20.6	45.9	4.6	20.9	9.6	55.5	63.3	34.2	
Debt Securities	13.7	83.1	10.6	13.4	33.7	34.4	28.8	3.5	36.5	65.5	20.8	34.0	5.3	4.1	22.4	
Loans	24.0	-9.8	0.4	10.9	0.4	--	1.0	9.2	14.8	18.5	54.3	13.0	18.7	0	25.0	
Insurance, pension, and standardized guarantee schemes	-1.9	--	0.2	10.8	10.8	4.6	6.0	8.7	0.1	0	.	3.5	0.7	7.5	2.2	
Equity & investment fund shares	0	29.6	-10.5	-10.8	8.7	23.6	4.4	-16.7	1.9	1.2	1.6	34.9	18.9	20.4	12.5	
Financial Derivatives	5.3	1,902.1	16.9	111.3	-2.1	-29.4	8.5	27.6	.	.	0.3	.	0.2	.	0.1	
Other AR/AP	-21.2	18.1	31.8	10.4	7.3	24.9	19.8	-20.2	0.9	0.7	2.1	4.9	0.8	4.6	2.6	
TOTAL	19.2	29.9	8.4	0.7	10.1	16.0	11.9	-6.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

3 SECTORAL FINANCIAL LIABILITIES

	ECONOMIC SECTORS															
	GG		CB		ODCs		OFCs		NFCs		HHs		DE		ROW	
	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020	Q 3 2019	Q 3 2020
FINANCIAL INSTRUMENTS																
Monetary Gold & SDRs			59.3	57.1									59.3	57.1	60.4	58.3
Currency and Deposits			3,890.2	5,356.7	13,924.5	15,369.5	10.8	10.4					17,825.6	20,736.5	1,506.5	1,086.6
Debt Securities	6,987.1	8,687.7	26.1	74.3	993.3	1,099.1	283.9	294.0	1,142.7	1,559.3	0.1	0.1	9,433.2	11,714.5	3,171.6	4,103.8
Loans	1,272.3	1,579.6	302.2	305.0	570.9	334.8	1,132.9	1,157.6	8,801.1	8,989.4	4,026.5	4,256.9	16,105.9	16,623.2	3,353.6	3,354.3
Insurance, pension, and standardized guarantee schemes							1,302.2	1,373.6					1,302.2	1,373.6	35.3	44.6
Equity & investment fund shares	.	0	50.0	50.0	1,442.8	1,059.5	4,222.3	4,626.6	5,777.8	5,069.0			11,492.9	10,805.1	1,417.5	1,539.9
Financial Derivatives	5.8	3.5	.	1.1	42.2	53.1	3.0	5.8	17.0	19.3	5.1	1.6	73.2	84.5	21.8	23.1
Other AR/AP	27.5	31.9	2.5	5.1	456.9	476.9	282.0	356.6	141.5	132.5	631.3	753.4	1,541.7	1,756.5	57.5	66.1
TOTAL	8,292.7	10,302.8	4,330.4	5,849.3	17,430.5	18,392.8	7,237.1	7,824.6	15,880.2	15,769.5	4,663.0	5,012.0	57,834.0	63,151.1	9,624.2	10,276.8

	Y-o-Y Changes (in percent)								Share to Total Financial Liabilities of the Sector (in percent) Q3 2020							
	ECONOMIC SECTORS								ECONOMIC SECTORS							
	GG	CB	ODCs	OFCs	NFCs	HHs	DE	ROW	GG	CB	ODCs	OFCs	NFCs	HHs	DE	
FINANCIAL INSTRUMENTS																
Monetary Gold & SDRs		-3.6					-3.6	-3.4		1.0					0.1	
Currency and Deposits		37.7	10.4	-4.3			16.3	-27.9		91.6	83.6	0.1			32.8	
Debt Securities	24.3	184.7	10.7	3.6	36.5	25.9	24.2	29.4	84.3	1.3	6.0	3.8	9.9	.	18.5	
Loans	24.2	0.9	-41.4	2.2	2.1	5.7	3.2	.	15.3	5.2	1.8	14.8	57.0	84.9	26.3	
Insurance, pension, and standardized guarantee schemes				5.5			5.5	26.4				17.6			2.2	
Equity & investment fund shares	-100.0	0	-26.6	9.6	-12.3		-6.0	8.6	0	0.9	5.8	59.1	32.1		17.1	
Financial Derivatives	-39.9	2,323.7	25.8	93.9	13.3	-68.4	15.3	5.6	.	.	0.3	0.1	0.1	.	0.1	
Other AR/AP	16.3	103.0	4.4	26.5	-6.3	19.3	13.9	14.9	0.3	0.1	2.6	4.6	0.8	15.0	2.8	
TOTAL	24.2	35.1	5.5	8.1	-0.7	7.5	9.2	6.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

P Preliminary Q3 2020

r Revised Q3 2019

- Not available

Not applicable

. Rounds off to zero

-- Undefined/indeterminate

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

Sources: 1SR, 2SR, 4SR, International Investment Position (IIP), Outstanding Resident Investment in Philippine Debt Papers Issued Offshore, Commission on Audit (COA) Audited Financial Reports, Philippine Depository and Trust Corporation (PDT) Holders and Issuers of Outstanding Corporate Debt and individual financial reports

GG - General Government

CB - Central Bank

ODCs - Other Depository Corporations

OFCs - Other Financial Corporations

NFCs - Non-financial Corporations

HHs - Households

ROW - Rest of the World

DE - Domestic Economy

**TECHNICAL NOTES ON THE BALANCE SHEET APPROACH (BSA) COMPILATION
IN THE PHILIPPINES**

1. Conceptual Framework

The BSA, a financial stability surveillance tool developed by the International Monetary Fund (IMF) in 2002, is used to better monitor the potential vulnerabilities of economic sectors and their relationships with one another.

The analytical framework of the BSA is based on the balance sheets of these institutional sectors, which are compiled in accordance with the 2008 System of National Accounts (SNA). The two major requirements of the BSA framework are economic or institutional sectorization and financial instruments classification (Tables 1 and 2).

Table 1: Sectorization of economic or institutional units¹

<i>Economic or Institutional Sectorization:</i>	
A. Resident Sectors	
1. General Government (GG) a. National Government (NG) b. Local Government Units (LGUs) c. Social Security Agencies (SSAs)	The GG consists of institutional units that, in addition to fulfilling their political responsibilities and their role of economic regulation, produce goods and services for individuals or collective consumption mainly on a non-market basis and redistribute income and wealth.
2. Financial Corporations (FCs) a. Central Bank (CB) b. Other Depository Corporations (ODCs) ² c. Other Financial Corporations (OFCs) ³	The FCs are institutional units that are principally engaged in financial services including financial intermediation.
3. Non-financial Corporations (NFCs) a. Private NFCs b. Public NFCs	The NFCs are institutional units that are principally engaged in the production of market goods and non-financial services.
4. Households and non-profit institutions serving households (NPISHs)	The households are institutional units consisting of one individual or a group of individuals, while NPISHs are legal entities that are principally engaged in the production of non-market services for households or the community at large and whose main resources are voluntary contributions.

¹ The description for each institutional sector was lifted verbatim from the 2008 System of National Accounts (SNA).

² Includes Universal/Commercial Banks, Thrift Banks, Rural and Cooperative Banks, Non-banks with quasi-banking functions (NBQBs), and Non-stock savings and loan associations (NSSLAs) and offshore banking units (OBUs).

³ Includes the following: 1) trust entities, 2) private and public insurance corporations, 3) holding companies, 4) government financial institutions (specifically government-owned or -controlled corporations engaged in financial intermediation), 5) non-money market funds covering unit investment trust funds and investment companies, and 6) other financial intermediaries and auxiliaries (consisting of offshore banking units and non-banks without quasi-banking functions).

B. Non-resident Sector

The non-residents refer to non-resident households or corporations as units that are resident in the rest of the world.

Table 2: Financial Instruments Classification⁴

Financial Instruments	Description/Characteristics
Monetary gold	Held by the monetary authorities or central banks only.
Special drawing rights	Created by the IMF for its member countries to supplement their official reserves. It is a transaction between the central bank and rest of the world only.
Currency	Issued by the central bank, which consists of notes and coins that have nominal or face value.
Deposits	Categorized into transferable and other deposits. Transferable deposits comprise all deposits that are exchangeable on demand and without penalty and usable for making direct payments. Other deposits comprise all claims that are represented by evidence of deposit such as savings, fixed-term and time deposits, among others.
Debt securities	Classified as debt securities if it is <i>negotiable</i> or <i>tradable</i> in the market.
Loans	Created when a creditor lends funds directly to a debtor and are evidenced by documents that are <i>not</i> negotiable. If a loan becomes negotiable, it should be reclassified as debt securities.
Equity and investment fund shares	Represent claims on the residual value of a corporation and usually evidenced by shares and/or stocks.
Insurance, pension, and standardized guarantee schemes	Function as a form of redistribution of income or wealth mediated by financial institutions.
Financial derivatives and employee stock options	Linked to a specific financial instrument or indicator in which specific financial risks can be traded in financial markets.
Other accounts receivable/payable	Comprised trade credit for goods and services and other accounts receivable/payable that are not related to the provision of goods and services. This category, however, does not include statistical discrepancies.

The BSA matrix provides a “*from whom-to-whom*” presentation of the sector’s asset and liabilities with its counterparty sectors. The availability of sectoral data plays a crucial role in implementing the balance sheet analysis framework. The construction of the BSA matrix extensively utilizes the data provided by the standardized report forms (SRFs) and international investment position (IIP) report as mapped in the standard BSA matrix shown in Table 3. The vertical axis presents the sector’s assets or claims on other sectors while the horizontal axis of the BSA matrix reports the sector’s liabilities to other sectors.

⁴ Source: 2008 System of National Accounts (SNA)

Table 3: Standard Balance Sheet Approach (BSA) Matrix⁵

CREDITOR DEBTOR	GG	CB	ODCs	OFCs	NFCs	HH	ROW
GG		1SR	2SR	4SR			IIP
CB	1SR		1SR 2SR	1SR 4SR	1SR	1SR	1SR IIP
ODCs	2SR	1SR 2SR	2SR	2SR 4SR	2SR	2SR	2SR IIP
OFCs	4SR	1SR 4SR	2SR 4SR	4SR	4SR	4SR	4SR IIP
NFCs		1SR	2SR	4SR			IIP
HH		1SR	2SR	4SR			IIP
ROW	IIP	1SR IIP	2SR IIP	4SR IIP	IIP	IIP	

The “*from-whom-to-whom*” structure of the BSA matrix provides insights on the following vulnerability indicators, which are important in assessing the financial health of each institutional sector of the economy and the economy in general.⁶

- (a) *Net financial position*: financial assets that are considerably lower than the financial liabilities might signal potential liquidity problems, especially for sector/s whose financial assets are insufficient to fund its liabilities;
- (b) *Capital structure mismatch*: high debt-to-equity ratio suggests substantial debt leveraging and the absence of an equity buffer, making the sector susceptible to revenue shocks;⁷ and
- (c) *Cross sectoral exposures*: a sector that has relatively large and direct exposure to a sector with weak balance sheet will be vulnerable to macroeconomic and financial shocks.

⁵ Source: International Monetary Fund (IMF)

⁶ Lima, J.M., Montes, E., Varela, C., and Wiegand, J. (2006), Sectoral Balance Sheet Mismatches and Macroeconomic Vulnerabilities in Colombia, 1996-2003, IMF, p. 5.

⁷ Harutyunyan, Artak and Muñoz, Carlos Sánchez (2018), The IMF balance sheet approach: towards from-whom-to-whom information on cross-border portfolio securities, IMF, p. 5.

2. Operational Framework

A. Data Sources

In the Philippines, apart from the SRFs and the IIP, the compilation also employs other data sources to address some of the data gaps. Table 4 is a summary of the reports used in the generation of the Philippine BSA.

Table 4: Data Sources

Economic Sectors	Data Sources
Financial Corporations	IMF standardized report forms (SRFs): <ul style="list-style-type: none">• 1SR for the CB• 2SR for the ODCs• 4SR for the OFCs
General Government	(a) Annual audit reports (AARs) and annual financial reports (AFRs) from the Commission on Audit (COA) (b) Outstanding Government Securities and Quarterly National Government Outstanding Debt Stock reports from the Bureau of the Treasury (BTr) (c) Summary Reports of Financial Institutions on LGU Indebtedness from the Bureau of Local Government Finance (BLGF) (d) Quarterly balance sheets and schedule of investments from the Government Service Insurance System (GSIS) and Social Security System (SSS) (e) Counterparty data
Nonfinancial Corporations	(a) Annual audit reports (AARs) of Government-Owned and Controlled Corporations (GOCCs) from the COA (b) Holders and Issuers of Outstanding Corporate Debt Securities from the Philippine Depository and Trust Corporation (PDTC)* (c) Counterparty data
Households & NPISHs	Counterparty data
Rest of the World	(a) International Investment Position (IIP) quarterly report (b) Outstanding Resident Investments in Philippine Debt Papers Issued Offshore quarterly report

* Quarterly data from the PDTC only covers Q4 2019 onwards.

B. Basic strategies to compilation

The compilation of the Philippine BSA is challenging as the data sources for different institutional sectors are diverse with varying reporting timelines and formats. To address the data gaps in the current compilation methodology, the following techniques were used:

- (i) Use counterparty data to populate sectors without readily available financial statements or reports;
- (ii) Carry forward or estimate by employing growth rates on the most recent data available in the absence or unavailability of current period data; and
- (iii) Employ the built-in linear method of frequency conversion of Econometric-views (E-views) to convert low frequency data to high frequency estimates.

Given the aforementioned compilation challenges, the statistics will initially be reported as preliminary and will be revised in accordance to the BSA’s revision policy.

C. Data Reliability by Institutional Sector

The availability of comprehensive and consistent financial statistics that can be harmoniously compiled by sector/sub-sector and by financial instruments illustrates the ideal BSA compilation setting.^{8,9} However, the operational compilation of the BSA is constrained by the unavailability of data, limited information/breakdown, and conflicting records from various sources for certain financial instruments. In order to reconcile overlapping entries from multiple sources, there is a need to evaluate the data quality and reliability in the compilation process.

The data reliability prescribed in the 2006 IMF Compilation Guide on Monetary and Financial Statistic Manual is as follows: (i) 1SR for CB, (ii) 2SR for ODCs, (iii) 4SR for OFCs, (iv) IIP, and (v) general government finance statistics.¹⁰ The standard data reliability by sector is presented in Table 5. This data reliability and quality assessment was followed, except for particular cases where the counterparty data was deemed more robust. For reconciliation of intra-sectoral/sub-sectoral entries, the liability side was generally followed except for loans, equity and investment fund shares, and insurance, pension and standardized guarantee schemes. The use of said approaches will cause the total asset/liabilities of a sector/sub-sector and the aggregates of a given financial instrument to deviate from the estimates in analytical reports.

Table 5: Data Reliability by Sector¹¹

SECTORS	GG	CB	ODCs	OFCs	NFCs	HH	ROW
GG		High	Medium	Low			Low
CB	High		High	High	High	High	High
ODCs	Medium	High	Medium	Medium	Medium	Medium	Medium
OFCs	Low	High	Medium	Low	Low	Low	Low
NFCs		High	Medium	Low			Low
HH		High	Medium	Low			Low
ROW	Low	High	Medium	Low	Low	Low	

D. Revision Policy

The BSA statistics released to the public six (6) months after the reference quarter are treated as preliminary and may be revised in any succeeding quarterly BSA releases of the same reference year. Prior year's data may be revised coinciding with the release of the second quarter report in December of the current year as well as the third and fourth quarter reports in March and June of the succeeding year, respectively. Historical revisions are carried out in case of significant changes arising from the introduction of new classifications, compilation frameworks, and methodologies.

⁸ Comprehensive statistics means that granular data and sufficient information are available to accurately map the accounts for each sector/sub-sector. Consistent statistics means that the claims of a particular sector/sub-sector is equal to the liabilities of its counterparty sector/sub-sector.

⁹ Mathisen, J. and Pellechio, A. (2007), Using the Balance Sheet Approach in Surveillance: Framework and Data Sources and Availability, IMF, pp. 25-29.

¹⁰ Ibid.

¹¹ Source: IMF