**Philippine Flow of Funds**

*Scope and Classifications*

Classification of Transactions

Resident Institutions

1. Financial corporations sector consists of corporations and quasi-corporations engaged in financial intermediation and in auxiliary financial services. The sub-sectors included under the financial corporations sector are the Bangko Sentral ng Pilipinas (BSP), Universal/Commercial Banks, Thrift Banks, Rural Banks, Insurance and Pension Fund Companies and other financial corporations, i.e., Financing Companies, Lending Investors and Stock Dealers and Brokers, and Government Financial Institutions (GFIs).
2. Non-financial corporations sector consists of corporations and quasi-corporations engaged in the production of goods and non-financial services. Government Owned-and Controlled Corporations (GOCCs) engaged in these activities are also covered. Database for private non-financial corporations is limited only to those aggregates covered in the Philippines’ top corporations.
3. General government consists of the National Government (NG), Local Government Units (LGUs) and the Social Security Agencies (SSAs). This sector also includes the Central Bank Board of Liquidators (CB-BOL).
4. Households consist of all resident households. This sector also includes entrepreneurial activities of households as well as all other unaccounted transactions in the domestic economy (initially estimated as errors and omissions); also covers non-profit institutions serving households (NPISH).

Classification by Financial Instruments

1. Monetary Gold and Special Drawing Rights (SDR)
2. Currency and deposits
3. Securities, other than shares
4. Loans
5. Shares and other equity
6. Insurance technical reserves sub-classified into net equity of households in life insurance and pension funds, and prepayment of premiums and reserves against outstanding claims
7. Other accounts receivable/payable

*Sources of Data and Methodology*

Data are sourced from the following:

1. General Government and Corporate Sectors

* Commission on Audit (COA) annual financial reports of the NG, LGUs, and GOCCs.
* Administrative reports from the BSP, financial statements of the CB-BOL, and the consolidated financial statements of other depository corporations and other financial institutions submitted to the BSP.
* Annual reports of the Insurance Commission, Government Service Insurance System (GSIS) and Social Security System (SSS)
* Financial statements of top corporations in the Philippines from the Securities and Exchange Commission (SEC) and

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

1. Households

* Savings and capital accumulation are mainly based on the Philippine System of National Accounts (PSNA) estimates.
* Deposits are based on bank reports on deposit liabilities by type of depositor.
* Loans are derived using counterparty data sources like bank reports, financial and annual statements of private and public non-financial corporations, social security institutions, and other financial corporations.
* Net equity of households in life insurances reserves and in pension funds are transactions between the financial sector and the households so that total liabilities on this financial asset are entered as assets of the households.
* Currency holdings of the household are estimated as a residual item.
* Household’s other accounts payable is derived as a residual (the difference between the net lending from the capital account and net financing) and is recorded under “others” in this category.

In general, transactions in capital accumulation and financial assets are derived as the change between two periods’ balance sheets. Changes due to revaluations are excluded.

Savings is estimated either directly from income and expense statements or from balance sheets, as applicable. As defined in economic accounts, savings refer to net income after tax, after dividend, and exclusive of gains/losses due to price movements.