



Philippine Retail Debt Management Program

Bureau of the Treasury

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Treasurer of the Philippines

2022 International Retail Debt Management Symposium

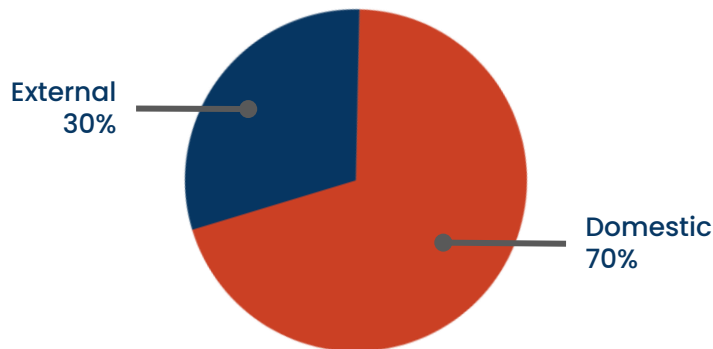
19 October 2022



About the Philippines

Debt Management Strategy

- 2022: Tasked to raise PHP 2.21 trillion, **75% or 1.6 trillion Pesos** of which will be **sourced domestically**
- Since the onset of the COVID-19 pandemic, the Philippine government pushed for a more **prudent debt management strategy**
 - Increase in borrowings to fund the country's pandemic efforts
 - Reliance on the retail sector to assist the government in fulfilling its debt obligations



Further development of the domestic capital market

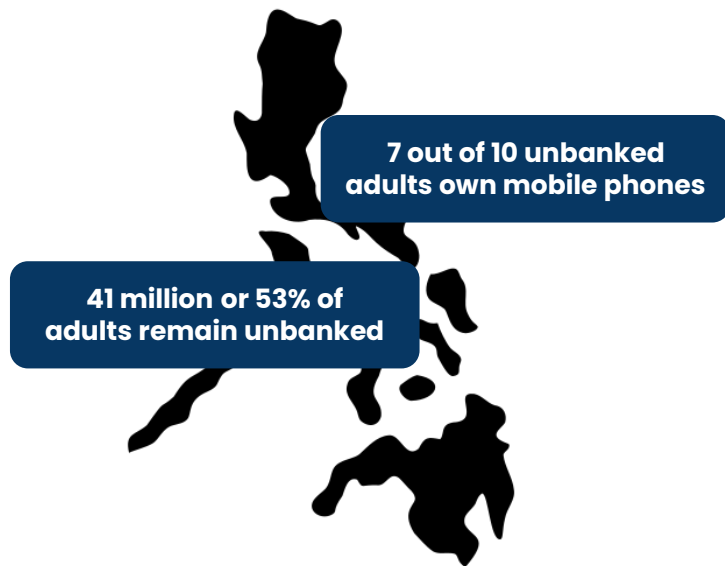
Reduce the country's exposure to FX volatilities

Safeguard amidst elevated global uncertainties

About the Philippines

Current Landscape

- An archipelago composed of over 7,000 islands
- Total population of 111.8 million
 - More than half of the 73.8 million Filipino adults are still unbanked
 - **BSP's National Strategy for Financial Inclusion 2022 to 2028** → thrust toward the vision of bridging gaps in financial inclusion and enhancing consumers' financial capability through inclusive digital finance and the strengthening of financial education

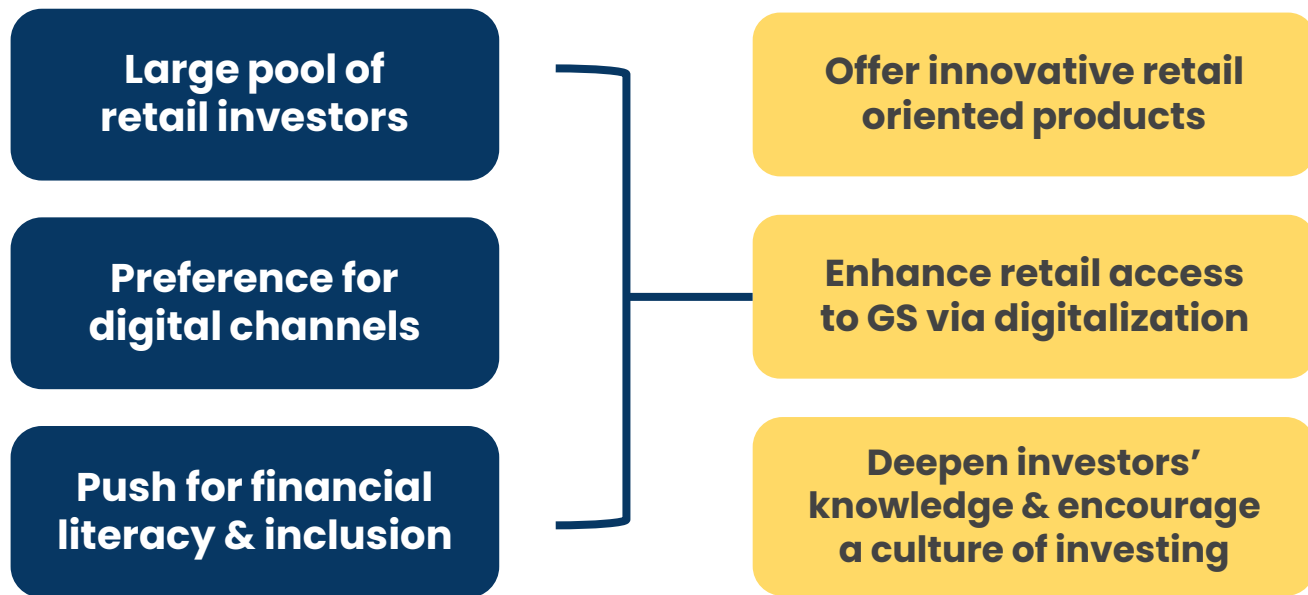


About the Philippines

Current Landscape

- Statistics
 - 2021 OFW remittances accounted for 8.9% of GDP
 - OFW remittances in July 2022 grew by 2.3% YoY (\$3.24 billion)
 - Unemployment rate in July 2022 decreased to 5.2% from 7.2% in the same period last year
- Tech Savvy Nation
 - Internet penetration rate — 68%
 - Internet users in the PH increased by 2.1 million between 2021 and 2022
 - 156.5 million cellular mobile connections in the Philippines

Key Opportunities



PART 1: Offer innovative retail-oriented products

Retail Treasury Bonds

Key Features



Sovereign Backing

- Credit Risk Free
- Direct obligation of the Republic



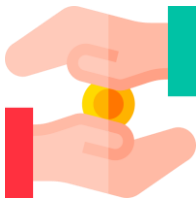
Frequent Interest Payment

- Pays interest every quarter



Convenient

- Buy over-the-counter or by using any of the BTr's online platforms



Affordable

- Minimum investment of P5,000 (\$ 100)



Relatively Higher Yield

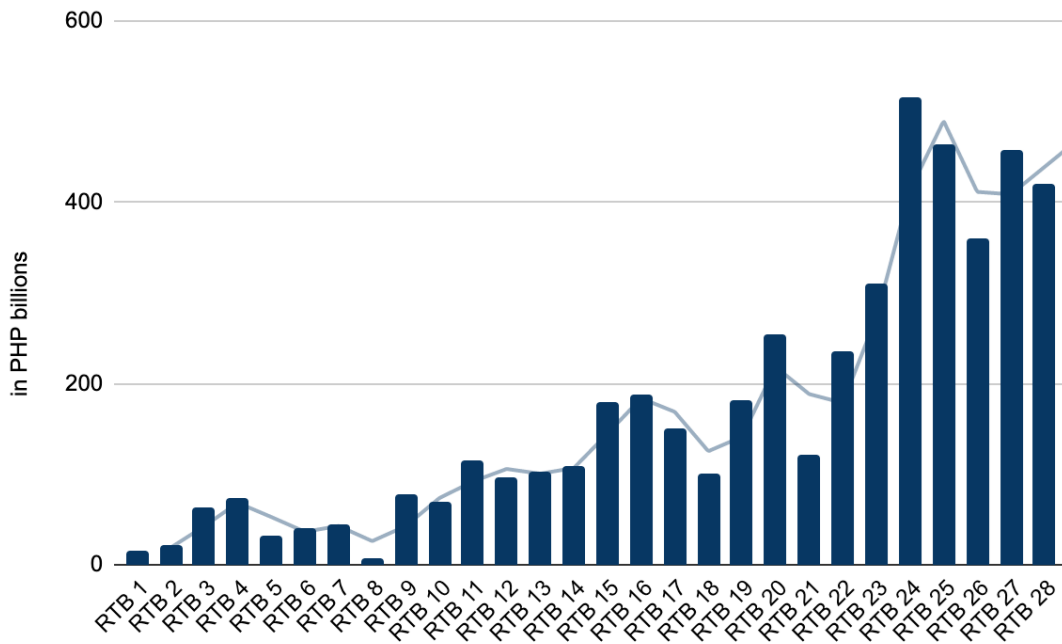
- Pays interest per quarter
- Higher than time deposits

Retail Treasury Bonds



RTB through the years

- Every RTB issuance has been **met with consistently strong demand**
 - Significant increase in amount raised during the latter half of the past decade
 - In total, **all RTB issuances have raised PHP 4.82 trillion**
 - Accounts for **34% of outstanding GS**
- Proves that our retail sector is a reliable pillar of financing



Innovating the Retail Treasury Bonds

Launch of Premyo Bonds

- Offered in 2019 and 2020,
- Offers fixed quarterly interest payments and the **chance to win cash and non-cash rewards in quarterly draws**
- *PHP 500 investment (approx. \$10) = 1 Bond Unit = 1 entry in every quarterly cash rewards draw*

Premyo Bonds 1

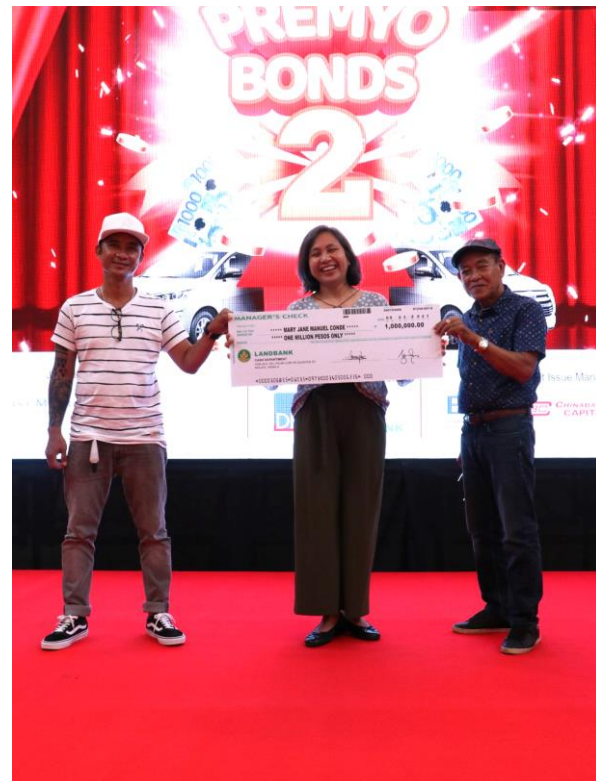
- 464 investors won P18 mln (approx. \$306 thousand) in cash prizes
- Grand winners won an additional P14.5 mln (approx. \$246 thousand) worth of residential lots + condo units

Premyo Bonds 2

- 784 investors won P26 mln (approx. \$442 thousand) in cash prizes
- Grand prizes were valued at over P14 mln (approx. \$238 thousand)



Innovating the Retail Treasury Bonds



Innovating the Retail Treasury Bonds

Maiden Offering of Retail Dollar Bonds

- **Strong Points**

**USD-denominated
counterpart of RTB**

OFWs can maintain the
value of their hard
earned USD savings

**Available at a minimum of
\$300 (approx P15,000)**

More accessible versus
traditional ROPs

**2 Investment Structures:
Straight USD & Peso Clear**

Made the RDB as
inclusive as possible

- In October 2021, **raised a total of \$1.593 billion**, almost four times the initial target of \$400 million

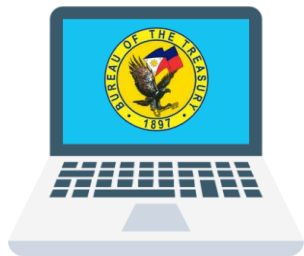


PART 2: Enhance retail access to GS via digitalization

Improving Access

Push for digitalization

- The BTr has **prioritized digitalization as a means of promoting inclusive finance** to make investing more convenient and accessible to retail investors.



BTr Online
Ordering Facility



Land Bank
Mobile Banking App

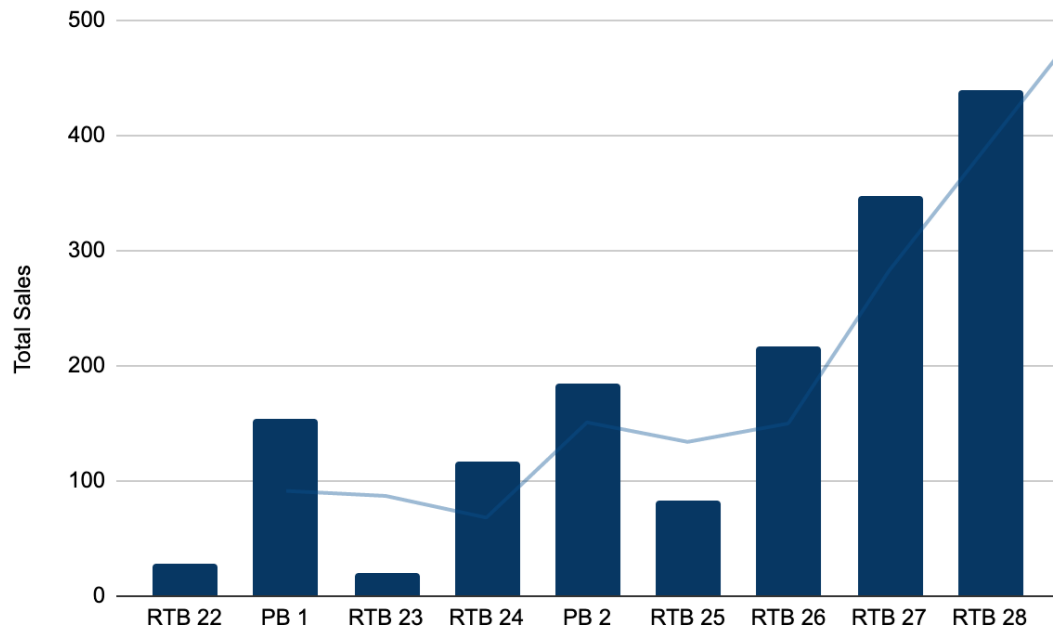


Overseas Filipino Bank
Mobile Banking App



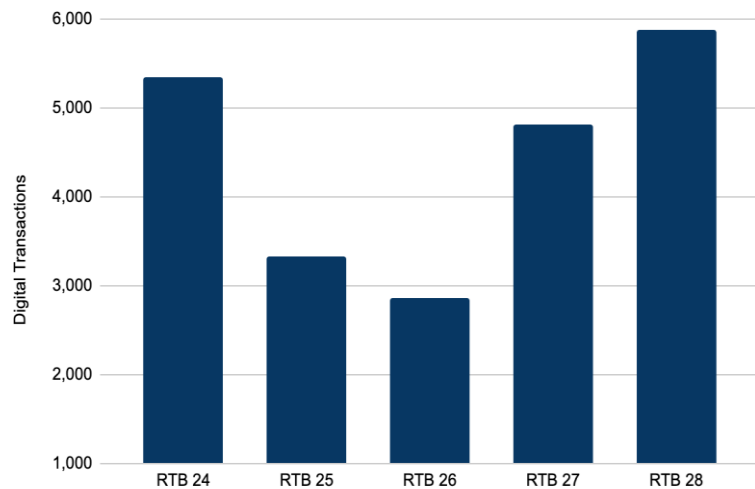
Bonds.PH App

Improving Access

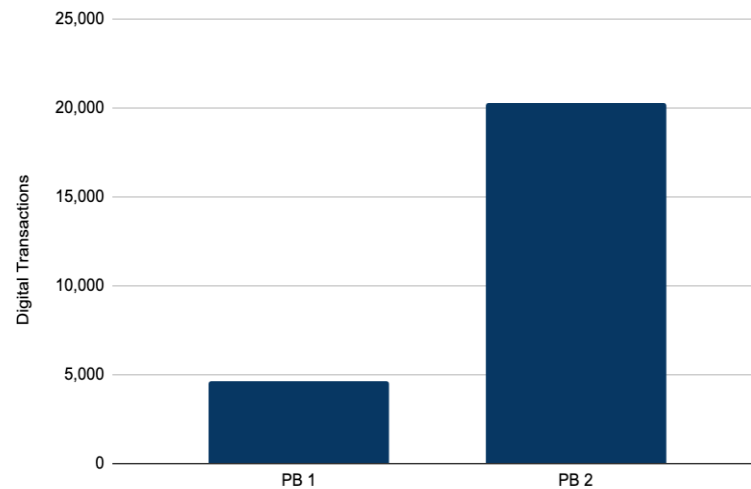


RTB Total Sales via Online Platforms
in PHP millions

Improving Access



Number of Transactions - RTB
OFB and Bonds.PH Mobile Apps



Number of Transactions - Premyo Bonds
OFB and Bonds.PH Mobile Apps

Improving Access



Total Number of
Countries Served

70

With our digital platforms, investing in government securities
was made **more accessible, convenient, and hassle free.**

Improving Access

BTr Mobile Application

- With the growing demand for technological platforms, the BTr **launched its very own mobile application in Sept 2021**
- The BTr mobile application is a **centralized digital information platform** that aims to strengthen Filipinos' understanding of the Treasury and its functions, as well as increase investors' accessibility to available investment channels.

As of September 2022:



Increasing Awareness

FiLi Webpage Application

- A **financial planning app** that houses a variety of investment tools made available to beginners in investing
- The app helps investors make **sound investment decisions based on their needs and current market conditions.**
- For September 2022, **website traffic totaled 42,678 in 91 countries**



FINANCIAL LITERACY FOR THE FILIPINO

"Starting, planning, and managing one's financial journey made easier and more accessible to all Filipinos"

**PART 3: Deepen investors'
knowledge & encourage a
culture of investing**

Increasing Awareness

RTB Virtual Roadshows

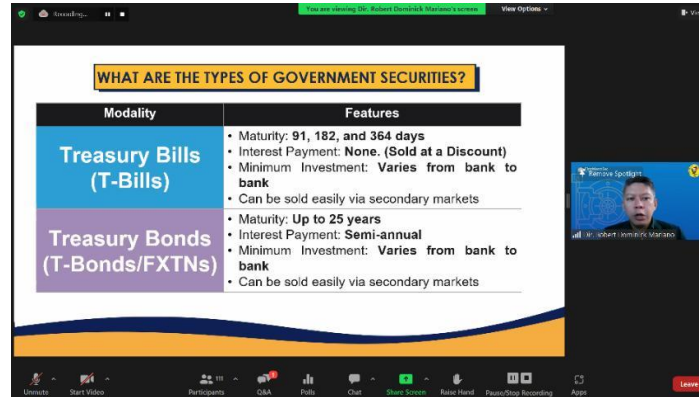
- In partnership with our Foreign Service Posts, we hosted virtual roadshows **in over 50 countries across 6 continents**, including **first-time interactions with OFWs in East Africa and South America**
- OFWs in **41 countries** invested in **RTB 27**, while OFWs in **53 countries** invested in **RTB 28**



Increasing Awareness

Online Financial Literacy Sessions

- Financial Literacy Webinars were also hosted in **collaboration with Embassies, local universities, and the BTr's partner banks** to further its push to strengthen Filipino investors' understanding of what government securities are and how they work.



Increasing Awareness

RTB Regional Roadshows

- With easing COVID restrictions, the BTr, in collaboration with its Regional Offices, was able to host roadshows across the country for interested investors (agencies, cooperatives, universities)
- Constant pursuit to expand our investor base





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