



Funding the Republic

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Intramuros, Manila 1002

Press Release

Bonds.PH app yields P48-M in RTB investments

MANILA, Philippines, 13 August 2020 – The Philippines’ first mobile application that allows small investors to buy government securities with their smartphones has enabled the government to raise about P48 million from the sale of the five-year PROGRESO Retail Treasury Bonds (RTBs), the Bureau of the Treasury (BTr) reported. These bonds were offered to the public from July 16 to August 7, 2020.

The app was launched by the BTr last July 16 in partnership with Union Bank of the Philippines (UnionBank) and the Philippine Digital Asset Exchange (PDAX). The app was designed to make purchasing government bonds more convenient, especially with quarantine protocols in place worldwide.

Mycka Loyola, a 26-year old Senior Auditor based in Channel Islands, United Kingdom, was among those who invested in the five-year PROGRESO RTBs through this new digital tool—the Bonds.PH app.

Finding out about the app from Facebook, Mycka decided to invest her extra P10,000 in PROGRESO bonds via Bonds.PH and InstaPay.

“In this digital age, investing has never been easier and safer,” Mycka said. “Even if I’m away from home, I was able to conveniently access this low-risk investment while also doing my part in building our nation.”

Mycka learned through the Bonds.PH Facebook page that investing in the PROGRESO bonds was a way of helping the economy bounce back from the coronavirus-induced recession.

“Invest in the future and help your country while you save and earn with Bonds.PH—the easiest and most accessible way to buy and sell Philippine retail treasury bonds,” read the Facebook post that encouraged Mycka to buy the PROGRESO RTBs.

Mycka said she plans to use her investment to grow her money in time for when she goes back to the Philippines, while also earning quarterly interest income that she can send to her family back home.

According to National Treasurer Rosalia De Leon, small investors like Mycka accounted for about 80 percent of the almost 3,000 transactions made through the Bonds.PH app for amounts of P10,000 and below.

Their pooled investments totaling P48 million will contribute to the government’s efforts to raise funds for its COVID-19 response and economic recovery plan, she said.

In partnership with the Department of Foreign Affairs (DFA), the BTr also offered this investment option to Overseas Filipinos (OFs) in Japan, USA, Singapore, and the Caribbean.

The Bonds.PH mobile app was downloaded almost 25,000 times via the Apple App Store and Google Play Store from 85 countries, De Leon said.

Finance Secretary Carlos Dominguez III was among the pioneer investors in the five-year PROGRESO bonds, officially termed RTB 24, using the new app.

Bangko Sentral ng Pilipinas Governor Benjamin Diokno and Acting Secretary Karl Kendrick Chua of the National Economic and Development Authority (NEDA) joined him in investing in the RTBs through the Bonds.PH app during its launch a few weeks ago.

"The overwhelming market response to our offer of PROGRESO bonds underlines the strong investor appreciation of the country's exceptional credit profile under the Duterte presidency along with broad support for government efforts to save lives and steer the economy to recovery in the face of the global health emergency," Dominguez said.

He said "the more small investors save their money by putting them in relatively higher-yielding RTBs, the more the country moves closer to President Duterte's paramount goal of financial inclusion for all Filipinos."

"Through Bonds.PH we were able to expand the access to RTBs of small investors, including the unbanked, and made investing easy for Filipinos not only here but across the globe," Dominguez said.

He noted that for a minimum investment of P5,000 per bond, RTB holders can do their part in the government's battle against COVID-19 and in its rebound plan for the economy to hurdle the pandemic-induced global economic slump.

"The use of digital tools to broaden access to financing services is among the key priorities of the Duterte administration as this will help achieve our goal of financial inclusion and reduce costs associated with tedious manual verification and settlement processes that often discourage potential savers and investors," he added.

Convenience was among the key factors that attracted thousands to invest in RTB 24 via Bonds.PH.

After a simple verification process, users can easily cash in through Bonds.PH via Instapay, PESONet, GCash or Paymaya, invest for as low as P5,000, and watch their investment grow through the app.

The PROGRESO bonds were offered with a 2.625% fixed annual interest rate payable every quarter, and a maturity date on August 12, 2025.

Earnings from RTBs like the PROGRESO bonds are relatively higher compared to bank time deposits that offer an average of 1.125% interest for the same five-year tenor.

As with the BTr's recent offerings, the online ordering facility via www.treasury.gov.ph/rtb was also made available, providing an effective and convenient online channel for investors, especially overseas Filipinos, to invest in RTB 24.

These digital platforms allow investors to buy RTBs without them having to physically go to banks to make such purchases.

The BTr raised a total of P516.3 billion from its issue of the PROGRESO bonds over the three-week offer period. The total issue size consisted of P488.5 billion in new subscriptions and P27.8 billion more from the bond exchange program.

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