



Funding the Republic

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
Intramuros, Manila 1002

June 30, 2020

PRESIDENT RODRIGO ROA DUTERTE

Republic of the Philippines
Malacañang, Manila

Dear Mr. President:

It is my honor to present the key accomplishments of the Bureau of the Treasury (BTr) for the year 2019.

The report features the Bureau's significant achievements and milestones through the various reforms and programs aimed towards improving cash and asset management efficiency and attaining fiscal sustainability in our financing operations.

On behalf of the management and staff of the BTr, I would like to thank the President for supporting our fiscal initiatives. Rest assured that the Bureau will uphold its commitment and mandate of sustainably funding the Republic.

Very truly yours,

ROSALIA V. DE LEON
Treasurer of the Philippines

BRACED FOR THE FUTURE

2019 ANNUAL REPORT



**Bureau of the
Treasury**
Department of Finance



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MISSION

To efficiently and effectively manage the financial resources of the government by maximizing revenues from available funds and minimizing costs of financing whenever possible



VISION

To be a proactive manager of the public funds characterized by active duration management, minimization of interest rate risks and hedging of financial risks.



MANDATE

Under Executive Order No. 449:

- Assist in the formulation of policies on borrowing, investment and capital market development;
- Formulate adequate operations guidelines for fiscal and financial policies;
- Assist in the preparation by government agencies concerned of an annual program for revenue and expenditure targets, borrowing levels and cash balances of National Government;
- Maintain books of accounts of the cash transactions;
- Manage the cash resources, collect taxes made by the National Government (NG) and guarantee forward cover fees due NG, control and service its public debt, both foreign or domestic;
- Issue, service, redeems government securities for the account of the National Government as may be authorized by the President pursuant to law;

MANDATE

Under Executive Order No. 449:

- Administer the Securities Stabilization Fund by purchase and sale in the open market of government bills and bonds to increase the liquidity and stabilize the value of said securities in order to promote private investment in government securities;
- Act as principal custodian of financial assets of the National Government, its agencies and instrumentalities;
- Bond all accountable public officials and employees pursuant to the provisions of the Public Bonding Law and issue appropriate guidelines therefore;
- Perform such other related functions as may be assigned to it by competent authorities.

MANDATE

Under Republic Act No. 245 as amended by Presidential Decree No. 142; Republic Act No. 1000:

- Certify allowable debt and guarantee
- Manage contributions to the Bond Sinking Fund and the fund itself

Under Republic Act No. 3844:

- Manage the Assurance Fund for the redemption of Land Reform Bonds

Under Republic Act No. 6657:

- Manage the Agrarian Reform Fund

Under Executive Order No. 739 and Republic Act No. 8250:

- Offset from the budgetary support to Government-Owned and Controlled Corporations (GOCCs) their corporate cash dividend under R.A. 7656, guarantee fees, advances for loans relented to GOCCs as well as for obligations which are guaranteed by the National Government and its other valid receivables

Under Act No. 3936 as amended by Presidential Decree No. 679:

- Initiate legal proceedings for escheat of unclaimed balances in favor of the government.



THE TREASURER'S REPORT

THE TREASURER'S REPORT

2019 was a remarkable year for the Bureau of the Treasury (BTr) as it celebrated its 122nd year of funding the nation. Throughout the years, BTr has proven its efficiency and effectiveness as the steward of government resources and raising funds to sustain the country's plans and programs. In achieving all it has accomplished, the Bureau has set high standards despite the headwinds and challenges in the financial landscape.

As primary custodian of government funds and resources, the Bureau efficiently fulfilled its mandate of effective cash management by ensuring that cash holdings were sufficient to meet the catchup requirements of the National Government in the latter half of the year.

Furthermore, the Treasury was able to maximize returns on managed funds, exceeding targets and directly contributing to government coffers on top of its other collections in favor of the National Government.

In its financing operations, BTr took advantage of favorable interest rates to diversify funding sources through the issuance of US Dollar, Euro, Renminbi and Yen-denominated securities in the international market. The strong reception and tight pricing of these issuances reflect the confidence of international investors in the country's macroeconomic fundamentals as confirmed by improved credit ratings from debt watchers.

THE TREASURER'S REPORT

As part of the government's effort to further promote investing and financial literacy among small investors, as well as to raise funds for the government's priority projects, BTr successfully held the public offering of the 22nd tranche of Retail Treasury Bonds (RTBs). Roadshows and seminars were conducted throughout the country and offshore to improve awareness while investing was made easier through the online investment facility as well as smaller minimum denominations offered to the public.

Moreover, the introduction of the *Premyo Bonds* allowed for a further expansion of the investor base by being more affordable and accessible to small and first-time investors, thus promoting financial inclusion. Further, investing was made more exciting by the introduction of the rewards

system and non—cash component of the *Premyo Bonds* in which investors can win up to one million pesos and real property. This helped ensure the success of the issuance by rallying public reception for the bonds.

To improve the Republic's resiliency against natural disasters, the BTr spearheaded the development of the National Indemnity Insurance Program, and the country's maiden issuance of catastrophe-linked (CAT) bonds. Both are intended to shore up disaster risk financing in the country.

In 2019, the Treasury and DOF also spearheaded the consolidation of Government Guarantee programs into the new Philippine Guarantee Corporation. This improves the efficiency of Guarantee provision while strengthening the

THE TREASURER'S REPORT

Government's management of contingent liabilities emanating from these sectors.

Internally, BTr enhanced its operations by empowering employees through seminars and workshops that seek to equip them for the tasks they are to perform as part of the Bureau. These skills were augmented by investing in information technology and other systems to enable as well as enhance efficiency and effectiveness. Lastly, the construction and improvement of facilities was meant not just to provide a safe and conducive working environment but also improve morale by instilling pride in our work and institution. All these were aimed for the purpose of delivering utmost satisfaction to stakeholders and better serve the public thrust.

Through the years, the Treasury has been steadfast in its mandate of funding the nation. Despite the uncertainties and headwinds in the economic and financial landscape, rest assured, the Bureau of the Treasury will be unwavering like a deeply-rooted tree – braced for the future.



ROSALIA V. DE LEON
Treasurer of the Philippines



2019 ACCOMPLISHMENT HIGHLIGHTS

₱ 146.52 billion

BTr Income

28% increase from 2018

39.6%

Debt-to-GDP ratio

Beating the 41.7% target for 2019

68:32

Financing Mix

Strong preference for domestic
funding

₱879.5 billion

Total gross financing raised through
security issuance

2

New financing instruments

Premyo Bonds para sa Bayan &
Catastrophe-Linked Bonds

30 minutes

Improved processing time for Fidelity Bonding

10 minutes faster as a result of streamlined processing



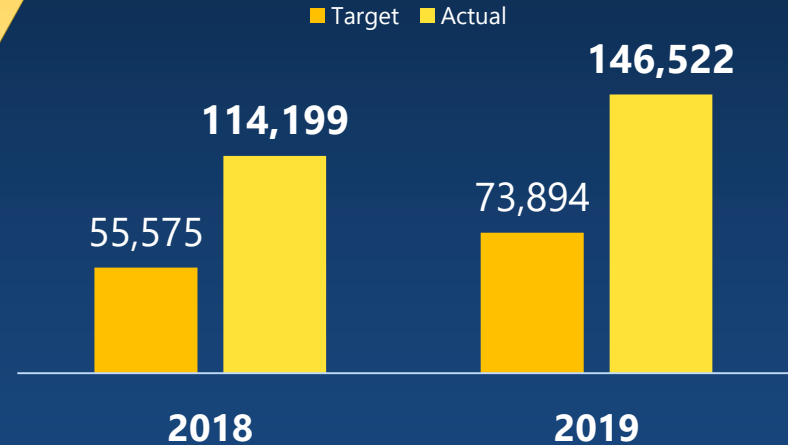
SHORING UP RESOURCES

PROACTIVE ASSET MANAGEMENT

EXCEEDED INCOME TARGETS

The Bureau of the Treasury exceeded its income target in 2019 after raising a total P146.5 billion, 28.3% higher than the P114.2 billion logged in 2018, and nearly twice the P73.9 billion program for the year. The robust earnings were driven by higher interest income on National Government deposits and advances to GOCCs, supported by the intensified escheat of unclaimed balances and prudent management of the Bond Sinking Fund (BSF).

Total BTr Income (in Million Pesos)



Bureau of the Treasury Income

CY 2019 | in Million Pesos

Particulars	Full-Year Program	Actual		% Change (Actual 2018 vs 2019)	% Change (Actual vs FY Program)
		2018	2019		
A. BTR Income	<u>23,979</u>	<u>38,899</u>	<u>54,593</u>	<u>40.35%</u>	<u>127.67%</u>
1. Interest Income on NG Deposits	438	7,393	15,237	106.10%	3378.77%
a. BSP	400	6,066	12,461	105.42%	3015.25%
b. Other Banks	38	1,327	2,776	109.19%	7205.26%
2. Interest on Advances to GOCCs	118	669	2,492	272.50%	2011.86%
3. Income from BSF/SSF	18,500	24,100	30,716	27.45%	66.03%
4. Guarantee Fee	2,000	2,497	2,906	16.38%	45.30%
5. Foreign Exchange Risk Cover Fee	1,500	1,464	1,555	6.22%	3.67%
6. Government Service Income	<u>379</u>	<u>1,646</u>	<u>514</u>	<u>-68.77%</u>	<u>35.62%</u>
a. Subscription Fee - RoSS Participants	11	14	12	-14.29%	9.09%
b. Service Fee on Relent Loans	248	510	322	-36.86%	29.84%
c. Escheat of Unclaimed Balances	120	33	109	230.30%	-9.17%
d. Others	0	1,089	71	-93.48%	
BTr Operations (RA)	<u>1,044</u>	<u>1,130</u>	<u>1,173</u>	<u>3.81%</u>	<u>12.36%</u>
e. Fidelity Bond Premia	1,044	1,130	1,173	3.81%	12.36%
B. NG Income Collected by BTR	<u>49,915</u>	<u>75,300</u>	<u>91,929</u>	<u>22.08%</u>	<u>84.17%</u>
1. Dividends on Shares of Stocks	16,000	40,790	53,421	30.97%	233.88%
2. NG Share in Airport Terminal Fee	812	1,035	1,250	20.77%	53.94%
3. NG Share in PAGCOR Income	31,874	31,822	35,462	11.44%	11.26%
4. NG Share in MIAA Profit	1,229	1,653	1,796	8.65%	46.14%
C. TOTAL BTR INCOME	<u>73,894</u>	<u>114,199</u>	<u>146,522</u>	<u>28.30%</u>	<u>98.29%</u>

PROPER STEWARDSHIP OF REAL ASSETS

Management of Central Bank – Board of Liquidators (CBBOL) and other acquired properties

In 2019, the Technical Working Group on the Disposition of CBBOL Records was organized. The Acquired Asset Management Division (AAMD) of the BTr retrieved 93 boxes of documents for scanning and initiated the request for the Real Property Tax exemption from 94 LGUs of which 19 have granted exemption for 101 CBBOL properties. The AAMD also requested assistance from the BTr Regional Offices for the verification of CBBOL properties. There was a collection of Php5,817,114.00 as just compensation for the CBBOL properties subjected to CARP. The AAMD is continuously updating the status and database of CBBOL properties based on reports of LGUs.

The AAMD also provided assistance to the Office of the Solicitor General (OSG) in 13 Regional Trial Court hearings on acquired properties. The Memorandum of Agreement between OSG and BTr for the Task Force on Acquired Assets with Cases was finalized in 2019. To facilitate efficiency in responding to correspondences on property inquiries, the AAMD drafted three (3) templates that include: 1) request for tax exemption; 2) certificate of beneficial use; and 3) letter to interested buyer/s.

Finally, the Deed of Conveyance of Property Dividend was finalized in 2019 covering 14 properties to be assigned to the BTr. An initial meeting with the Anti-Money Laundering Council was conducted in December 2019 to discuss the procedures and documentation of forfeited properties to be transferred to the BTr. The AAMD conducted an internal inventory with the Cash and Custodial Division (CCD) on the stock certificates currently held by the BTr.



BRACED FOR ADVERSITIES

DISASTER RISK FINANCING &
RISK MANAGEMENT

INSTITUTED NATIONAL INDEMNITY INSURANCE PROGRAM

The BTr signed a Memorandum of Agreement with the Government Service Insurance System (GSIS) in November 2019 for the development of the National Indemnity Insurance Program. The Program aims to provide adequate and comprehensive insurance to strategically important assets against natural disasters such as typhoons, earthquakes, volcanic eruptions, storm surges, and floods.

The initiative builds upon the progress of the establishment of the National Asset Registry (NARS) as part of the disaster risk management strategy of the government.

For the coverage of the indemnity insurance, the initial set of assets were gathered from the DepEd and DSWD for inclusion in the program. To date, the BTr Asset Registry Division (ARD) has validated the location of school buildings to check the data provided by DepEd.

Agency	Data for National Indemnity Insurance
DepEd	School Buildings: <ul style="list-style-type: none">a. 91,458 (25 Priority Provinces)b. 4,569 (NCR)c. 22,467 (Region VI)
DPWH	Along the 25 Priority Provinces: <ul style="list-style-type: none">a. 609 Roadsb. 1,053 Road Sectionsc. 30,074 Road Segmentsd. 3,106 Bridges

ISSUANCE OF CATASTROPHE-LINKED BONDS (CAT BONDS)

To better respond to natural disasters such as earthquakes and typhoons, the Republic raised \$225 million in catastrophe-linked (CAT) bonds through the World Bank. The CAT bonds were the first of its kind in Asia and will provide insurance cover for the Philippines for three years. It is just one of the many innovative structures and projects of the government aimed at improving the country's resilience against natural calamities.

The CAT bond was designed to be quick disbursing to support rapid response and recovery following severe typhoon and earthquake events. It is not meant to cover total damage and losses but to provide immediate liquidity until additional resources become available.



Deputy Treasurer Gisela F. Lood, along with World Bank Vice President and Treasurer Jingdong Hua, World Bank Philippines Country Director Mara Warwick, SGX Chief Executive Officer Loh Boon Chye, MAS Deputy Managing Director Jackeline Loh, Philippine Ambassador to Singapore Joseph del Mar Yap, and representatives from Swiss Re, Munich Re, and Guy Carpenter rang the Ceremonial Gong during the Bond Listing Ceremony at the Singapore Stock Exchange (SGX) on 25 November 2019. Photo courtesy of SGX



ISSUANCE OF CATASTROPHE-LINKED BONDS (CAT BONDS)

The three-year CAT bonds were issued in two tranches - \$150 million covering losses from tropical cyclones and \$75 million in protection for losses from earthquakes. The bond float was met with strong investor interest as it served as a diversifier to the current pool of CAT bonds in the market.

The issuance marked several firsts as it was the Philippines' first CAT bond for any Asian sovereign; first CAT Bond to be listed in the Singapore Stock Exchange (SGX) as well as in any Asian exchange.

EFFECTIVE RISK MANAGEMENT THROUGH CPN CONSOLIDATION OF GUARANTEES

In 2019, the Philippine Guarantee Corporation (PhilGuarantee) started operating as one business entity after the guarantee functions, programs, personnel, assets and liabilities of the Home Guarantee Corporation and Small Business Corporation were transferred and merged to PhilEXIM. In addition, the administration of the IGLF and AGFP were also transferred to PhilGuarantee. The financial merger and consolidation was declared by the Department of Finance effective August 31, 2019 pursuant to DOF MC No. 001-2019.

Under the merger, the PhilGuarantee could better support credit guarantee for micro, small and medium enterprises, agriculture, crops and livestock, livelihood, commercial and industrial enterprises, and housing.

Aside from ensuring operational efficiency and effectiveness, the merger provides for the better management of risks as well as contingent liabilities emanating from these guarantee activities.



Republic of the Philippines

PhilEXIM
PHILIPPINE EXPORT-IMPORT CREDIT AGENCY



PHILGUARANTEE
Philippine Guarantee Corporation



FUNDING FOR GROWTH

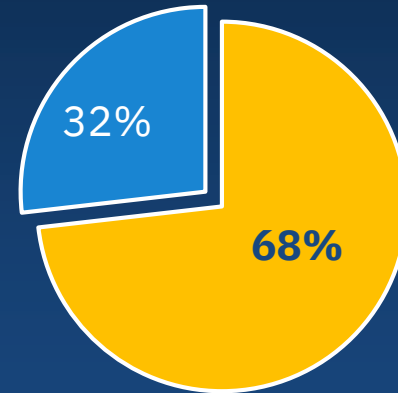
LIABILITY MANAGEMENT

FUNDING THE GOVERNMENT

The Treasury contributed **P879.5 billion** to total gross financing through the issuance of government securities in the domestic and external markets.

With this, the government achieved its revised financing mix target of 68:32 for the year after sourcing P693.8 billion from the domestic capital market and raising P185.7 billion through bonds issued in global debt markets. The preference for domestic funding was in line with the debt management objective of reducing foreign exchange vulnerability and supporting the development of the local bond market.

Financing Mix



■ Domestic ■ International



SUCCESSFUL INTERNATIONAL ISSUANCES



USD GLOBAL BONDS

The Philippines sold USD 1.5 billion in 10-year offshore dollar bonds priced at a coupon of 3.75% and just 110 bps above benchmark US Treasuries. The issuance marked the first Emerging Market's sovereign USD bond issuance in 2019 and demonstrated the Republic's ability to respond tactically to conducive market conditions to capture a favorable issuance window. The transaction garnered strong demand as the order book peaked at USD 4.0 billion which showed deep investor confidence in the Philippines' growth story and the administration's ability to maintain fiscal discipline.

The debt notes were rated a notch above minimum investment grade at "BBB" by S&P Global Ratings and Fitch Ratings, and "Baa2" by Moody's Investors Service.

EURO BONDS

In May 2019, the Republic issued EUR 750 million of 8-year Euro-denominated Global Bonds.

The issuance marks the country's return to the European capital markets after a hiatus of more than a decade. Total demand for the Eurobond amounted to almost EUR 3 billion, six times oversubscribed from the government's original offer of EUR 500 million. Following the strong demand, the BTr decided to upsize the transaction to EUR 750 million.

The Euro borrowing came just days after Standard & Poor's raised the Philippines' credit rating to "BBB+" from "BBB", with a stable outlook, a new high for the country.

PANDA BONDS

The Philippines raised RMB 2.5 billion from its second sale of Panda bonds that similarly saw strong demand from investors. The three-year debt fetched a 3.58% coupon that represented a tight spread of just 32 basis points above the benchmark.

The order was 4.5 times oversubscribed, reaching a total of RMB 11.25 billion, casting a strong vote of confidence in the Republic's economic stewardship and transformative reform agenda.

China Lianhe Credit Rating Co. Ltd. rated both the Philippines and the latest Panda bond issue as "AAA", its highest rating.

SAMURAI BONDS

27

The Republic successfully raised JPY 92 billion from the issuance of multi-tenor Samurai bonds. JPY 30.4 billion of the total awarded volume came in the form of three-year debt, JPY 21B in five-year debt, JPY 17.9 billion in seven-year securities and JPY 22.7 billion in ten-year debt notes. The securities carried a coupon of 0.18%, 0.28%, 0.43% and 0.59%, respectively.

The order book was more than JPY 100 billion, prompting the Treasury to upsize the initial offering of \$750M due to strong market reception.

S&P Global Ratings assigned a "BBB+" long-term foreign currency rating to the yen-denominated senior unsecured notes issued by the Republic. Moody's Investor's Service likewise assigned an investment grade rating of "Baa2" and a stable outlook on the issuance.

FOSTERING FINANCIAL LITERACY AND INCLUSION

22nd Tranche of Retail Treasury Bonds

Following the resounding success of previous Retail Treasury Bonds (RTB), the Bureau of the Treasury raised P235.9 billion at a coupon rate of 6.25% and a tenor of five years through the 22nd tranche of RTBs.

To make investing even simpler, the BTr introduced an online facility for those with peso accounts with Landbank of the Philippines (LBP) and Development Bank of the Philippines (DBP), making it easily accessible to Filipinos both locally and abroad.

Aside from domestic investor roadshows, various financial literacy sessions were held for Local Government Units (LGUs) as well as overseas Filipinos in Tokyo, Singapore and Hong Kong to entice them to invest in RTBs and to introduce them to the online ordering facility of the Treasury.

“By making the investment process easier and more accessible, the issuance of RTBs promotes greater financial literacy and serves as a medium for nation-building, as it enjoins the Filipino people to take an active part in helping the country.”

- Treasurer Rosalia V. De Leon

FOSTERING FINANCIAL LITERACY AND INCLUSION

Premyo Bonds para sa Bayan



In a bid to encourage first-time retail investors to optimize and diversify their savings, the BTr launched and issued the *Premyo Bonds Para sa Bayan*.

The bond was offered from November 25 to December 13, 2019 and carried a 3 percent interest per annum for one (1) year. Total sales during the three week long offering of the Premyo Bond reached P4.9 billion, 65 percent higher than the original target of P3 billion after the offering was expanded due to strong demand.

To make the bonds attractive to retail investors, the Bureau reduced the minimum investment from P5,000 for its usual RTBs to just P500. Furthermore, on top of the quarterly interest payments, investors were given the chance to win up to Php 1.0 million via a raffle draw every quarter as well as P100,000 and P20,000 cash rewards. The winner of the Php 1.0 million cash reward in the quarterly rewards draw will also receive a non-cash reward of either a condominium unit or a house and lot from participating property developers Vista Land, MegaWorld Corp., Double Dragon Properties Corp and Property Company of Friends, Inc.. The non-cash reward is net of applicable taxes, fees and charges.

PREMYO BONDS HIGHLIGHTS



Premyo Bonds para sa Bayan Launch Event on December 8, 2019 at the Bulwagan ng Diwang Pilipino, Development Bank of the Philippines, Makati City. *Photo by Bonijun Patac* ▲



▲ **Asset Management Director Eduardo Anthony G. Mariño warmly welcomes investors during the Premyo Bonds para sa Bayan Roadshow in Cagayan de Oro City.** *Photo by Dianne Orendain*

► [*Watch the event highlights during the Premyo Bonds launch*](#)

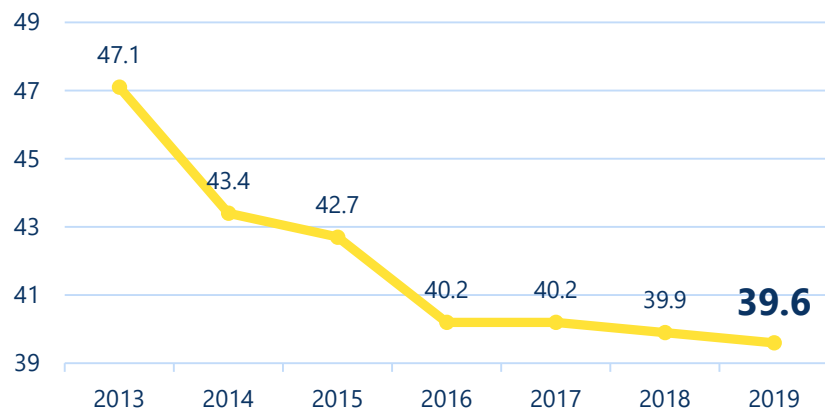


SUSTAINING STRONG FUNDAMENTALS

DEBT INDICATORS

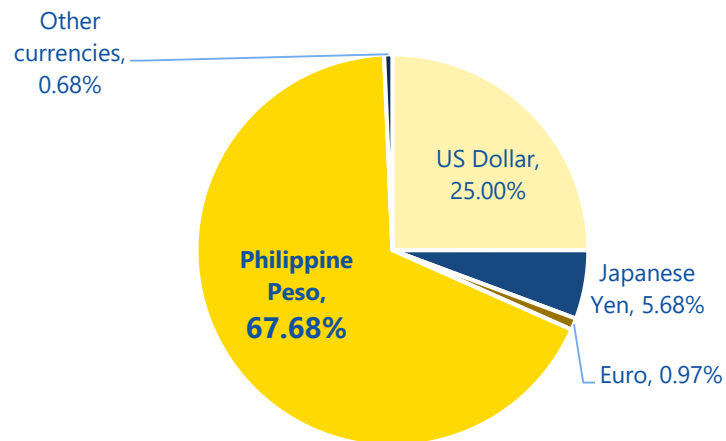
SUSTAINABLE AND RESILIENT DEBT PROFILE

Debt-to-GDP ratio (%)



For the year, the nation's debt as a proportion of GDP further went down to 39.6%* from the 41.9% in 2018, reflecting the Philippines' sustained ability bear the debt burden and service its obligations.

NG Debt Composition (by Currency)



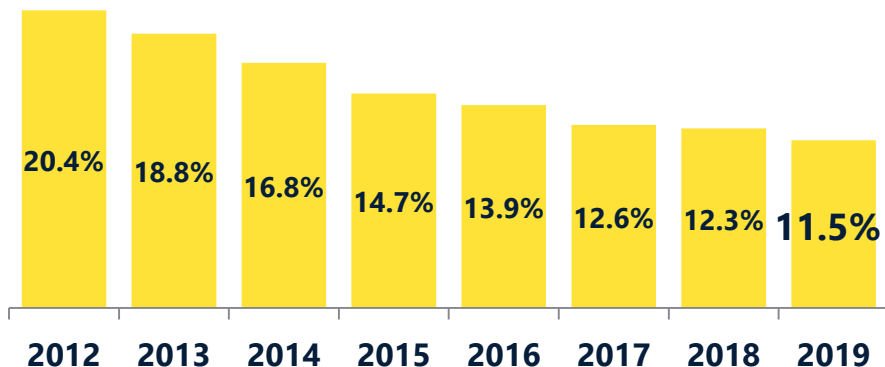
The Government's debt is mostly in local currency, mitigating exposure to foreign exchange fluctuations.

► [See full National Government Debt Indicators](#)

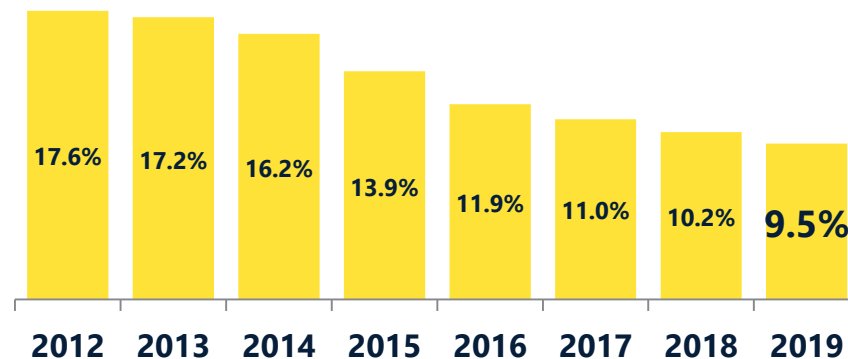
PROVIDING FISCAL SPACE

Smaller portion of budget devoted to servicing debt

Interest Payments as a Proportion of Revenue



Interest Payments as a Proportion of Expenditures



In proportion to revenues and expenditures, interest payments have declined steadily indicating better ability to service debt obligations while freeing fiscal space for productive spending

► [See full National Government Debt Indicators](#)



STRATEGIC PARTNERSHIPS

MARKET INITIATIVES

ANCHORING CAPITAL MARKET DEVELOPMENT

Awarding of GSED – Market Makers

The Bureau recognized the top performing Government Securities Eligible Dealers (GSEDs) last December 2019. The financial institutions were commended for their support to capital market development through their regular presence in both the primary and secondary markets for government securities. The 11 recognized GSEDs were Banco De Oro Unibank, Bank of the Philippine Islands, China Banking Corp, Citibank, Development Bank of the Philippines, First Metro Investment Corp, Landbank of the Philippines, Metrobank & Trust Co, Rizal Commercial Banking Corporation, Security Bank and Philippine National Bank.



▲ National Treasurer Rosalia V. De Leon, Deputy Treasurers Sharon P. Almanza and Erwin D. Santa Ana, DOF Undersecretary Gil Beltran together with representatives from the GSED Market Makers. Photo by Bonijun Patac

PROMOTING INVESTMENT OPPORTUNITIES

Together with the economic managers from the Department of Finance, Bangko Sentral ng Pilipinas and the National Economic and Development Authority, the Bureau of the Treasury participated in the Philippine Economic Briefings held in key cities abroad to pitch investment opportunities in the country. BTr also mounted a series of deal and non-deal roadshows, and investor briefings in Beijing, Tokyo and New York to attract foreign investors.

Non-deal roadshows are opportunities to communicate to the international stakeholders the country's positive growth prospects and clarify policy objectives in order to maintain the healthy international investor perception of the Philippines.

▶
The Philippine delegation bears the good news of the Philippines' higher credit rating of BBB+ with a stable outlook from S&P to European investors in the Paris leg of the PH roadshow in Europe in April 2019.



Photos courtesy of the PH Investor Relations Office



▶
National Treasurer Rosalia V. de Leon at the Philippine Day Forum in Washington, D.C. on April 11, 2019



IMPROVING REGIONAL OPERATIONS

STREAMLINING PROCESSES

Faster Fidelity Bonding Process

The Bureau implemented reforms to enhance the efficiency and effectiveness of processing Fidelity Bond applications to deliver utmost satisfaction to stakeholders and achieve quality frontline service. The improvements resulted to a reduced turn-around time for processing single bonding application from 40 to 30 minutes.

As part of its commitment to improve the ease doing business for stakeholders, the Fidelity Bonding Module integrated in the National Government Collections and Disbursements System was officially launched during the celebration of the 122nd anniversary of the Bureau in November. The bonding system provides access for applicants as well as an online payment facility to clients. The LinkBiz portal of the Landbank of the Philippines, which allows online payment of bond premium, was also launched on the same occasion.

Through the Fidelity Bonding system, real time monitoring was made possible and bonding information made readily available. The online bonding is expected to go live by the 1st quarter of 2020.

The revised Treasury Circular and Treasury Office Order on Fidelity Bonding will be circulated to concerned NGAs, GOCCs and LGUs together with the launch of the system in 2020.

REACHING OUT TO STAKEHOLDERS

Roving Fidelity Bonding Caravan

The Regional Offices (ROs) also brought its services to the doorstep of its clients through the conduct of various roving Fidelity Bonding caravans. Accordingly, a significant number of bonding applications from LGU accountable officials were processed. Total bond premium collections for the year amounted to P1.17 billion, about 4% higher than the previous year's collections.



▲ Bureau of the Treasury Regional officials and employees conducted roving fidelity bonding caravans with LGUs in Regions 4-A and 5



IMPROVED FACILITIES AND CUSTOMER SERVICE

The Bureau envisions establishing office facilities that provide a comfortable and respectable environment to its clients, stakeholders and employees and achieve a distinctive image at par with most NGA offices.

During the year, 17 Regional and Provincial Offices (POs) transferred to new strategic locations that are accessible and at a reasonable distance from authorized government banks and outside traffic-prone sites. The move was aimed to uplift the working conditions of Regional and Provincial Offices particularly those occupying ageing facilities.

Procurement of various projects for the ROs and POs were initiated in 2019 including the delivery and installation of office signages in 23 sites and the provision of uniform furniture and fixtures for 63 sites in line with improving the working environment of the field offices.

IMPROVED FACILITIES AND CUSTOMER SERVICE

On 9 August 2019, the Bureau of the Treasury held a groundbreaking ceremony for the Eastern Visayas Regional Office at the Government Center in Palo, Leyte. The construction of the new building will provide a more conducive physical and working environment for the transacting public and the Bureau's employees. The structure is expected to be completed by the 3rd quarter of 2020.

The proposed 2-storey building has a floor area of 330 square meters and located near the historical McArthur Landing National Park in Palo, Leyte. The structure is inspired by the architectural design of the BTr Central Office in Intramuros, Manila. With this new building on its way, the Region is optimistic to improve its operational and administrative functions and ultimately to provide the best service to its clients.



▲ (from second to the left) OIC-Director for Administration Raymundo U. Tan, Regional Director Florence B. Almadrigo (NCR), Deputy Treasurers Gisela F. Lood and Erwin D. Sta. Ana, National Treasurer Rosalia V. De Leon, Leyte Governor Leopoldo Dominico L. Petilla, CMO Construction Services Corp. President Arnel A. Sanduco, and OIC-Regional Director Jose L. Palomino (Region VIII) during the groundbreaking ceremony at the Regional Office VIII site on 9 August 2019



FUTURE PROOF

INFORMATION SYSTEMS

Technology advances at a rapid pace and organizations need to adapt to move forward and address the changing business landscapes. Digital transformation provides opportunities to enhance processes and services to meet customer needs.

The Bureau of the Treasury is taking steps in harnessing IT to improve reliability and transparency in fulfilling its mandate. These initiatives enhance the capabilities and effectiveness of the Bureau using digital solutions.



LAUNCHED NEW SYSTEMS TO IMPROVE PRODUCTIVITY

Online Cash Planning Report Portal

As part of cash management reforms, the BTr launched the web-based Online Cash Planning Report Portal which simplifies the current process of submission of cash forecasting reports from the top spending National Government Agencies (NGAs).

With the new system, users would no longer need to submit cash forecasts by email as they can easily input data to the portal and review their submissions thereafter. The portal has been introduced and demoed to NGAs in the quarterly focus group discussions. 120 implementing units are already actively using the portal.

LAUNCHED NEW SYSTEMS TO IMPROVE PRODUCTIVITY

PROMIS: Project Monitoring Information System

To aid Budget Utilization, the Systems Development Division (SDD) created and launched an application that will enable the Treasury to monitor ongoing projects, and follow-up on commitments to deliver our "PROMISE" – hence the aptly named Project Monitoring Information System or PROMIS.

With PROMIS, Project Managers or persons-in-charge can update their progress in each stage of procurement and implementation. The system will automatically log milestones, updates, and activities, and alerts the management for any possible delay.

Management can also leave feedback to notify the point-persons thru generated emails.

Project Monitoring Information System

Project List

Status: ALL Service: ALL Project Stage: ALL APP Year: 2020

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Search for Project Name

Total Appropriation: ₱ 92,497,700 Total ABC: ₱ 90,600,841.58 Total Obligated: ₱ 83,970,532.87 Total Projected Savings: ₱ 8,527,167.13 Project Count: 49

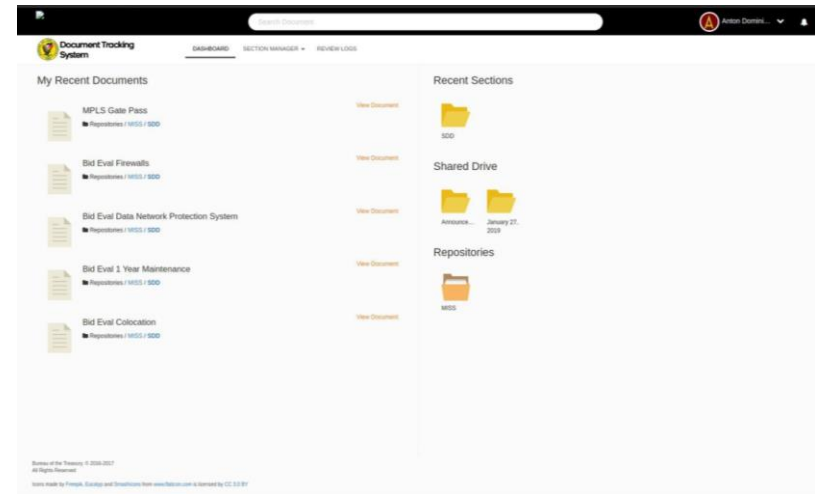
Project Name	Service	Stage	Status	Remarks	Particular	ABC (PHP)	Contract Amount (OBL)	Expiration Date	APP Year
3PAR 1 Year Maintenance Support	MISS	IMPLEMENTATION	WARNING	Kickoff meeting	MOOE	₱5,000,000	₱4,943,000	Feb 5 2021	2020
Registration of BSP-issued Debt Securities in NRoSS	LMS	IMPLEMENTATION	WARNING	System development costs of the Joint Venture of Mountain Corporation and AlCard Plastics, Inc. is Php 13,395,981.25	MOOE	₱0	₱0	Dec 31 2020	2020
DTS	MISS	PROCUREMENT	DELAYED	Feb26: Followed-up BAC Rebid schedule	MOOE	₱2,000,000	₱0	N/A	2020
Data Loss Prevention and Firewall	MISS	IMPLEMENTATION	DELAYED	kickoff meeting	CO	₱9,250,000	₱9,242,800	Mar 1 2021	2020
Security Information and Event Monitoring	MISS	PROCUREMENT	DELAYED	for NDA	CO	₱5,000,000	₱5,000,000	N/A	2020
IAS - BTr Primary Lines 100 mbps	MISS	IMPLEMENTATION	DELAYED	For PO	MOOE	₱31,667	₱31,667	Dec 31 2020	2020
IAS - eRoSS Primary 50 Mbps	MISS	IMPLEMENTATION	DELAYED	Awaiting Proposal	MOOE	₱499,980	₱499,980	Dec 31 2020	2020

LAUNCHED NEW SYSTEMS TO IMPROVE PRODUCTIVITY

Document Tracking System

To improve and automate records management processes, and digitally track document movements, the BTr launched its Document Tracking System (DTS) which aims to prevent the loss or misplacing of documents by effectively tracking or tracing the chain of custody and whereabouts of the document.

With a central procedural system of digital document tracking and recording, the Bureau ensures the security and authenticity concerning document status, and reduces the risk of human error or tampering in handling sensitive documents.



ENSURED CONNECTIVITY

Multi-Protocol Label Switching-Virtual Private Network

The Bureau of the Treasury completed the installation of the Multi-Protocol Label Switching-Virtual Private Network (MPLS-VPN) in all BTr Regional Offices.

As of April 2019, the MPLS project went live with all regional sites online and interconnected – providing faster transmission of data for safe and secured transactions and communication.

The project created a dynamic connectivity environment between the Central Office and the ROs that allows the secured delivery of Internet, computing and data services over the wide area network.



STRENGTH FROM WITHIN

STRENGTH IN ADVERSITY

Enterprise Risk Management

The Risk Management Division undertakes daily monitoring of the risk exposure of the Fixed Income and Foreign Exchange traders of the Bureau. Monitoring the outstanding positions of the traders enables the agency to mitigate market risk by setting limits on risky investment positions. Moreover, the RMD compares the investment undertaking of the traders with secondary market trades. This allows management to assess whether the trades were transacted at fair prices. Finally, the RMD also provides monthly benchmarking for the Bond Sinking Fund to accurately monitor the overall performance of the fund.

To enable the agency to oversee risk management issues that could adversely impact its operations, the RMD also came up with the Quarterly Enterprise Risk Management Committee (ERMC) report. The ERMC guides the management in understanding and effectively addressing the different sources of risks (both recurring and incidental) that affect the agency's operations and performance. Close coordination among service representatives and timely recording and updating of risk incidents allow management to have a comprehensive view on the overlapping risks faced by each service and act on them promptly.

Incidents were accordingly reported to the Enterprise Risk Management Committee for monitoring of action taken by concerned office(s) and reporting to BTr Management



INVESTING IN HUMAN CAPITAL

The human capital development endeavors of the Bureau in 2019 was geared towards capacitating its employees to manage the changing work environment in the years ahead.

This year, thirty-six (36) regular employees were on boarded to be part of the talented and committed workforce of the Bureau. The new entrants were composed generally of millennials who are expected to infuse fresh ideas to the organization.

Internship and on-the-job training transitions learning from the classroom to learning in a workplace set-up. For the first time, the Bureau of the Treasury opened its doors to 50 senior high school students to undergo on-the-job training in the different divisions of the Bureau. It was a great opportunity to be mentored and coached by capable trainers. With this development, BTr's learning objective was achieved as it balanced the needs of the trainee to develop skills while addressing the organization's productivity.

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