



*Funding the Republic*

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

**June 30, 2023**

**PRESIDENT FERDINAND R. MARCOS, JR.**

Republic of the Philippines  
Malacañang, Manila

Dear **Mr. President:**

It is my honor to present the accomplishments of the Bureau of the Treasury for the year 2022. The report highlights the Bureau's remarkable contributions towards funding the programs and managing the resources of the National Government to support inclusive economic growth.

On behalf of the Bureau's officials and employees, I would like to take this opportunity to express my sincerest gratitude to the President for the unwavering support in our relentless pursuit of prudent fiscal management and our overarching objective of a better life for every Filipino. With utmost diligence, the Bureau will continue with its steadfast commitment to fulfill its role as the trusted steward of the National Government's invaluable resources. Rest assured that we remain firm in our dedication to significantly contribute towards the Nation's resilience and sustained development.

Very truly yours,

**ORIGINAL SIGNED**

**ROSALIA V. DE LEON**

*Treasurer of the Philippines*

ISO 9001:2015 Quality Management System  
Certificate No. SCP000233Q





# BREAKTHROUGH TO EXCELLENCE

*BUREAU OF THE TREASURY  
2022 Annual Report*





# 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.

# Treasurer's Message

**2022** was a year of innovation for the Bureau of the Treasury (BTr) as it further strengthened its financing and liability management, cash and asset stewardship, as well as frontline service delivery in support of the government's plans and programs.

To this end, the Bureau successfully raised PHP 2.16 trillion in required financing. This was accomplished while navigating the myriad risks posed by market and economic uncertainties. In doing so, the BTr looked inward as it relied heavily on domestic financing to meet 76% of the total funding requirement. Moreover, significant efforts were exerted to mobilize and engage domestic retail investors through the issuance of Retail Treasury Bonds (RTBs) and maximized initiatives to support the government's objectives on sustainability through the issuance of Global Bonds under the Sustainable Finance Framework.

The NG's funding exercises were carried out while maintaining fiscal sustainability as the country continues to mend the impact of the pandemic on its fiscal position and outstanding debt.

In the effective management of assets, the continued drive to improve oversight over National Government funds has led to efficiency gains through better cash management. This also contributed to higher revenues as it enabled the proactive management of investments. This, in turn, has led to higher revenues through the Bureau's proactive management of investible funds.

# Treasurer's Message

Moreover, significant progress has been made in the area of non-financial asset management and disaster risk financing. One notable development is the adoption of mapping and analytical tools for real-time visualization, risk analysis, and event simulation of potential hazards. This has aided the identification of appropriate strategies to ensure strategic assets and for risk-based budgeting.

Alongside the recovery from the COVID-19 pandemic, there has been a significant boost in the development and adoption of new technologies to improve internal and external operations. Digitization has widened the reach of Treasury services such as securities issuance, financial literacy, bonding of accountable officials, and digital payments. At the same time, the automation of procedures and processes has helped streamline service delivery to the public.

The Bureau has also remained proactive in its external engagement as part of the Asset Liability Management Committee (ALCO) for GOCCs, the Trust Fund Management Committee (TFMC) for the management of Coco Levy assets and the Technical Working Group for the Adoption of Digital Payments.

# Treasurer's Message

These same innovations have also strengthened the Bureau's regional offices, such as enhancing its frontline services through the Online Fidelity Bonding System (OFBS) and the National Government Collections and Disbursement System (NGCDS). The systems were developed to maximize efficiency through the reduction of manual processes. Moreover, the regions have actively engaged stakeholders in the promotion of BTr initiatives such as the marketing of Government Securities and financial literacy campaigns.

These achievements were possible with the commitment of the hardworking personnel to reach outstanding results for the benefit of the general public. With teamwork and collaboration, the Bureau has been a steadfast pillar in pursuit of our mandate to fund the Republic.

We build, grow, and further harness our capability in maximizing our resources for the betterment of the Nation.

**ORIGINAL SIGNED**  
**ROSALIA V. DE LEON**  
Treasurer of the Philippines

# Highlights of Accomplishments

Raised **PHP 2.16 trillion in total financing** to fund government programs through the issuance of government securities and concessional borrowing from development partners

Issued **PHP 878 billion** worth of **Retail Treasury Bonds** targeted towards retail investors as it furthers financial inclusion goals for the administration

Issued **3 tranches of Sustainability Bonds** to fund projects advancing the government's environmental and social objectives

**Reduced Debt-to-GDP Ratio to 60.9%** from 63.7% as of end Q3-2022, supported by economic growth and aligned with fiscal program of the government

**Higher BTr Income amounting to PHP 154.76 billion** or 23.48% from 2021 levels, driven by higher dividends and supported by investment management operations by the Bureau, thereby generating fiscal space to fund priority programs of the government

# Highlights of Accomplishments

Launched **Risk Analytics and Strategy (RAS)** initiatives through publishing of debt sustainability papers and development of machine learning models

Won the following **fundraising awards** with the proactive engagement of the Bureau to attain sustainable progress:

- 8th International Award from the Research Institute for Environmental Finance (Tokyo)
- International Financing Review Asia 2022 Philippine Capital Markets Deal of the Year
- Best Sovereign Issuer of 2022

Boosted operational efficiency through **digitalization** of frontline Treasury Services and processes through installation of **Online Fidelity Bonding System (OFBS) kiosks** in Regional Offices, and implementation of the **National Government Collections and Disbursement System (NGCDS)** to aid the NGAs in the use of their earmarked collections





# **SUSTAINABLE FINANCING AND DEBT MANAGEMENT**

# SECURED COST EFFICIENT FINANCING

## Engaged Retail Investors for Funding

For 2022, the Bureau of the Treasury efficiently secured sufficient funding at the lowest possible cost to finance the requirements of the National Government (NG). The National Government was able to raise **PHP 2.163 trillion** through the issuance of government securities and concessional borrowing from development partners. Of the total NG borrowings, 76% was sourced from domestic borrowings to mitigate foreign exchange risk and support local capital market development.

On the domestic side, the strong demand for the 2 Retail Treasury Bond issuances paved a way to source most of the domestic funding requirements while simultaneously supporting financial literacy and inclusion. In total, **PHP 878.25 billion** for RTB 27 and RTB 28 was raised and it pushed the share of retail issuances to 35 percent of total outstanding securities.

### NG Financing 2022

PARTICULARS (in PHP billions)	2022 Revised Program	2022 Actual
<b>Gross Financing</b>	<b>2,212</b>	<b>2,163</b>
<b>External</b>	<b>561</b>	<b>520</b>
<i>Project Loans</i>	49	120
<i>Program Loans</i>	201	137
<i>Commercial Bonds</i>	312	263
<b>Domestic</b>	<b>1,651</b>	<b>1,643</b>
<i>Auction</i>	1,201	809
<i>RTB</i>	450	834
<b>Financing Mix</b> <i>domestic:foreign</i>	<b>75:25</b>	<b>76:24</b>

# SECURED COST EFFICIENT FINANCING

## Effective Issuance of Retail Treasury Bonds

In line with the National Government's thrust to promote financial literacy and inclusion, the Bureau of the Treasury has introduced an array of retail-oriented structures, where the issuance of Treasury Bills and Treasury Bonds became prominent.



To finance the NG's projects, the BTr issued Retail Treasury Bonds (RTB 27 and RTB 28) in 2022, which have allowed investors to participate in the NG's funding efforts for a minimum of PHP 5,000.

- RTB 27, a five-year Retail Treasury Bond (RTB), was issued on March 4, 2022 and the government was able to raise PHP 457.8 billion at the rate of 4.875% per annum.
- RTB 28, with a tenor of five-and-a-half-years, was issued on September 7, 2022 raising PHP 420.4 billion with a coupon of 5.750% per annum.



# SECURED COST EFFICIENT FINANCING

## Successfully Issued Global Bonds under Sustainability Framework

The Republic of the Philippines (ROP) successfully tapped international capital markets as it started offering bonds under the Environmental, Social and Governance (ESG) framework geared towards the financing of sustainability projects. The Republic established its Sustainable Finance Framework in 2021 to support its sustainability commitments.

<b>March 2022</b>	ROP successfully raised USD 2.25bn first triple tranche Global Bonds, including 25-year notes issued under the Sustainable Finance Framework, which marked the ROP's debut Environmental, Social and Governance (ESG) Global Bonds offering.	The issuance is comprised of USD 500mn 5-year notes priced at T+90bps (3.229%), USD 750mn 10.5-year notes priced at T+125bps (3.556%), and new USD 1bn 25-year sustainability bonds priced at T+50bps (4.200%).
<b>April 2022</b>	ROP's first Sustainability Samurai bond of JPY 70.1bn multi-tranche offering with an ESG label across all four tranches.	Priced at 0.76% for 5Y (JPY 52bn), 0.95% for 7Y (JPY 5bn), 1.22% for 10Y (JPY 7.1bn), and 1.83% for 20Y (JPY 6bn), with a spread of 60bps, 70bps, 85bps, and 115bps, respectively.
<b>October 2022</b>	ROP successfully raised USD 2.0bn triple tranche Global Bonds under the new administration, including 25-year sustainability bonds.	The offering consisted of USD 500mn 5-year notes priced at T+120bps (5.170%), USD 750mn 10.5-year notes priced at T+185bps (5.609%), and new USD 750mn 25-year sustainability bonds priced at 6.100% with a coupon of 5.950%.

# FUNDRAISING AWARDS (EXTERNAL)

## Recognitions Earned

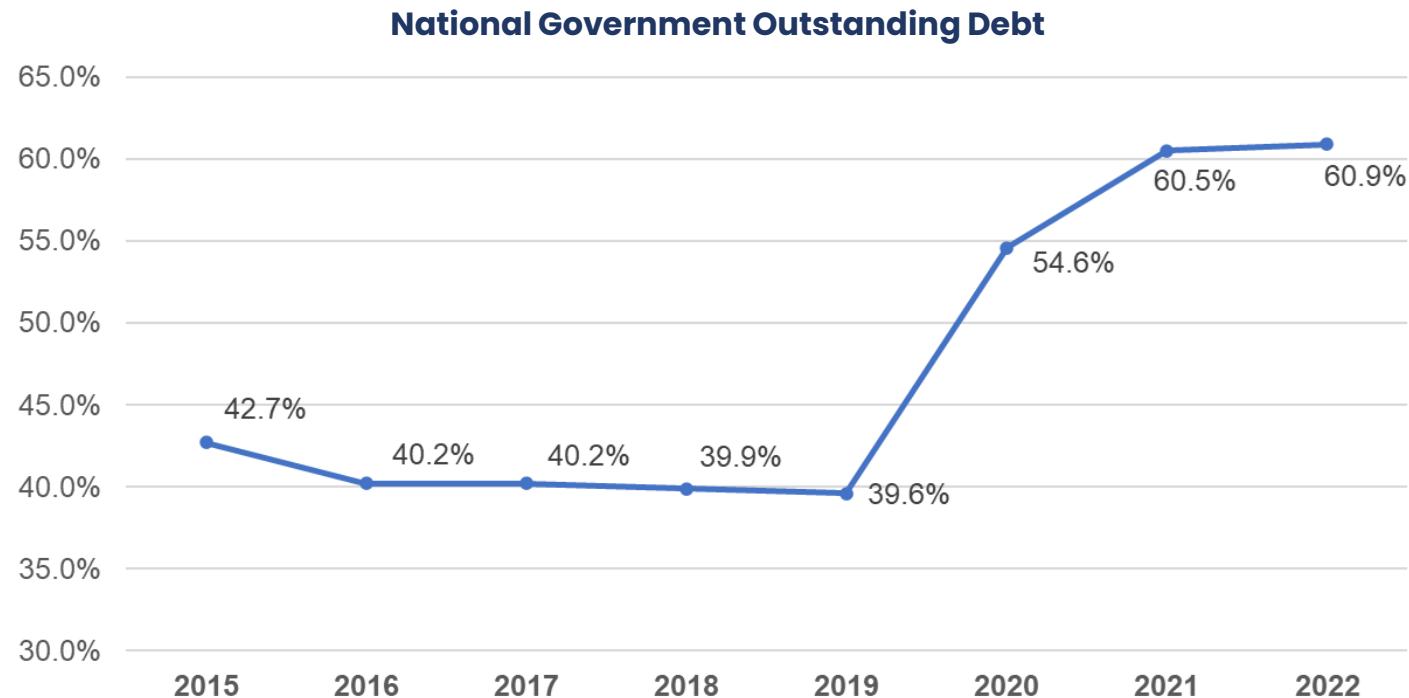
The Republic of the Philippines is committed to execute practical solutions to alleviate the consequences brought by climate change, which the country experiences with the grave effects of typhoons and other calamities. The Sustainable Finance Roadmap was launched to implement sustainable projects across the country and achieved the following milestones:

- Published the Sustainability Framework in 2022 which allows the Philippines to conduct ESG and/or Green Global Bond Transactions. In March 2022, the ROP debuted its first ESG Tranche bond of USD 1 billion. The longer tenor tranche experienced the most outstanding price decrease from IPG at 50bps.
- The first ESG Samurai Bond of the ROP was also the first Sustainability Samurai Bond. For this, the country received an award from the Research Institute for Environmental Finance, Tokyo.
- The USD issuance in October 2022 won the International Financing Review Asia 2022 Philippine Capital Markets Deal of the Year
- The Philippines was awarded by The Asset as the Best Sovereign Issuer of 2022

# MAINTAINED DEBT SUSTAINABILITY

## Managed Debt-to-GDP Ratio

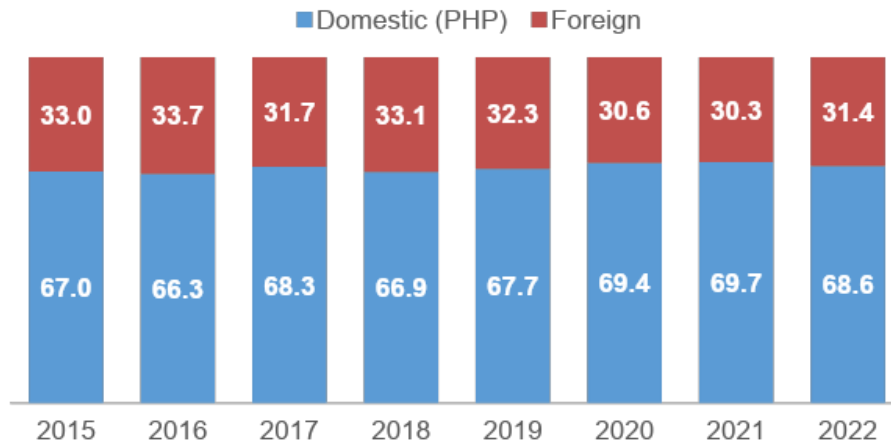
Total outstanding debt settled at **60.9%** of GDP as of end-2022 as prudent borrowing and sustained economic recovery drove the debt ratio below the 63.7% notched in Q3 2022 and the 61.8% full-year target in the Medium-Term Fiscal Framework. The NG debt-to-GDP ratio is projected to further improve in line with BTr's steadfast commitment to long-term debt sustainability and as fiscal consolidation progresses alongside robust economic growth.



# MAINTAINED DEBT SUSTAINABILITY

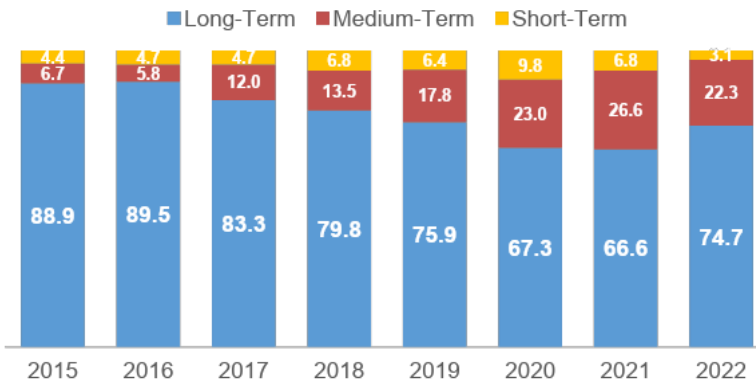
## Sustained Resilience in the Debt Profile of the Government

National Government Outstanding Debt

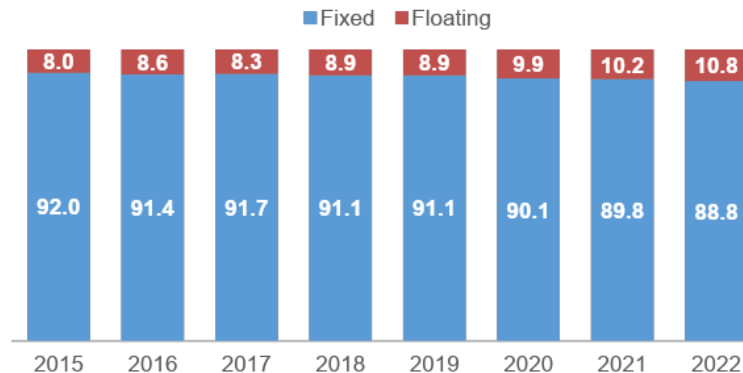


The debt profile maintained resilience, with 68.6 percent of debt denominated in local currency, mitigating vulnerabilities to foreign exchange fluctuations. Outstanding obligations also remained predominantly in medium- to long-tenors which manages refinancing risks. Moreover, only 10.8 percent of the debt was on variable interest rate terms, minimizing the exposure to interest rate resetting in light of the tighter monetary policy conditions locally and abroad. On the other hand, the rapid tightening of monetary policy settings, prompted by persistently high inflation, naturally pushed the average interest cost of our domestic and external debt upward to 4.86% and 3.35%, respectively. However, we have also been stretching our maturities by focusing our issuances along the medium to long tenor buckets, which will drive rates upward as these have higher term premia.

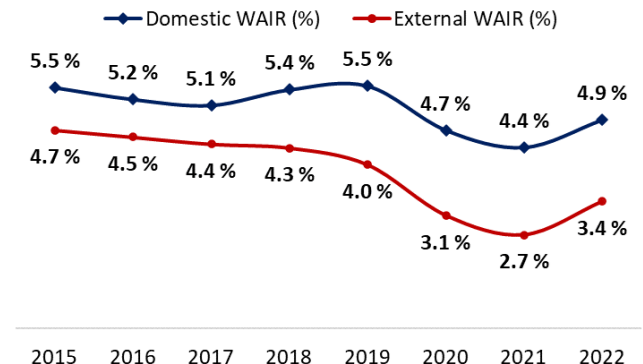
Outstanding Debt by Tenor



Outstanding Debt by Interest Type

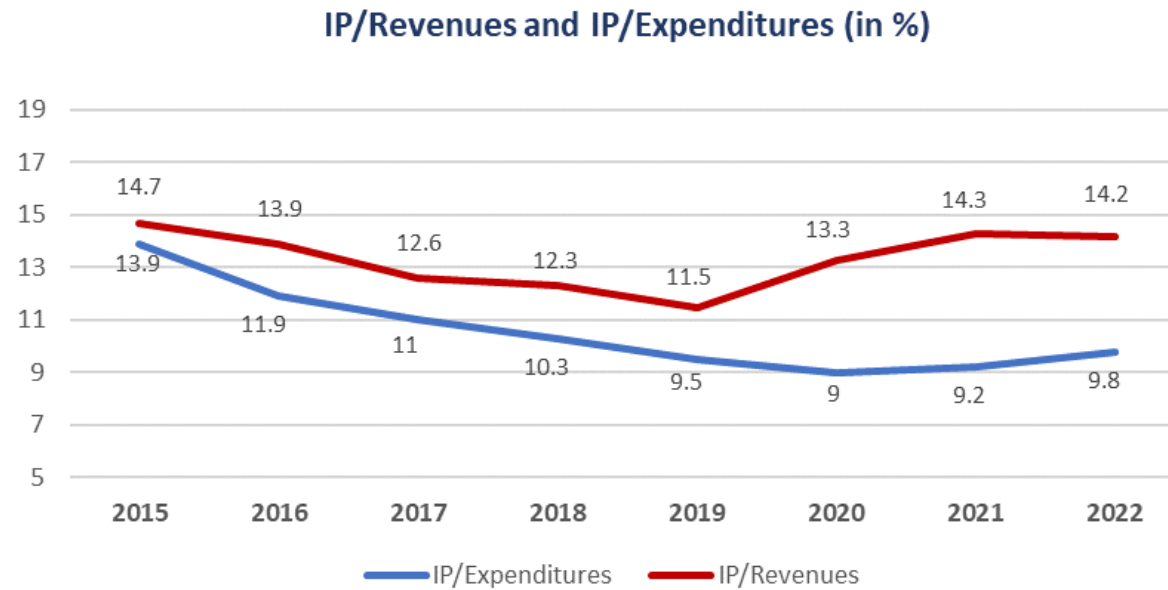


Weighted Average Interest Rate



# MAINTAINED DEBT SUSTAINABILITY

The ratio of interest payments to revenue moderately decreased to 14.2% in 2022 from 14.3% in 2021, as revenue collections continue to recover. Meanwhile, the ratio of interest payments to expenditure reflects the impact of higher rates alongside the elevated deficit and borrowing due to the pandemic. Aside from debt sustainability, managed interest payments mean more fiscal space for productive spending and other vital public expenditures.





# CAPITAL MARKET DEVELOPMENT

## Improved Accessibility for GS Investors

BTr's improved digital platforms have made investing in RTBs easier for both domestic and overseas Filipinos. In addition to the BTr's own Online Ordering Facility, Filipinos can now invest in RTBs via mobile apps from Land Bank, OFBank, and Bonds.ph. These mobile apps have allowed the further expansion of the investor base, tapping overseas Filipinos in over 70 countries for the issuance.

The GS Digitalization Roadmap is a four-phase initiative designed to reduce friction costs and enhance retail investor access to the government bond market. The BTr has completed Phase 1 and Phase 2, which facilitates investing in government bonds through various online platforms and mobile application development. In 2023, the BTr expects to complete Phases 3 and 4 which will allow bond trading. In addition, the BTr is working towards the introduction of its first Tokenized Bonds.

# IMPROVED PROGRAM INITIATIVES

## System Enhancements in NRoSS

### Amortizing Bonds

There has been an enhancement in NRoSS, which allows the issuance of a bond wherein the principal can be paid gradually. Hence, avoiding the payment of its maturity on a single payment event.

### Interface with Direct Participants Through the NRoSS Gateway

With the enhancement in NRoSS, the straight-through submission by the Direct Participants of the account creation and securities transfer files was enabled. This provides opportunity for the participants to interface their back-office systems for seamless processing with NRoSS.

# GSED-MARKET MAKERS RECOGNITION



The Bureau of the Treasury held the awarding ceremony of the 6th set of Government Securities Eligible Dealers (GSED)-Market Makers for the year 2023, on the occasion of its 125th founding anniversary last 17 November 2022. It was held at the Marble Hall with the key financial market officers and representatives of their respective institutions.

National Treasurer Rosalia V. De Leon congratulated the 11 GSED-Market Makers and acknowledged their efforts in helping the National Government meet its financing requirements. The Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC) were also recognized as invaluable partners in developing a more robust and financially inclusive local government securities market.

## 11 GSED-Market Makers:

1. Banco De Oro Universal Bank
2. Bank of the Philippine Islands
3. China Banking Corporation
4. Citibank N.A.
5. Development Bank of the Philippines
6. First Metro Investment Corporation
7. Land Bank of the Philippines
8. Metropolitan Bank and Trust Company
9. Philippine National Bank
10. Security Bank Corporation
11. Unionbank of the Philippines.

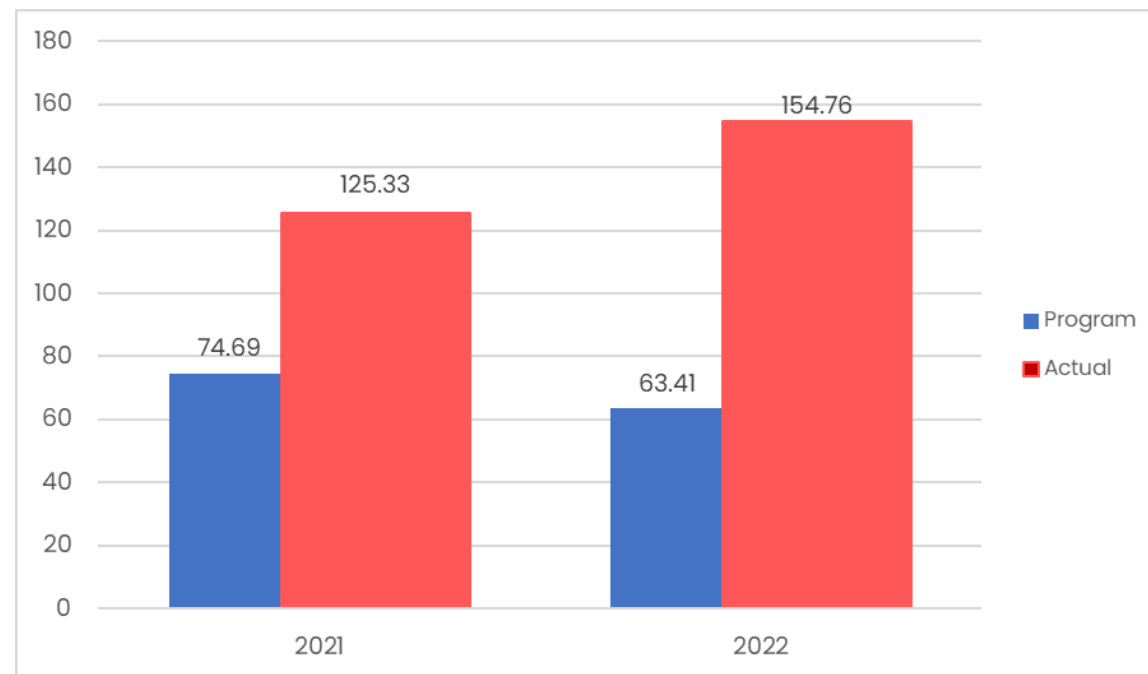


# **EFFECTIVE CASH AND ASSET MANAGEMENT**

# BTR INCOME PERFORMANCE

## Better Revenue Generation

BTr Income (in billion PHP)



For 2022, the Bureau of the Treasury consistently delivered on its mandate as it exceeded its income target after raising a total of **PHP 154.76 billion**, which is 23.48% higher than the actual income recorded in 2021 of PHP 125.33 billion, and more than twice the PHP 63.41 billion revised program for the year. The significant increase was mainly driven by higher earnings from the dividends on shares of stocks, supported by the management of the Bond Sinking Fund (BSF) investments and cash deposits.

# MANAGEMENT OF FINANCIAL ASSETS

## Effective Management of the Government's Financial Assets

Managed Fund	Date Onboarded	Total Fund Size as of 31 Jan 2023
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) Fund (transferred 11 Jan 23)	19 December 2022	30,000,000,000.00
Philippine Crop Insurance Corporation (PCIC)	21 June 2022	
Palacio del Gobernador Condominium Corporation (PDGCC)	6 March 2022	23,855,918.22
Coconut Farmers and Industry Trust Fund (CFITF)	26 February 2021	20,746,192,419.50
Agro-Industry Modernization Credit and Financing Program (AMCFP)	April 2020	1,473,375,417.12
National Commission for Culture and the Arts (NCCA)	22 Mar 2016	1,695,183,918.24
Other Managed Funds*		456,242,122.82
<b>TOTAL</b>		<b>54,394,849,795.90</b>

The Asset Management Service continues to expand its coverage in terms of handling the funds of national government agencies, government-owned corporations, and other government institutions.

In 2022, the BTr Fund Management Division and the Bangsamoro Government, through its Ministry of Finance and Budget and Management, executed a Memorandum of Agreement for the management of PHP 30 billion in BARMM Funds.

The managed funds currently earn 5.50%, a 5% premium over comparable time deposits offered by financial institutions.

\*Other managed funds include Privatization and Management Office (PMO) and Metropolitan Waterworks and Sewerage System (MWSS)

# MANAGEMENT OF NON-FINANCIAL ASSETS

## Extensive Coverage over the Government's Non-Financial Assets

The **National Asset Registry System (NARS)** is the government's primary repository of information on its non-financial assets, particularly its strategically important properties. As of end-2022, NARS had been rolled out to 11 agencies and their instrumentalities covering 366,000 assets valued at nearly PHP 2.0 trillion.

1. Department of Education
2. Department of Health
3. National Irrigation Authority
4. Department of Public Works and Highways
5. Department of Social Welfare and Development
6. Department of Energy
7. Department of Environment and Natural Resources
8. Bureau of the Treasury
9. Department of Information and Communications Technology
10. Department of Science and Technology
11. Department of Transportation

Among the assets included in the registry are schools, hospitals, welfare centers, transportation facilities, and airport facilities. The NARS includes location and financial information of assets that are significant in assessing asset concentrations and potential exposure to hazards. To enhance the usefulness of the NARS, the data gathered from the agencies was bridged with ArcGIS, which is a GIS software that aids in visualization, risk analysis, and event simulation.

# DEVELOPMENT OF ARCGIS CAPABILITY

In 2022, **ArcGIS** capability enhanced the usefulness of the NARS with data on typhoons and other hazards for simulating events to estimate potential damages from calamities, such as typhoons. More specifically, the 2 systems enabled the analysis of risk concentrations, quantify contingent liabilities, and simulate different typhoons (actual and future). These are being used to develop and design a National Indemnity Program, as inputs for risk-based budgeting, and to aid agencies in improving their asset risk management.

- Enables the:
  - estimation of economic value at risk;
  - building of exposure heatmap; and
  - development of a prioritization plan for insurance
- Outputs for 2022 include the following:
  - Typhoon hazard concentration map of the Philippines
  - Mapping of NARS data (point and aggregate)
  - Disaster loss assessment (single event, annual average, select return periods)

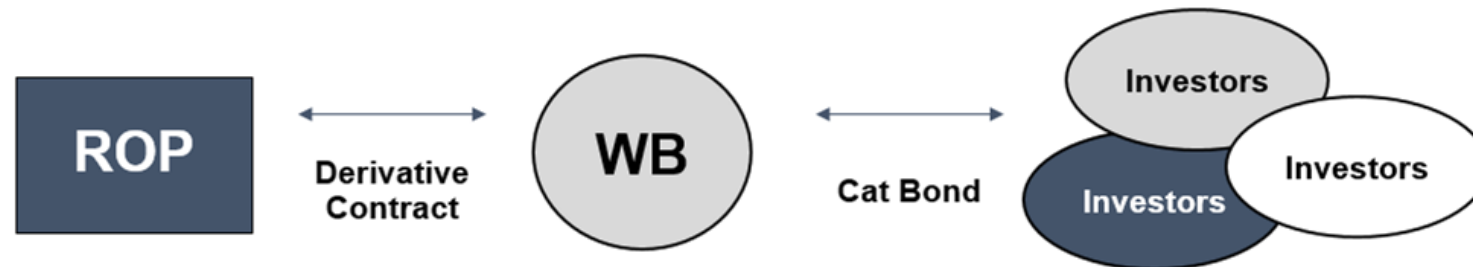




# RISK TRANSFER MECHANISMS

A **Catastrophe (CAT) Bond** is an insurance-linked security whose potential payouts are secured through a bond issuance. The CAT Bond transfers a specific set of risks to the capital market. It provides financial coverage in case of natural disasters (i.e., typhoons and earthquakes), and it is not debt.

The National Government entered into a swap agreement with the World Bank to transfer the earthquake and typhoon risk in exchange for a risk premium. However, the World Bank, through the Capital-at-Risk notes facility then used this risk as its underlying for issuing the Philippine Typhoon and Earthquake CAT Bond.



- Typhoon Odette triggered a pay-out of USD 52.5 Million received by the Philippines in February 2022
  - The payout received exceeded the premium paid for the CAT Bond (USD 36.76 million)
- CAT Bond's coverage expired 02 December 2022 for the earthquake-linked and 02 February 2023 for the typhoon-linked.



**BOOSTING  
OPERATIONAL  
EFFICIENCY  
THROUGH  
DIGITALIZATION**

# LAUNCHED THE ENHANCED COLLECTION SYSTEM AND PROCESS

## Streamlined Process for the National Government Collection and Disbursement System (NGCDS)

In order to boost operational efficiencies, reduce operational risk, and address the technological obsolescence, the Bureau of the Treasury (BTr) has automated and streamlined the previous long processes and developed the new collection and disbursement system. The National Government Collection and Disbursement System (NGCDS), which is electronic, web-based, real-time, and more efficient reporting system, aids a more rationalized business model and allows ease of the process of monitoring, reconciliation, and issuance of certificates of deposited collections.

The following are the accomplishments achieved in relation to the enhancement of NGCDS:

- Improved the reporting and recording of deposited collections in the BTr by 63% due to automation and streamlining.
- Minimized the process in the issuance of Certification of Deposited National Collections thru the NGCDS by 50% which improved the turnaround time, from the average of 8-15 days to an average of 1-3 days. It also increased the volume of the issued certifications to various National Government Agencies (NGAs).
- Automated and streamlined the manual counting and validation of daily bank transactions, as the system can generate and validate the number of validated daily transactions of BIR/BOC and other NGAs NCO collections thru the NGCDS, as against the transaction fees billing of the Authorized Government Depository Banks (AGDBs).
- Furnished NGAs with the Statement of Deposited Collections generated thru NGCDS representing receipts/revenues deposited to the BTr thru AGDBs as basis to implement the Reverse Reconciliation on the NGAs account.

# LAUNCHED THE ENHANCED COLLECTION SYSTEM AND PROCESS

## Promoted and Enhanced NGCDS through Various Initiatives

### **Issuance of New Guidelines in Depositing National Collections**

To provide procedural guidelines relative to the depositing national collections, the BTr issued and published in the Official Gazette, the Treasury Circular 2-2022 dated May 27, 2022. This was done to guide all the heads of National Government Agencies, State Universities and Colleges, All National Collecting Officers and Provincial/City/Municipal Treasurers, Bureau of the Treasury Regional Directors, and Chief Treasury Operations Officer II/Officers-In-Charge, Branch Managers of Authorized Government Depository Banks and all other entities concerned.

### **Enjoined National Government Agencies / Local Government Units and GOCCs on the Enhanced Guidelines in Depositing National Collections**

Fifteen (15) virtual workshops and orientation nationwide were successfully conducted to various NGAs accountants, collecting officers, agency heads, and BTr Regional/Provincial Offices per cluster, relative to the full implementation of the new guidelines in depositing national collections, in line with the enhanced NGCDS and other accounting-related concerns.

### **Integration of Data to the Accounting System**

The BTr has adopted and utilized the integrated-ready-structure of the system that enables to transmit the details of collections and disbursements from NGCDS to National Government Accounting System (NGAS) V2, which ensures the complete and accurate reclassification and recording of National Government collections and disbursements in the BTr NG books.

### **Minimized the Number of Maintained Bank Clearing Accounts**

To simplify the monitoring of accounts maintained with the AGDBs, the BTr has prescribed the use of three (3) major clearing accounts to various NGAs per type of funds in depositing national collections.



# **DIGITALIZATION AND BUSINESS CONTINUITY INITIATIVES**



# **DIGITALIZATION AND BUSINESS CONTINUITY INITIATIVES**

**Financial Literacy  
Application (FiLi)**

**Risk Analytics  
and Strategy  
(RAS) Initiatives**

**Backup and  
Disaster  
Recovery Setup**

**Network and  
Security  
Enhancement**

**NRoSS Billing  
System**

**Disaster  
Recovery  
Exercise**

**BTr Digitization  
Service Project**

**BTr ROPO Payroll  
Web System**

# LAUNCHED DIGITALIZATION INITIATIVES

## Maximized Financial Proficiency Efforts

The **Financial Literacy Application (FiLi)** was launched by the Bureau in connection with its advocacy to promote financial literacy and inclusion. FiLi is a financial literacy web application for Filipino investors, which offers the following functionalities:



**FINANCIAL LITERACY FOR THE FILIPINO**

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

- Risk Tolerance Calculator – determines the user's risk tolerance level
- Cash Flow Tracker – visualizes and projects a user's cash flows and determines funds available for investment
- Portfolio Recommender – determines an optimal investment strategy given investible funds and the risk tolerance score
- Portfolio Stimulator – determines the projected portfolio value and portfolio returns based on the allocation of the specific selected assets that the user wishes to invest in
- Investor Education – allows the users to learn more about the basics of personal finance, investment risk, budgeting, and portfolio diversification

# LAUNCHED DIGITALIZATION INITIATIVES

## Maximized Financial Proficiency Efforts

The **Risk Analytics and Strategy (RAS)** Group was created in 2021 with the key function of identifying quantitative tools that can be used to aid BTr management in policy-making decisions and develop quantitative models for identifying market trends and forecasting key macroeconomic variables, among others. The group successfully launched the following initiatives in 2022:

- Developed econometric and machine learning models for forecasting inflation, interest rates and cash flows;
- Launched Investor Education partnership with GCash through Fili webpage;
- Extended the *Bond Portfolio Optimizer App* to incorporate yield curve projection under stress economic scenarios;
- Spearheaded the adoption of the Enterprise Risk Management Committee (ERMC) of Residual Risk Registry for the Bureau;
- Published papers:
  - *Construction of an Alternative Debt Sustainability Index (ADB Working Series on Public Debt Management)*
  - *A Machine Learning Approach in Stress-testing of Philippine Yield Curve (Journal of AI and Machine Learning)*



# LAUNCHED DIGITALIZATION INITIATIVES

## Enhanced Technological Advancement

### Backup and Disaster Recovery Setup

The establishment of a Backup and Disaster Recovery site aims to improve the resilience of vital ICT operations, and it includes the delivery, installation, and configuration of Virtual Machines (VM) in the disaster recovery site. A network backup was created for data redundancy and recovery to ensure readiness in case of emergency.

This was followed by the successful market-wide testing of the DR Site with direct and third-party institutions (i.e., BSP-PhilPaSS, PDS Clear, and Bloomberg) to ensure business continuity particularly in the National Registry of Scripless Securities (NRoSS) operations.

### Network and Security Enhancement

The BTr further enhanced its network security by emphasizing the dangers of exposing systems to the World Wide Web (WWW). This vulnerability was reduced through the development of BTr's Demilitarized Zone (DMZ) network, which contains all public-facing services. In relation to this, the streamlined network firewall policies and security profiles were developed, wherein Intrusion Prevention System (IPS) was used to improve network efficiency and security.

# LAUNCHED DIGITALIZATION INITIATIVES

## Enhanced Technological Advancement

### **NRoSS Billing System**

The BTr has developed and deployed the NRoSS billing system to ensure a more efficient process for the BTr-managed accounts. This system can create and generate the report of the individual billing of BTr Managed Accounts. To accomplish this, the history data of the old system was migrated in this new system to create reports and record payments history of the BTr Managed Accounts.

### **Building Resilience in GS Infrastructure**

The BTr has conducted a Disaster Recovery (DR) Exercise, both with the NRoSS Direct Participants and the Third-Party Institutions (i.e., BSP-PhilPaSS, PDS Clear, and Bloomberg). This ensures the market's readiness in using the NRoSS DR servers in case of a DR scenario.

# LAUNCHED DIGITALIZATION INITIATIVES

## Enhanced Technological Advancement

### **BTr Digitization Service Project**

The BTr Digitization Service Project includes scanning, digital processing, indexing, and uploading of the existing BTr documents to the document management system storage repository. The main goal is to have improved document management, convenient retrieval, and access to the digitized documents of the BTr.

### **Development of the BTr ROPO Payroll Web System**

The Bureau continued with the enhancement of the Payroll Application System in 2022 for BTr ROs and POs to further streamline and standardize the process of payroll generation. This aims to improve the maintainability and efficiency of the application.



**PROACTIVE  
EXTERNAL  
ENGAGEMENT OF  
THE NATIONAL  
TREASURY**



# SECRETARIAT RESPONSIBILITIES

**Asset Liability  
Management  
Committee  
(ALCO)**

**Trust Fund  
Management  
Committee  
(TFMC)**

**Technical Working  
Group on the  
Adoption of Digital  
Payments**

# ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Department of Finance (DOF) issued Department Order (DO) No. 005.2022 dated 10 February 2022, which institutionalized the Asset Liability Management Committee (ALCO) of the Government Financial Institutions (GFIs), to support the risk mitigation efforts of the National Government.

The duties and responsibilities of the ALCO include the following:

- Establish necessary parameters and implement risk management measures to ensure that GFIs avoid concentration risk in any single private conglomerate, including its subsidiaries and affiliates;
- Monitor investment holdings of the GFIs in private corporations and conglomerates with the individual exposure limit of investments set at a 5% threshold of the combined net worth of all ALCO agencies; and
- Conduct regular meetings to discuss the investment performance of each GFI per asset class, risk management mechanisms of the GFIs related to their investment activities, and top exposures of each GFI in private conglomerates.

Meanwhile, the role of the Bureau is to consolidate the quarterly reports of GFI investment activities in private corporations and conglomerates, and to provide technical and administrative support to the ALCO. For 2022, the ALCO has successfully mitigated concentration risk, as the consolidated exposure of the GFIs per conglomerate remained within the set limit of 5%.

# COCONUT FARMERS AND INDUSTRY TRUST FUND MANAGEMENT COMMITTEE (TFMC)

Section 10 of Republic Act (RA) No. 11524 or the Coconut Farmers and Industry Trust Fund Act mandated the creation of the Coconut Farmers and Industry Trust Fund Management Committee (TFMC), composed of authorized representatives of the Department of Finance (DOF), Department of Budget and Management (DBM) and the Department of Justice (DOJ).

The following are the duties and responsibilities of the TFMC Secretariat:

- Maintain records and accounts of all investments, receipts, disbursements, and other transactions relating to the management, administration, and utilization of the Trust Fund;
- Act as custodian of Coconut Levy assets; and
- Invest the Trust Fund Principal in Philippine Government Securities and other securities guaranteed by the National Government.

As of December 2022, the TFMC's accomplishments include the following:

- PHP 20 billion capitalization to establish the Coconut Farmers and Industry Trust Fund
- Established the Coco Levy Asset Registry
- Published Implementing Rules and Regulations (IRR) of Sections 9 to 11 of RA No. 11524
- Completed the Sale of UCPB ROP-owned and Disputed Shares to Landbank
- Ratified the Disbursement Guidelines for the Coco Levy Trust Fund
- Secured Stock Certificates of Various Coco Levy companies
- Transferred Shares in the name of the Republic of the Philippines (ROP)
- Monitored the disbursements of all implementing agencies

# TECHNICAL WORKING GROUP ON THE ADOPTION OF DIGITAL PAYMENTS

Executive Order (EO) No. 170, s. 2022 or the “Adoption of Digital Payments for Government Disbursements and Collections” was issued to implement digital transformation in the public sector to make transactions more efficient, secure, and convenient. All covered agencies are mandated to execute a digital mode in the collection of payments for taxes, fees, and other charges.

The Technical Working Group (TWG) on the adoption of digital payments has the following functions among others:

- Oversee and monitor the procurement of digital payment solutions by covered agencies
- Consider the formulation of standard terms and conditions for Payment Service Providers, in consultation with the BSP and COA
- Resolve issues relative to the implementation of EO 170

## Updates on Digital Collections as of End-2022

Particulars	Total Collections (in millions)	Thru Authorized Agent Banks (AABs)	Thru Authorized Government Depository Banks (AGDBs)
<b>BIR</b>			
<b>Total Collections</b>	<b>1,939,375.28 (100%)</b>	<b>1,918,875.29 (100%)</b>	<b>20,500.00 (100%)</b>
Over-the-Counter	286,453.02 (15%)	265,971.88 (14%)	20,481.14 (99.99%)
Electronic	1,652,922.27 (85%)	1,652,903.41 (86%)	18.86 (0.1%)
<b>BOC</b>			
<b>Total Collections</b>	<b>864,764.63 (100%)</b>	<b>838,711.53 (97%)</b>	<b>26,053.09 (3%)</b>
Over-the-Counter	23,333.28 (3%)	4,887.83 (1%)	18,445.45 (71%)
Electronic	841,431.34 (97%)	833,823.71 (99%)	7,607.64 (29%)

Source: Bureau of the Treasury

## Share of Non-tax Revenues Collection Channels (in PHP millions)

Non-tax Revenues (Fees, Charges, and other Misc. Income)	2022	%
<b>Agencies offering Electronic Collections</b>	<b>201,408.63</b>	<b>100.00%</b>
Over-the-Counter	181,857.27	90.29%
Electronic/Online Channel	19,551.36	9.71%

Source: Bureau of the Treasury





# **REINFORCED REGIONAL OPERATIONS**

# ENABLING IMPACTFUL INNOVATIONS

## Boosted Online Fidelity Bonding System (OFBS) for Efficient Delivery of Services



Features of the Online Fidelity Bonding System (OFBS), launched on 3 May 2021, were enhanced to further improve and allow easier access to accountable public officials to submit applications for Fidelity Bonding. Other notable enhancements for implementation in 2023 form part of the various Public Financial Management (PFM) application systems for procurement by the Bureau.

All accountable officers are required to be bonded per Public Bonding Law of 1917. Thus, to comply with the said Law, the Regional Offices (ROs) standardized the measurement of compliance rate across client groups nationwide given the results of the survey initiated by the ROs to determine the total number of accountable public officers processed through OFBS for NGAs, GOCCs and LGUs.

Installation of OFBS kiosks in the Regional, District and Provincial Offices (R/D/POs) also ensured the efficient and effective delivery of its frontline services.



# ENABLING IMPACTFUL INNOVATIONS

## **Successful Integration of the National Government Collections and Disbursement System (NGCDS) in Regional Offices**

The ROs implemented on 1 August 2022 the National Government Collections and Disbursement System (NGCDS) which serves as a conduit of the collections and disbursements of the different National Government Agencies (NGAs).

Issuance of Certifications of Deposited Collections to requesting NGAs by the D/POs was facilitated through the NGCDS, thus aiding the NGAs in the use of their earmarked collections to carry out intended activities and priority projects.

The adoption of the system improves the integrity of data handled by the Bureau by minimizing manual processes and reducing the exposure to human error and security risk.

# ENABLING IMPACTFUL INNOVATIONS

## Reaching Out to Stakeholders



The ROs reached out to its stakeholders by bringing into their doorsteps the various innovations and programs of the Bureau.

In 2022, the ROs took aggressive steps in marketing the Retail Treasury Bonds (RTB) 27 and RTB 28 for program of the government to raise funds to finance its requirements. The ROs held series of massive promotion campaigns spearheaded by the CO officials and personnel through various online platforms and face-to-face activities to have wider reach in Government Securities (GS) market.

Financial literacy briefings on GS were especially conducted to LGUs to promote capacity building and bond financing.

Most importantly, the R/D/PO officials and employees paid courtesy calls to local chief executives to collaborate and foster good working relationships.

# ENABLING IMPACTFUL INNOVATIONS

## **Support to National Asset Registry System (NARS) Initiative in the Monitoring of Government's Non-Financial Assets**

Relative to the maintenance of an updated inventory of the non-financial assets of the NG with the implementation of the National Asset Registry System (NARS), the ROs conducted physical inventory/ocular inspection, monitored and submitted reports during the year on the status on all the acquired assets transferred and/or endorsed to the NG through the Bureau.

A Memorandum on the Adoption of Manual for the conduct of Due Diligence on the Acquired Assets transferred/endorsed to the National Government was issued on 24 May 2022 to guide the ROs on this undertaking.

In relation to this, the RO officials and personnel, together with the regional representatives from the National Economic Development Authority (NEDA) and Department of Budget and Management (DBM), attended a webinar on the Philippine Government Asset Management Policy (PGAMP) on 28 November 2022 in order to better understand its roles in the implementation of the National Asset Management Plan (NAMP) per DOF-DBM-NEDA Joint Circular No. 2022-1 dated 28 January 2022.



# ENABLING IMPACTFUL INNOVATIONS

## Improvement of Facilities and Customer Service



In 2022, the Bureau continued to embark in providing a comfortable and respectable environment to its stakeholders and employees and achieve a distinctive image at par with most NGA offices.

The construction of the RO No. VIII and Northern Leyte PO building located in the Government Center in Palo, Leyte was completed and inaugurated on 24 June 2022 while the extension office of RO No. III in Pampanga, which serves as the Bureau's Business Continuity Plan (BCP) Site, Regional Training Center and storage and garage at the same time, was also completed on 11 November 2022.

On the other hand, repairs and improvement of facilities of the various RO buildings were also undertaken to maintain the conducive physical and working environment for the transacting public and the Bureau's employees.

It is noteworthy to mention that the ongoing repairs and improvement of facilities for RO No. V and Albay PO amounting to P1.5B as well as that of RO No. VII and Cebu North and Cebu South DOs were funded and made possible through partnership with the Department of Public Works and Highways (DPWH) and Development Bank of the Philippines (DBP), respectively.

On the same year, the Quirino PO also transferred to a new strategic location that is accessible and at a reasonable distance from authorized government banks and outside traffic-prone sites to uplift its working conditions and ageing office facilities.



# **EMPLOYEE LEARNING & DEVELOPMENT**

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# ENRICHING LEARNING & DEVELOPMENT

The Bureau of the Treasury is committed to recruiting the best workforce to efficiently and effectively deliver high standard of public service. Driven by the active hiring of talents, the average age of employees has improved from 45 years old in 2021 to 42 years old in 2022.

In order to establish a highly competent workforce, the Bureau has taken steps through its learning and development (L&D) efforts, in which 12 were facilitated using hybrid format. It has also fully implemented the online OJT program and has established an academe-industry linkage for the internship program of UP Baguio and University of the East.

In support to the L&D efforts offered by the Bureau, health and wellness programs were promoted as well, to ensure the wellbeing of the employees and officials. Several programs and trainings were conducted, such as flu vaccination, annual medical and physical examination, and occupational first aid and basic life support with AED training. There were also lectures and webinars facilitated for Goiter Awareness Week and International Thyroid Week, among others.



# YOUNG AND COMPETENT WORKFORCE

## Warm Bodies

	End 2022
<b>Total Plantilla Positions</b>	<b>1305</b>
<i>Central Office</i>	660
<i>Regional, Provincial Offices</i>	645
<b>Filled Positions</b>	<b>628</b>
<i>Central Office</i>	290
<i>Regional, Provincial Offices</i>	338
<b>Unfilled Positions</b>	<b>677</b>
<i>Central Office</i>	370
<i>Regional, Provincial Offices</i>	307
<b>Job Orders</b>	<b>103</b>
<i>Central Office</i>	31
<i>Regional, Provincial Offices</i>	72

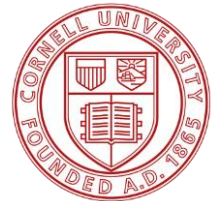
## Competitive Workforce

### Younger Workforce

	End 2021	End 2022
<b>Ave Age</b>	<b>45</b>	<b>42</b>

### Highly Competent

- 15 Lawyers
- 113 CPAs
- 15 Economists
- 33 I.T. Professionals
- 188 Treasury Certified
- 7 Chartered Financial Analyst (CFA) Candidates
- 209 Graduate degree holders  
of which 13 individuals completed  
advanced international studies (e.g.,  
Columbia University, Cornell University,  
George Washington University, Hitotsubashi  
University, London School of Economics,  
University of Tokyo, Williams College)



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