



Investor Presentation

Treasurer Rosalia V. De Leon

July 2023

FY 2022 NG Financing Outcome and FY 2023 NG Financing Program (in million PHP)

	2021 Actual [1]	2022 Program [2]	2022 Actual [3]	Difference Actual - Prog [4]	2023 Program [5]	Jan. - May. 2023 Prelim [6]	% of Program [7]
Fiscal Deficit	1,670,102	1,650,448	1,614,135	(36,313)	1,452,922	326,318	22.4%
% of GDP	-8.6%	-7.6%	-7.3%	0.3%	-6.1%	--	--
Gross Financing	2,549,681	2,211,777	2,163,490	(48,287)	2,207,000	1,256,451	56.9%
External	568,668	561,477	520,091	(41,386)	553,500	343,874	62.1%
Project Loans	110,239	48,549	120,676	72,127	69,297	37,872	54.7%
Program Loans	166,102	200,928	136,604	(64,324)	219,203	142,395	65.0%
Global Bonds	292,327	312,000	262,811	(49,189)	265,000	163,607	61.7%
Domestic	1,981,013	1,650,300	1,643,399*	(6,901)	1,653,500	912,577	55.2%
Financing Mix	78:22	75:25	76:24	--	75:25	73:27	--
Foreign in USD	11,521	10,798	9,622	(1,175)**	10,443	6,278	60.1%
Project Loans	2,233	934	2,200 a/	1,267**	1,307	688	52.6%
Program Loans	3,365	3,864	2,626 a/	(1,238)**	4,136	2,590	62.6%
Global Bonds	5,922	6,000	4,796	(1,204)**	5,000	3,000	60.0%

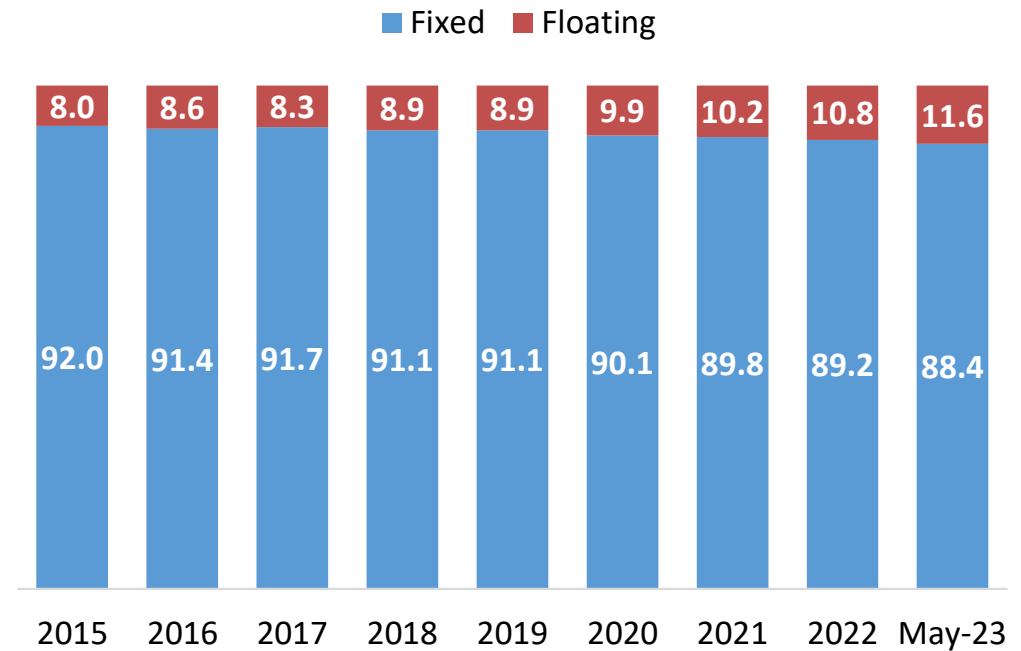
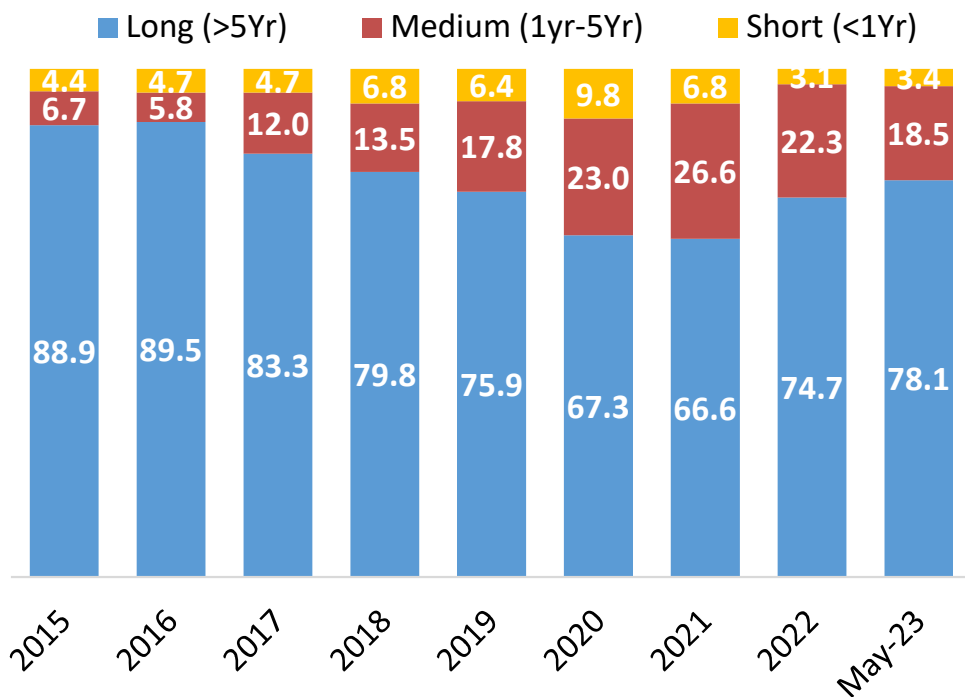
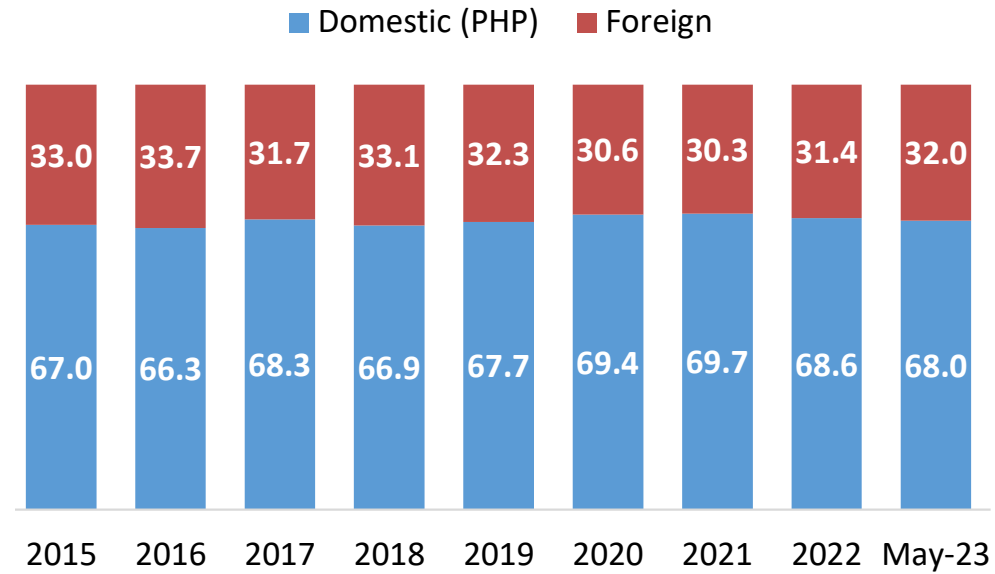
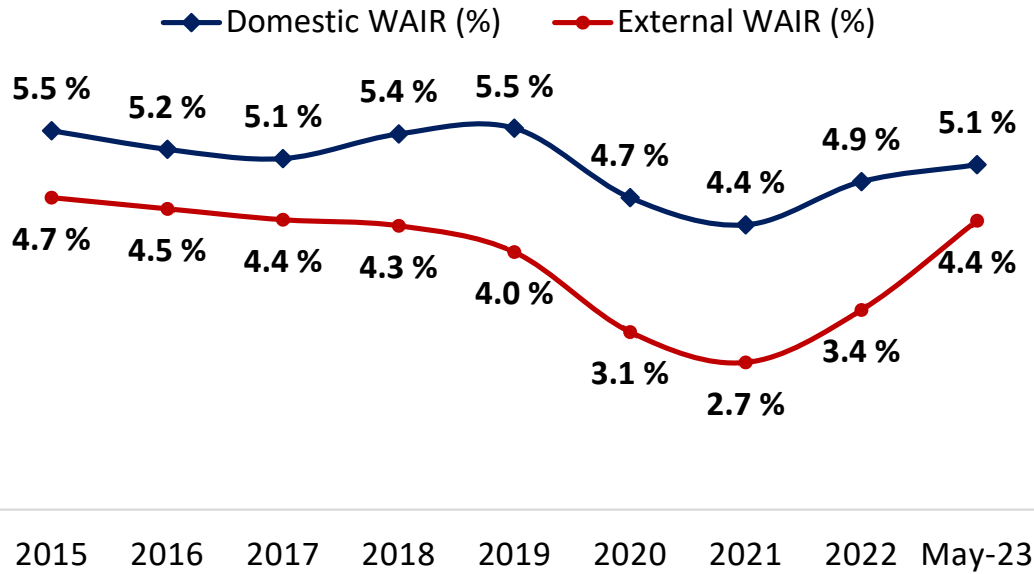
a/ BTr staff estimates based on BSP's monthly average USD/PHP rate report

* Net of new bonds issued to redeem 2023 maturities in September bond exchange (P43.769 Bn)

** Part of variance is due to difference in FX assumption of program (USD/PHP = 52.0) and actual FX at disbursement (various)

- On target w/ domestically-oriented financing as of end 2022
- FY 2023 financing will broadly mirror FY 2022 in magnitude and funding split

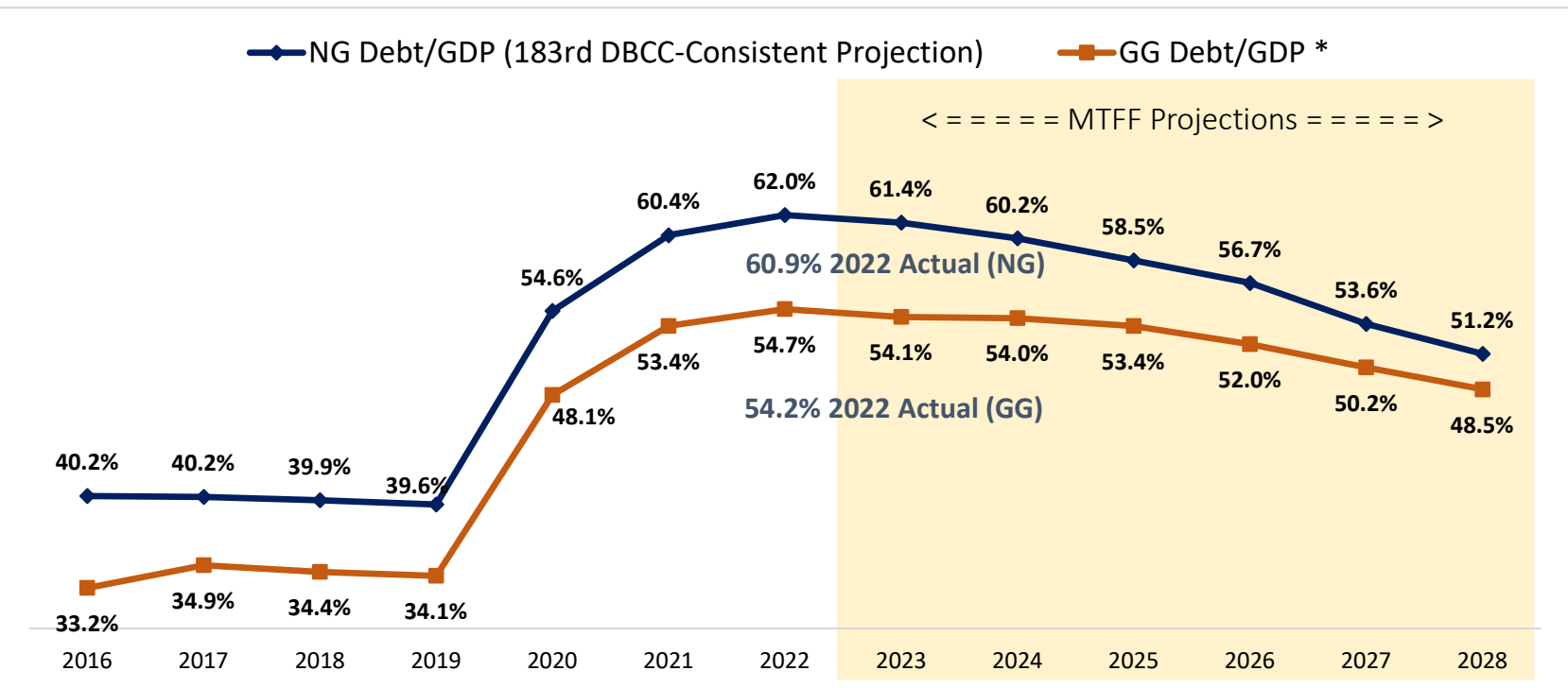
Cost of debt still historically cheap, debt structure remains resilient



Medium-term borrowing will continue heavy domestic bias; debt to gradually consolidate by 10 ppt from 2023 to 2028

Indicative MT Financing Program (in million PHP), FY 2022-2028

	2022	2023	2024	2025	2026	2027	2028
Fiscal Balance	(1,614,135)	(1,499,415)	(1,362,872)	(1,195,746)	(1,116,782)	(1,118,859)	(1,151,736)
<i>% of GDP</i>	-7.3%	-6.1%	-5.1%	-4.1%	-3.5%	-3.2%	-3.0%
Gross Borrowings	2,163,490	2,207,000	2,460,000	2,205,000	2,186,000	2,302,000	2,300,000
External	520,091	553,500	606,850	434,600	434,600	450,500	453,150
<i>External in USD</i>	9,622	10,443	11,450	8,200	8,200	8,500	8,550
Domestic	1,643,399	1,653,500	1,853,150	1,770,400	1,751,400	1,851,500	1,846,850
Domestic-to-External Mix	76:24	75:25	75:25	80:20	80:20	80:20	80:20



* Unofficial, BTr Staff Estimate only

Debt management strategies to fund financing needs within the bounds of fiscal viability

Heavy preference for domestic funding (75% to 80% of gross borrowing)

- Limit exposure to adverse external shocks
- Aid the development of local bond market

Diversification of external issuances (USD, EUR, Samurai, Panda, Sukuk, etc.)

- Maintain relative scarcity of ROPs; avoid supply-side escalation in borrowing cost
- Enables ready access to multiple markets; provides options for cost-effective borrowing

Maintenance of medium to long liability portfolio

- Concentrate issuances on medium- to long-term securities to maintain average maturity of 7 to 10 years
- Conduct liability management transactions (e.g., bond exchange)

Strengthening of retail outreach through financial literacy and broadened access

- Regular conduct of Bond Investments 101 with retail investors (e.g., retirees, cooperatives, etc.)
- Making placements easier and more convenient even when abroad with digital platforms, overseas mobile banking apps, and other Distributed Ledger Technology (DLT) apps



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