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# INVESTMENT OPPORTUNITIES IN THE PHILIPPINE FINANCIAL SECTOR: *Maharlika Investment Fund and Islamic Finance*

**BENJAMIN E. DIOKNO**

SECRETARY OF FINANCE

October 19, 2023



# MAHARLIKA INVESTMENT FUND

The Philippines' first-ever sovereign investment fund designed to serve as a vehicle for driving long-term economic development through increased investments in high-impact sectors



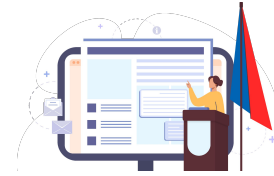


# MIF's mandate consistent with government policies



## **8-point Socioeconomic Agenda**

Reduce poverty in the country and elevate the Philippines' status to an upper-middle income economy



## **Philippine Development Plan 2023-2028**

Comprehensive plan for deep economic and social transformation to reinvigorate job creation and accelerate poverty reduction

# Accelerate Implementation of 197 Infrastructure Flagship Projects worth around 153 billion US dollars

**Water Resources**  
USD 14.64 billion

Wawa Bulk Water Supply Project

**Agriculture**  
USD 11.23 billion

Regional Fish Port Project for  
Greater Capital Region

**Digital Connectivity**  
USD 1.71 billion

National Government  
Data Center

**Other Infrastructure**  
USD 750 million

Ship Repair Facility (SRF)  
Compound Redevelopment

**Physical Connectivity**  
USD 122.57 billion

Ninoy Aquino International  
Airport PPP Project

**Health**  
USD 2.31 billion

UP PGH Cancer Center Project

**Power and Energy**  
USD 180 million

Agus-Pulangi Hydropower Plant  
Complex (APHC) Rehabilitation  
under Series of Project (SOP) 1



# MIF investments in key sectors will ensure higher growth trajectory

Attract direct equity investments from local and global funds



Accelerate the implementation of 197 infrastructure flagship projects



Co-financing and knowledge sharing with other sovereign wealth funds



Invest in emerging megatrends (digitalization, ESG, and healthcare)





# REALISTIC AND APPROPRIATE FUNDING SOURCES

## Maharlika Investment Corporation

Authorized Capital Stock  
(\$8.8 billion)

### Common Shares (\$6.6 billion)

National Government, its agencies or  
instrumentalities, GOCCs\* or GFIs\*\*

### Initial Capital (\$2.2 billion)

LBP\*\*\* (\$880 million)

DBP\*\*\*\* (\$440 million)

National Government  
(\$880 million)

### Preferred Shares (\$2.2 billion)

National Government, its agencies or  
instrumentalities, GOCCs or GFIs

reputable private financial institutions  
and corporations

\*Government-Owned or -Controlled Corporations

\*\*Government Financial Institutions

\*\*\*Land Bank of the Philippines

\*\*\*\*Development Bank of the Philippines

# INVESTMENT CHANNELS



**Subscription in  
the MIC Preferred  
Shares\***



**Joint Venture or  
Co-investments  
with the MIC\*\***



**Direct investments  
in the MIF  
Sub-Funds\*\*\***

*\*Provided in Section 6 of Republic Act No. 11954*

*\*\*Provided in Section 14(k) of Republic Act No. 11954*

*\*\*\*Provided in Section 12 of Republic Act No. 11954*



# Transparency and Accountability Enshrined in Financial Reporting and Audit Measures



Founded on the Santiago Principles



Compliance with relevant International Financial Reporting Standards and principles



Three layers of audit: Internal and External Auditor, Commission on Audit



Joint Congressional Oversight Committee to evaluate the implementation of the Maharlika Investment Act



# MIF Key Milestones



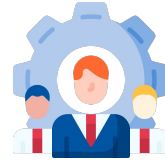
## Legal Mandate

Republic Act No. 11954 signed into law on 18 July 2023, IRR promulgated on 28 August 2023



## Capitalization

USD 1.32 billion investment by Founding GFIs already remitted to the Bureau of the Treasury to be made available for the MIF



## MIF Operationalization

MIC Board and management in place by year-end 2023, MIF expected to be fully operational by Q1 2024



# PHILIPPINE ISLAMIC BANKING

Whole of  
Government  
Approach



Single  
Regulatory  
Framework



Legal  
Reforms



Prudential  
Reforms



Licensing Framework  
of Islamic Banks



Liberalized entry of  
foreign banks



Supportive issuances





# INVESTMENT OPPORTUNITIES



**Sovereign  
Sukuk**



**Global  
Investors**



**Unbanked  
Region**



**Financial  
Inclusion**



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