



Funding the Republic

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

Press Release

**The Republic of the Philippines Issues
New 10-Year US Dollar-Denominated Global Bonds**

The Republic of the Philippines (the "Republic") successfully returned to the international capital markets with its offering of USD1.5 billion of 10-year Global Bonds. The newly issued Global Bonds were priced at US Treasury spreads of T+110 bps after an initial pricing guidance of T+130 bps area. The Bonds are expected to be rated Baa2 by Moody's, BBB by Standard & Poor's, and BBB by Fitch*. The Notes will settle on January 14, 2019.

Capitalizing on the recent positive markets trading tone post the strong US employment data release on Friday, the Republic opportunistically announced the issuance on Monday, January 7, 2019. The issuance marks the first EM sovereign USD bond issuance in 2019 and demonstrates the Republic's ability to respond tactically to conducive market conditions to capture a favorable issuance window.

By geographical allocation, 37 percent of the bonds were allocated to Asia, 28 percent to the U.S. and 35 percent to Europe. In terms of investor type, 52 percent went to asset managers, 22 percent went to banks, 14 percent went to sovereign wealth funds, pension funds, and insurance, and the remaining 12 percent went to private banks and other type of investors.

Finance Secretary Carlos Dominguez III said, "This transaction further illustrates deepening investor confidence in the Philippines' growth story and the Duterte administration's ability to maintain fiscal discipline while spending big on infrastructure modernization, human capital development and social protection for the poor."

Proceeds of the issuance will be for the Republic's general purposes, including budgetary support.

National Treasurer Rosalia de Leon commented, "We have garnered strong support from the global fixed income investor community despite recently heightened volatilities in the global markets. This demonstrates strong conviction from the global investor community on the Republic's economic fundamentals as well as the depth of the Republic's investor outreach".

Bank of China, J.P. Morgan, and Standard Chartered Bank acted as Joint Global Coordinators for the transaction, while Citigroup, Credit Suisse, Goldman Sachs (Asia) L.L.C., and UBS acted as Joint Bookrunners for the transaction.

**A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.*

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