



Funding the Republic

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

Press Release

First issue of PHL Cat Bonds a success — BTr



SINGAPORE, 25 November 2019 – The Philippine Government has successfully executed its much-anticipated Insurance-Linked Security (ILS), which is more commonly known as the Cat Bonds.

In October, it was announced that the Republic of the Philippines, in partnership with the World Bank, will approach international financial markets to provide protection against earthquake and tropical cyclone risks through a World Bank issuance of an ILS.

The issuance was met with strong investor interest for the new Bonds as it will serve as a diversifier to the current pool of Cat Bonds in the market, the Bureau of the Treasury (BTr) said.

“The successful float of the Philippines’ first ever ILS or Cat bonds is one more proof of the strong investor support of the international business community for the Philippines amid the sweeping reforms being implemented by the Duterte administration to sustain the growth momentum while climate-proofing the country,” Finance Secretary Carlos Dominguez III said.

Dominguez said this high level of investor confidence underlines not only the attractiveness of this ILS issuance but also these investors' full backing for the Disaster Resilience Agenda of the Duterte administration.

"This maiden ILS float is just one of the many innovative structures and projects that the government is undertaking to improve the resilience against natural calamities of the Philippines, which is among the world's economies most vulnerable to climate change," he added.

Of the transaction, National Treasurer Rosalia De Leon said: "This instrument was years in the making, and we are grateful to the World Bank and our structuring agents for ensuring a successful deal. We would also like to thank the Monetary Authority of Singapore (MAS) for their invaluable support of this endeavor and for the grant that they gave the Philippines to defray some of the expenses of this transaction. With our exposure to natural disasters, we cannot just sit idly by and do nothing. This instrument is a way for us to proactively protect the fiscal health of our government against natural disasters."

The issuance marks many firsts - the first Cat Bond for the Philippines; first Cat Bond for any Asian sovereign; first Cat Bond to be listed in the Singapore Exchange (SGX); first Cat Bond to be listed in any Asian exchange; and the first World Bank issued Cat Bond listed in SGX.

To commemorate the many firsts of this transaction, Deputy Treasurer Gisela Lood of the BTr, 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 at SGX this morning (Monday).

GC Securities, Munich Re and Swiss Re served as joint structuring agents on the transaction and AIR Worldwide as the modeling agent and event calculation agent.

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