



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

Funding the Republic

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA

Press Release

Republic of the Philippines prices 10.5-Year, 25-Year Dollar Global Bonds

The Republic of the Philippines (the "Republic") successfully returned to the international capital markets for the third time this year with its offering of USD 2.75 Billion dual tranche 10.5-year and 25-year Global Bonds.

The new 10.5-year Global Bonds were priced at US Treasury spreads of T+ 70 basis points (bps) and a coupon of 1.648%, after an initial pricing guidance of T+ 100 bps area, while the 25-year tranche was priced at 2.65 percent, which is 35 bps tighter than initial pricing guidance of 3 percent area.

The Global Bonds are expected to be rated Baa2 by Moody's, BBB+ by Standard & Poor's, and BBB by Fitch*.

The transaction is expected to settle on December 10, 2020.

With only a few weeks left before the end of the year, the Republic was able to take advantage of the constructive market backdrop post-US elections and announce the transaction on Wednesday, December 02, 2020. Positive news on the COVID-19 vaccine trials over the past couple of weeks have created strong inflows in Asia-Pacific credit markets, which illustrates the Republic's ability to capitalize on favorable market dynamics.

This deal follows the Republic's USD 2.35 Billion dual tranche global bond offering in May, and the EUR 1.2 Billion dual tranche global bond offering in January earlier this year.

Finance Secretary Carlos Dominguez said, "The success of our third offering this year in the international capital markets underpins the international investor community's recognition of the Philippine economy's strong fundamentals despite the global economic downturn caused by the COVID-19 pandemic. We believe this result indicated that international investors are aware of, and appreciate, the Duterte administration's resolve to rebuild the domestic economy and its initial headway in steering it back to its pre-COVID growth trajectory."

The Finance Secretary added, "The prudent fiscal management and bold economic reforms that President Duterte put in place since he assumed office in 2016 are paying off. These initiatives have given the government headroom to spend on COVID-19 response even as it sustains its aggressive spending on infrastructure and other priority programs to revive the economy amid the global slowdown."

The Republic's National Treasurer Rosalia de Leon said, "The success of this issuance is once again a testament of the resilience and resolve shown by the Republic to ascend from these tribulations brought about by the pandemic. It also manifests the administration's ability to identify and capture favorable market windows in such uncertain times. Large portion of this success can be attributed to reforms intended to provide the catalysts to accelerate recovery and put the economy back on a strong growth momentum."

Undersecretary Mark Dennis Joven said, "Despite the ramifications of COVID-19 on financial markets, especially in the Asia-Pacific region, the Republic's successful dual-tranche issuance speaks volumes about the confidence of the market in the fundamentals of the economy, sound credit profile, and its growth trajectory."

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

Credit Suisse, Daiwa Capital Markets, Deutsche Bank, Morgan Stanley, Standard Chartered Bank, and UBS were 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.*

This press release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be unlawful, and any securities described in this press release may not be offered or sold in the United States absent registration or an exemption from registration. Any offering of securities by the Republic in the United States would be made by means of a prospectus, which would be obtainable from the Republic or the Joint Bookrunners and would contain detailed information about the Republic, including certain statistical information.