



Funding the Republic

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

Press Release

**The Republic of the Philippines Launches
its First Sustainability Samurai Bond in Japan**

The Republic of the Philippines (the “Republic”) successfully returned to the Samurai market with its JPY 70.1billion offering of multi-tranche 5-year, 7-year, 10-year, and 20-year Sustainability bonds (“the Bonds”) with an Environmental, Social, and Governance (ESG) label across all four tranches.

This is the first ever ASEAN Sustainability bond transaction issued by the Republic in the Samurai bond market, and follows the previous successful issuance of a 25-year Sustainability bond last March 2022 in the USD market.

The Republic was able to achieve a benchmark size for the transaction despite having the 5-year as the shortest tenor and the tighter pricing compared to secondary levels. The Republic also utilized demand in the long-end by issuing its first 20-year note in the Samurai market. In its first Sustainability Samurai bond, the Republic successfully captured new investor accounts and demand of more than JPY70 billion in the midst of a volatile market environment.

The issuance was upsized to JPY70.1 billion (equivalent to around USD600 million) following strong investor support.

Key summary terms of the offering are as follows:

Transaction Details				
Issuer	Republic of the Philippines			
Format	Sustainability, Public Samurai			
Bond Ratings	Baa2 (Moody's) / BBB+ (S&P) / A- (JCR)			
Tenor	5-yr	7-yr	10-yr	20-yr
Tranche Size	JPY 52.0bn	JPY 5.0bn	JPY 7.1bn	JPY 6.0bn
Coupon	0.76%	0.95%	1.22%	1.83%
Re-Offer Spread over Yen Swap Mid TONA Rate	+ 60bps	+ 70bps	+ 85bps	+ 115bps
Issue Size	JPY 70.1 billion			
Pricing Date	12th April 2022			
Settlement Date	22nd April 2022			
Maturity Date	22nd April 2027	20th April 2029	22nd April 2032	22nd April 2042

ISO 9001:2015 Quality Management System
Certificate No. SCP000233Q



Finance Secretary Carlos Dominguez said, “Following a successful US Dollar transaction, the Republic has once again exhibited investor appetite for Philippine financial instruments despite the current market volatilities with its successful issuance of the sovereign’s first-ever ESG Samurai bonds. This is testament to the international appreciation of, and confidence in, the government’s strong commitment to climate change mitigation and adaptation initiatives and to deepening its domestic sustainable finance market.”

“This successful bond offering of the Republic underscores the continued support of the international investor community for the strategic sustainability objectives of the Duterte Administration, particularly its efforts to mobilize capital from ESG-conscious investors to accelerate the transition to a more sustainable and climate-resilient economy,” he added.

Undersecretary Mark Dennis Joven said, “This maiden issuance of sustainability bonds in the Japanese market shows the ever-growing investor confidence in the Philippines and its commitment to advance green and social initiatives, even amidst compounding market uncertainties. The transaction also marks the first long-tenor Samurai offering of the Republic.”

National Treasurer Rosalia De Leon said, “Amid market volatility and rising geopolitical tensions, this landmark Samurai transaction has demonstrated the Republic’s ability to price tighter than current secondary levels and extend the maturity to the long-end of the curve. The upsized transaction supported by new investors from Japanese regional banks and life insurance companies highlights the Republic’s strong credit profile in the global capital markets.”

SMBC Nikko Securities Inc. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd acted as Lead Managers for this deal.

This press release is not an offer of securities for sale in the United States or elsewhere. No securities of Republic of the Philippines are being registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and no such securities may be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from such registration. No public offering of securities is being made in the United States.