

## Philippines

Total local currency (LCY) bonds outstanding in the Philippines reached PHP4,655 billion (US\$104 billion) in 4Q14, increasing 1.4% quarter-on-quarter (q-o-q) and 5.5% year-on-year (y-o-y). Outstanding fixed-income securities issued by the Philippine government and government-controlled companies increased 1.3% q-o-q and 2.0% y-o-y to close at PHP3,895 billion at end-December. Growth in the corporate bond market outpaced growth in the government bond market in 4Q14 on both a q-o-q and y-o-y basis.

Table 1: Size and Composition of the LCY Bond Market in the Philippines

	Outstanding Amount (billion)						Growth Rate (%)			
	4Q13		3Q14		4Q14		4Q13		4Q14	
	PHP	US\$	PHP	US\$	PHP	US\$	q-o-q	y-o-y	q-o-q	y-o-y
<b>Total</b>	<b>4,412</b>	<b>99</b>	<b>4,589</b>	<b>102</b>	<b>4,655</b>	<b>104</b>	<b>2.4</b>	<b>8.5</b>	<b>1.4</b>	<b>5.5</b>
Government	3,820	86	3,846	86	3,895	87	1.5	8.0	1.3	2.0
Treasury Bills	321	7	285	6	282	6	3.6	16.8	(1.2)	(12.2)
Treasury Bonds	3,383	76	3,445	77	3,510	78	1.3	7.4	1.9	3.7
Others	116	3	116	3	103	2	2.1	2.1	(10.8)	(10.8)
Corporate	592	13	743	17	760	17	8.7	12.4	2.3	28.5

(-) = negative, LCY = local currency, q-o-q = quarter-on-quarter, y-o-y = year-on-year.

Notes:

1. Calculated using data from national sources.
2. Bloomberg end-of-period LCY-US\$ rates are used.
3. Growth rates are calculated from an LCY base and do not include currency effects.
4. "Others" comprises bonds issued by government agencies, entities, and corporations for which repayment is guaranteed by the Government of the Philippines. This includes bonds issued by Power Sector Assets and Liabilities Management (PSALM) and the National Food Authority, among others.
5. Peso Global Bonds (PHP-denominated bonds payable in US\$) and multi-currency Retail Treasury Bonds (RTBs) are not included. As of end-December 2014, the Government of the Philippines and Petron Corporation had PHP129.7 billion and PHP20.0 billion of outstanding Peso Global Bonds, respectively. There were a total of PHP6.3 billion of outstanding multi-currency RTBs as of end-December 2014.

Sources: Bureau of the Treasury and Bloomberg LP.

Corporate bond issuance in the Philippines totaled PHP47.6 billion in 4Q14, 85% of which was issued by banks (Table 2).

Table 2: Notable LCY Corporate Bond Issuance in 4Q14

Corporate Issuers	Coupon Rate (%)	Issued Amount (PHP billion)
BDO Unibank		
10-year Tier 2 Notes	5.188	10.00
Metrobank		
5.5-year LTNCD	4.000	8.00
7-year LTNCD	4.250	6.25
Philippine National Bank		
5.5-year LTNCD	4.125	7.00
RCBC		
5.5-year LTNCD	4.125	2.10
Union Bank of the Philippines		
10-year Tier 2 Notes	5.375	7.20
Filinvest Land		
7-year bond	5.400	5.30
10-year bond	5.639	1.70

LCY = local currency, LTNCD = long-term negotiable certificate of deposit.

Source: Bloomberg LP.

LCY bonds outstanding among the top 30 corporate bond issuers in the Philippines reached PHP675.2 billion at the end of 4Q14, representing 89% of total corporate bonds outstanding.

Table 3: Top 30 Issuers of LCY Corporate Bonds in the Philippines

	Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
		LCY Bonds (PHP billion)	LCY Bonds (US\$ billion)			
1.	Ayala Land	57.9	1.3	No	Yes	Real Estate
2.	Metrobank	46.8	1.0	No	Yes	Banking
3.	SM Investments	42.0	0.9	No	Yes	Diversified Operations
4.	Ayala Corporation	40.0	0.9	No	Yes	Diversified Operations
5.	San Miguel Brewery	37.9	0.8	No	No	Brewery
6.	Philippine National Bank	34.6	0.8	No	Yes	Banking
7.	BDO Unibank	30.0	0.7	No	Yes	Banking
8.	JG Summit Holdings	30.0	0.7	No	Yes	Diversified Operations
9.	RCBC	27.1	0.6	No	Yes	Banking
10.	SM Prime	25.0	0.6	No	Yes	Real Estate
11.	Filinvest Land	24.0	0.5	No	Yes	Real Estate
12.	Meralco	23.5	0.5	No	Yes	Electricity Distribution
13.	Security Bank	23.0	0.5	No	Yes	Banking
14.	GT Capital Holdings	22.0	0.5	No	Yes	Investment Companies
15.	Energy Development Corporation	19.0	0.4	No	Yes	Electricity Generation
16.	Globe Telecom	17.0	0.4	No	Yes	Telecommunications
17.	Maynilad Water Services	16.5	0.4	No	No	Water
18.	MCE Leisure Philippines	15.0	0.3	No	No	Casino Services
19.	Philippine Long Distance Telephone	15.0	0.3	No	Yes	Telecommunications
20.	SM Development	14.3	0.3	No	Yes	Real Estate
21.	United Coconut Planters Bank	14.0	0.3	No	No	Banking
22.	Union Bank of the Philippines	14.0	0.3	No	Yes	Banking
23.	Manila North Tollways	13.0	0.3	No	No	Transport Services
24.	First Metro Investment	12.0	0.3	No	No	Investment Banking
25.	MTD Manila Expressway	11.5	0.3	No	No	Transport Services
26.	South Luzon Tollway	11.0	0.2	No	No	Transport Services
27.	Vista Land	10.7	0.2	No	Yes	Real Estate
28.	Aboitiz Power	10.5	0.2	No	Yes	Electricity Generation
29.	East West Bank	9.3	0.2	No	Yes	Banking
30.	Filinvest Development	8.8	0.2	No	Yes	Real Estate
<b>Total Top 30 LCY Corporate Issuers</b>		<b>675.2</b>	<b>15.1</b>			
<b>Total LCY Corporate Bonds</b>		<b>760.4</b>	<b>17.0</b>			
<b>Top 30 as % of Total LCY Corporate Bonds</b>		<b>88.8%</b>	<b>88.8%</b>			

LCY = local currency.

Notes:

1. Data as of end-December 2014.

2. Petron Corporation has PHP20 billion of Global Peso Bonds outstanding that are not included in this table.

3. State-owned firms are defined as those in which the government has more than a 50% ownership stake.

Source: *AsianBondsOnline* calculations based on Bloomberg data.