

NEWS RELEASE

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CGIF Backs its First Local Currency Microfinance Bond

ASA Philippines Foundation's bonds pave the way for microfinance institutions to tap the Philippine peso bond market.

10 February 2017, Manila

The Credit Guarantee & Investment Facility (CGIF) has successfully backed the issuance of a PHP1 billion (US\$20 million equivalent) local currency bond issued by non-stock non-profit organization ASA Philippines Foundation, Inc. (ASA) with a 75% partial credit guarantee. This marks CGIF's first guarantee support for a Local Currency Microfinance Bond in the region. The bond proceeds, issued in multiple tranches and aggregating Php2 billion (US\$40 million equivalent), will support microfinance activities towards alleviating poverty in the Philippines. In addition to this crucial purpose, catalytically bridging the debt capital market and micro-finance providers will allow more funds raised to support those who are not supported by conventional lending sources.

"With an overwhelming response from local investors, the partial credit guarantee for ASA demonstrates that bonds have a role to play in financing microfinance organizations as a viable alternative longer term funding source to short term bank loans," said Kiyoshi Nishimura, Chief Executive Officer of CGIF. *"The successful issuance further supports the Philippine Government's priority initiatives towards poverty reduction and financial inclusion."*

ASA is the top microfinance organization in Philippines with over 1.2 million active poor women borrowers, mostly mothers, and a collection rate of over 99%.

"This issuance is a milestone not only for us, but for the entire microfinance industry as well, as it allows us to now access the funds we need to offer more of the financing that people at bottom of our socio-economic pyramid need," says ASA Philippines Foundation CEO Kamrul Tarafder.

"This issuance marks a significant step in ASA's corporate maturity, graduating from purely bank financing to a capital markets issuer, and extending the duration of its liabilities to more closely match its investment profile," says Eric Luchangco, Head of Debt Capital Markets for BPI Capital. *"We were honoured to have been given the opportunity to arrange this deal for ASA."*

About CGIF

CGIF is a multilateral facility established by the Association of Southeast Asian Nations (“ASEAN”) members, China, Japan, Korea (“ASEAN+3”) and Asian Development Bank (“ADB”). It is established as a trust fund of ADB with an initial paid-in capital of USD700 million from its contributors. As a key component of the Asian Bond Markets Initiative, CGIF was established to develop and strengthen local currency and regional bond markets in the ASEAN+3 region. CGIF commenced its guarantee operations on 1 May 2012 and seeks to provide credit enhancements, mainly in local currencies, issued by credit worthy ASEAN+3-domiciled bond issuers.

CGIF’s Credit Ratings

Rating Agency	Scale	Ratings	Outlook	Date Reviewed
Standard & Poor's	Global (Long Term & Short Term)	AA / A-1+	Stable	22 June 2016
Standard & Poor's	ASEAN	axAAA	Stable	22 June 2016
RAM Ratings	Global / ASEAN / National	gAAA / seaAAA / AAA	Stable	19 December 2016
MARC	National	AAA	Stable	25 January 2017
TRIS Ratings	National	AAA	Stable	11 November 2016
Fitch Ratings Indonesia	National	AAA	Stable	06 October 2016

About ASA Philippines Foundation, Inc.

Established on 9 July 2004 with the Securities & Exchange Commission with registration number CN200409459, ASA is a not-for-profit organization devoted to helping an increasing number of poor Filipino families rise out of poverty by providing microfinancing to help them establish or otherwise improve their microenterprises.

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