



PUBLIC SECTOR DEBT COMPOSITION

Public Debt Office
Ministry of Finance

April 2020



Dirección General de
Crédito Público



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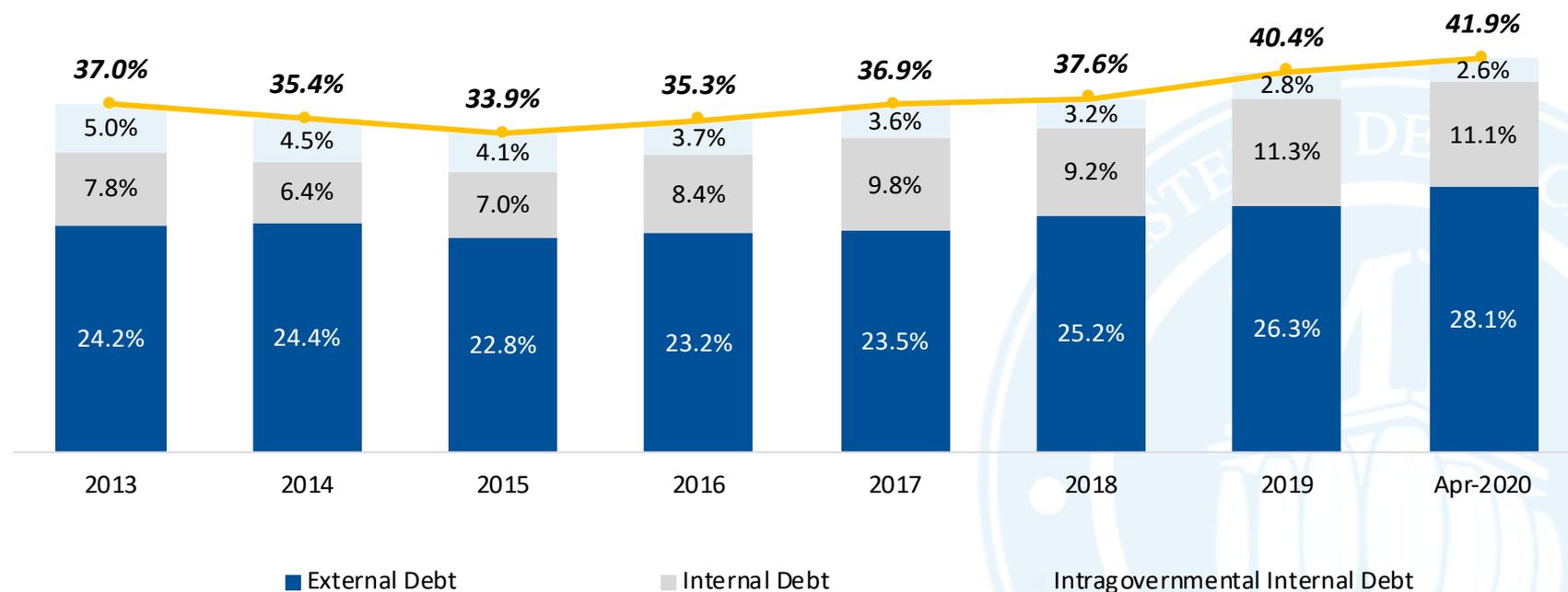


NFPS DEBT AND COMPOSITION



As of April 30th, 2020, the NFPS debt (including debt with the Central Bank) totaled **US\$38,460.1** million, representing 41.9% of GDP.

NFPS Debt 2013-2020
(% GDP)



The 2019 figure includes the liability management exercise with the electricity sector arrears and short-term debt approved in the modified Budget for the year, which resulted in:

- Decrease of the arrears with the electricity generators.
- Financial savings for 2020 of around US\$250.0 million.

Operations	Balance Dec-19 Millions US\$	Original Conditions				New Financing Conditions			
		Maturity	Financing Cost	Interests		Maturity	Financing Cost	Interests	
				Millions DOP (RD\$)	Millions USD			Millions DOP (RD\$)	Millions USD
Payments of Arrears of 2018	611.0	< 6 months	25%	8,050.4	150.3	5 years	7.00%	2,290.8	42.8
Payments of Arrears of 2019	600.0	< 6 months	30%	9,640.8	180.0	7 years	6.65%	2,137.0	39.9
Short-term Operation with Local Bank	495.0	< 12 months	6.25%	1,789.6	33.4	7 years	6.25%	1,657.0	30.9
TOTAL	1,706.0			19,480.8	363.7			6,084.8	113.6

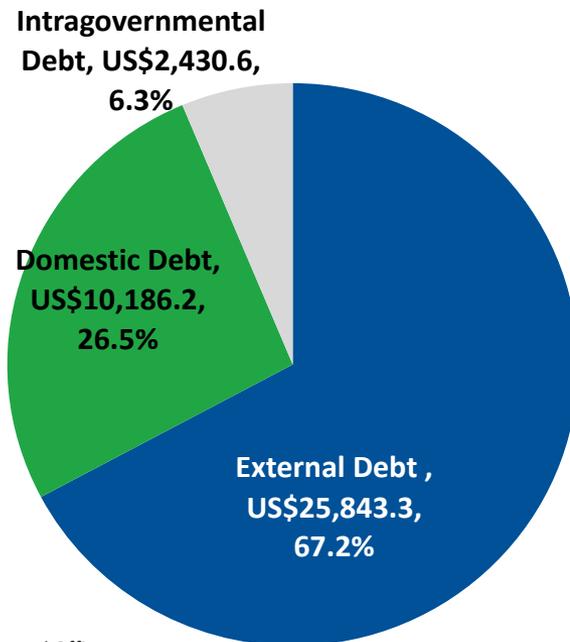
- NFPS debt increase of 1.4% of GDP at the end of 2019.

EVOLUTION OF THE NFPS DEBT

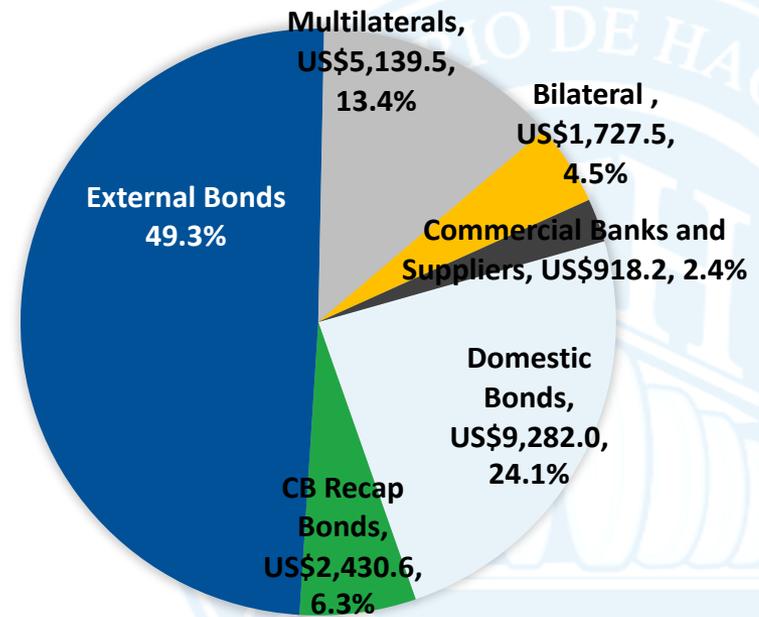
Of the total NFPS debt of **US\$38,460.1** million, US\$25,843.3 million is external debt, US\$10,186.2 million is domestic and US\$2,430.6 million, intragovernmental debt.

On the other hand, the debt of the NFPS is composed of 30% and 49% of debt instruments in domestic and external bonds, respectively, while 13% is contracted with multilateral organizations and 5% with bilateral institutions, to name the main ones.

NFPS Debt Composition



Composition by Creditor Type





DEBT STRATEGY AND INDICATORS



Development of the Domestic Capital Market

- Prioritization of fixed rate instruments in local currency. Reduction of exchange risk.
- Creation of more liquid benchmark series with the use of re-openings.

Diversification of Financing Sources

- Access to different markets.
- Capital increase in multilateral organizations

Extending the Domestic and International Curves

- Increase the average maturity of the portfolio.

Bullet and Custom Repayment Profiles

- Maturity profile smoothening.

Liability Management Operations

- Reduce debt service.
- Re-structuring of the maturity profile

Indicators	Dec-19	Apr-20	Target
Exchange Rate Risk			
% FX Debt	72.2%	73.8%	77% ± 3%
Refinancing Risk			
% Short Term Debt	4.4%	4.2%	≤12%
ATM Domestic Debt	6.8	6.9	7 ± 1 years
Interest Rate Risk			
% of debt that refixes rates within a year	18.2%	15.9%	17% ± 3%

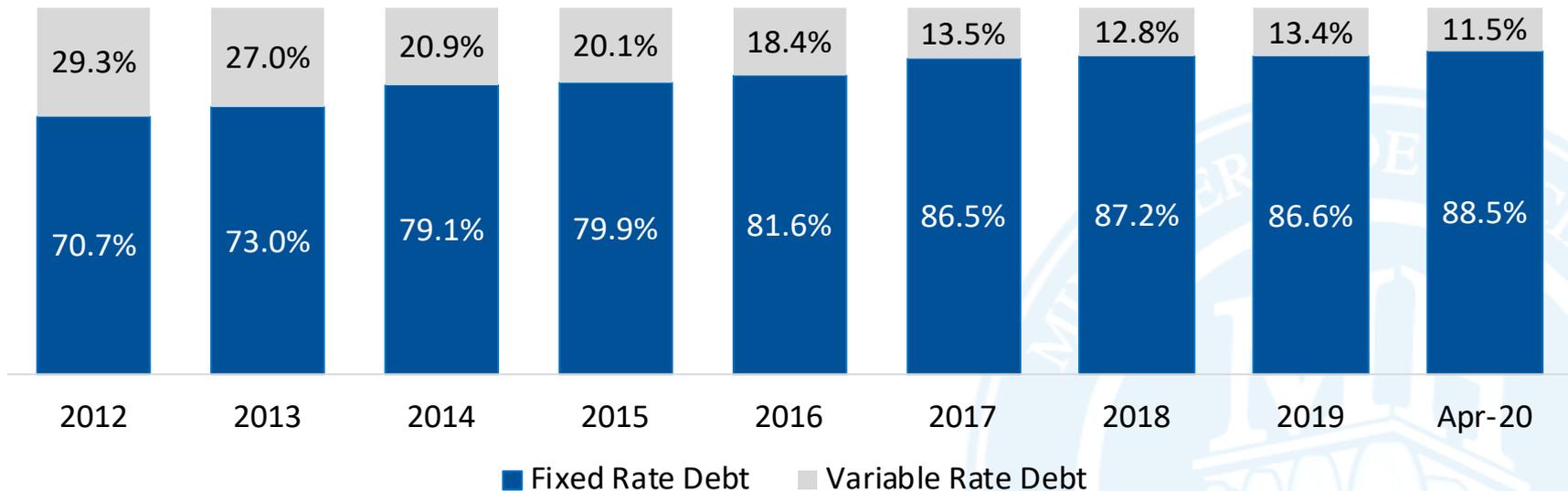
1 / The scope of the Debt Management Strategy does not include the bonds issued by the Central Government for the recapitalization of the Central Bank, since these instruments are not available for the new financing. These indicators therefore exclude such instruments.

Sources: Public Credit General Office
Note: Preliminary figures, subject to rectification

DEBT STRUCTURE: INTEREST TYPE

Interest rate risk has been reduced, with around 89% of total NFPS debt contracted at a fixed rates.

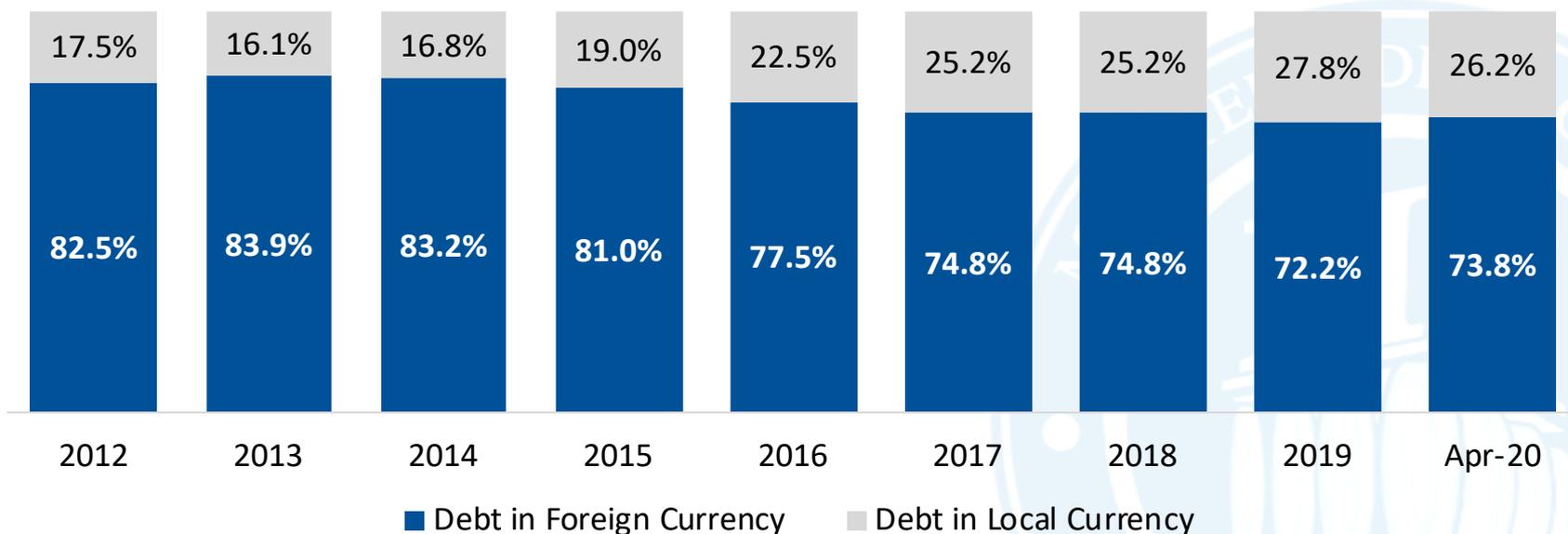
NFPS Debt by Interest Type



DEBT STRUCTURE: CURRENCY TYPE

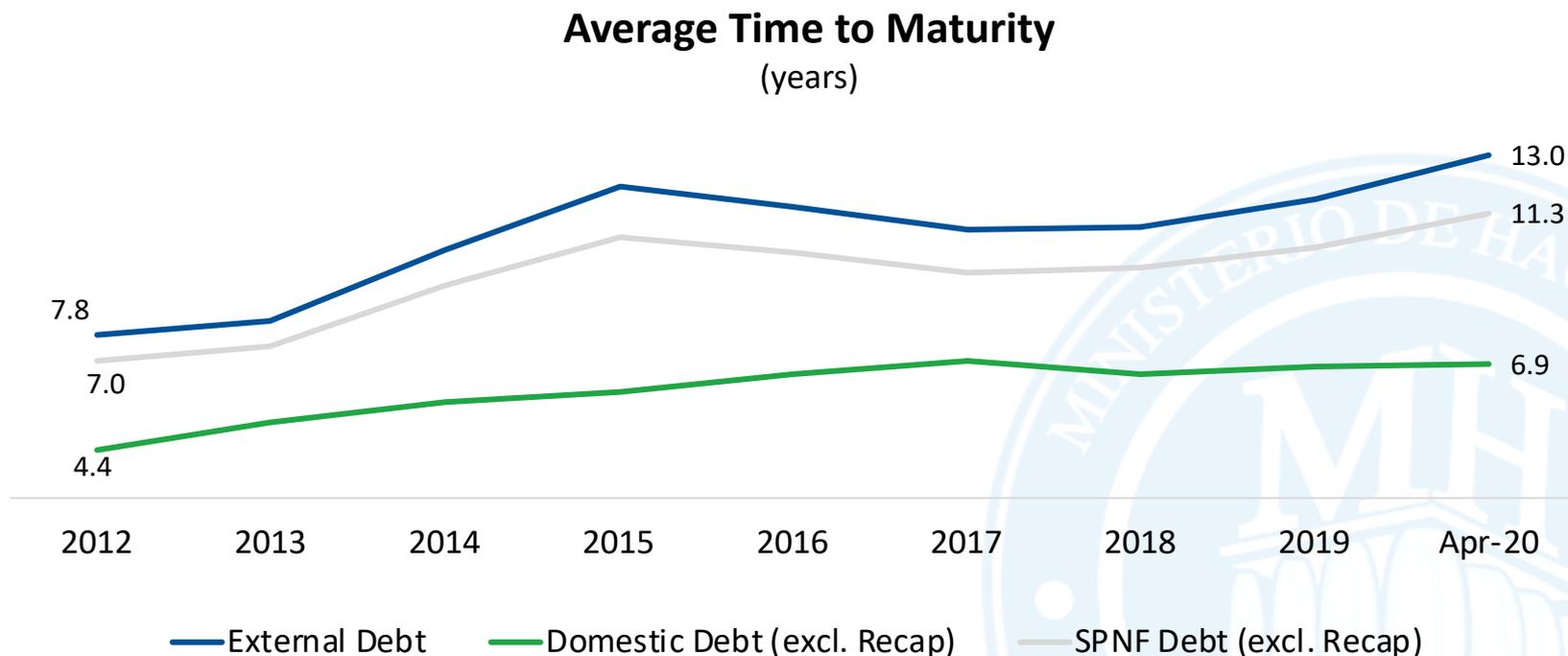
As a result of the implementation of the Debt Management Strategy **the proportion of debt in local currency has increased**, contributing to the **reduction of risk in international financial markets and unexpected movements in the exchange rate.**

NFPS Debt by Currency Type



DEBT STRUCTURE: MATURITY

Given the prioritization of medium-long-term financing, it has been possible to extend the average term in which the NFPS debt repays, which as April 30th, 2020, is around 11 years.





CAPITAL MARKETS





DOMESTIC AUCTION PROGRAM

March 2009
Multi-price
auctions.

Market Makers
Program

June 2015
Single Price
Auctions.



First Issuance at 7
and 10 Years

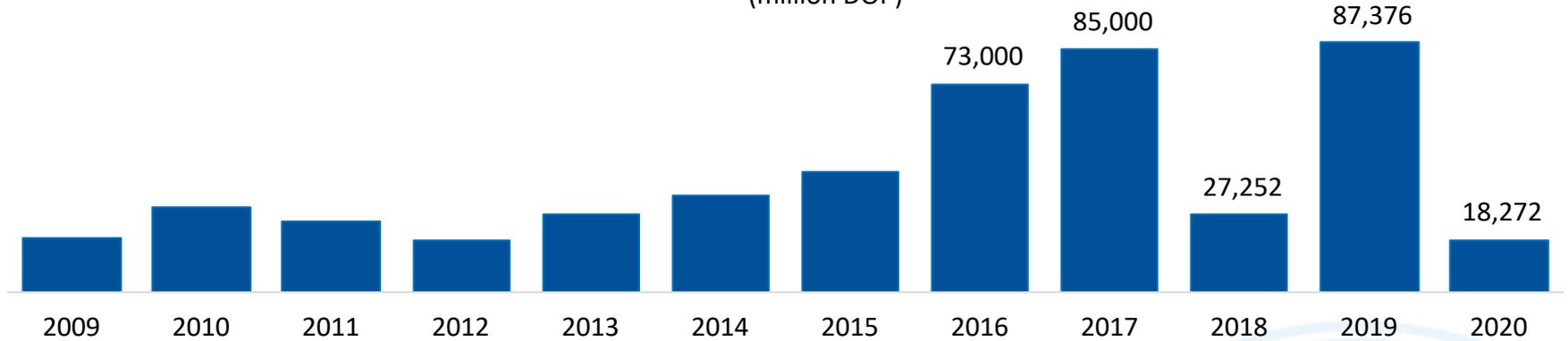
First issuance of
15 years

Lower Rates

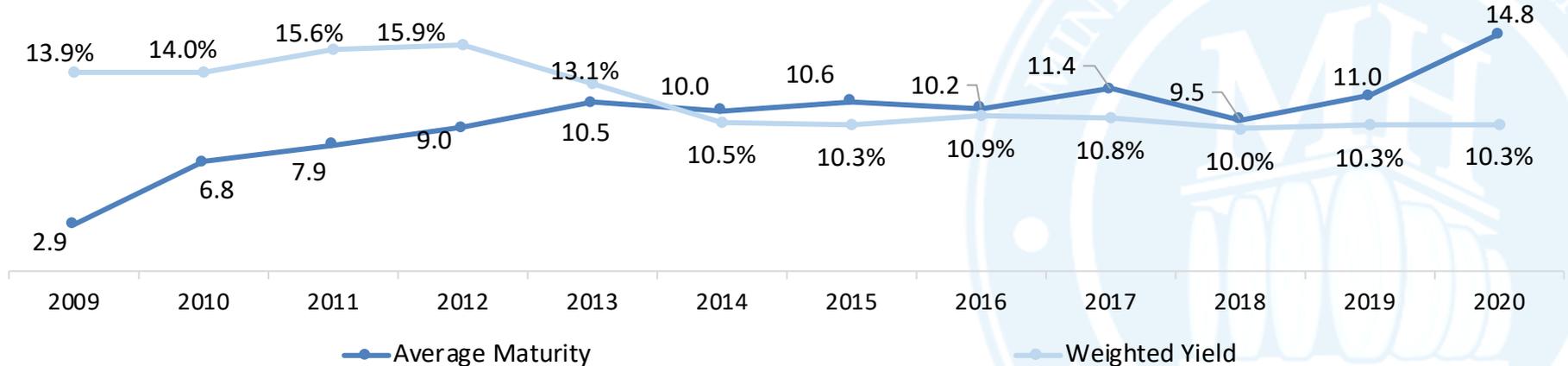
- ❑ 2019: Issuances at 5,10 and 15 years for RD\$87,375.9 million
- ❑ 2020: 10 years bonds for RD\$9,458.0 million and RD\$8,813.8 million in 20-years bonds

Domestic Bonds Issuances

(million DOP)



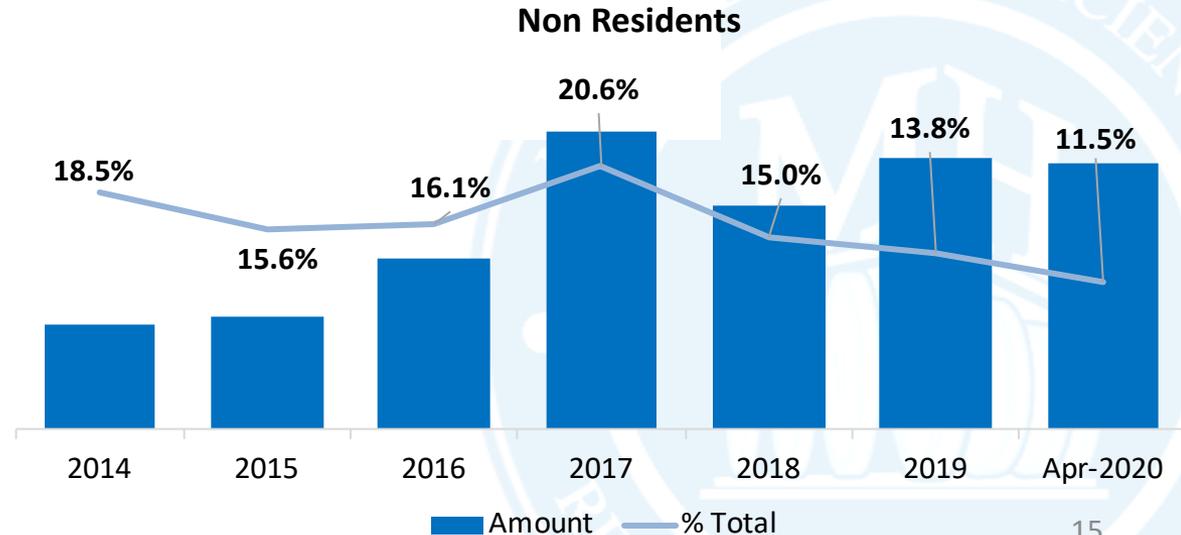
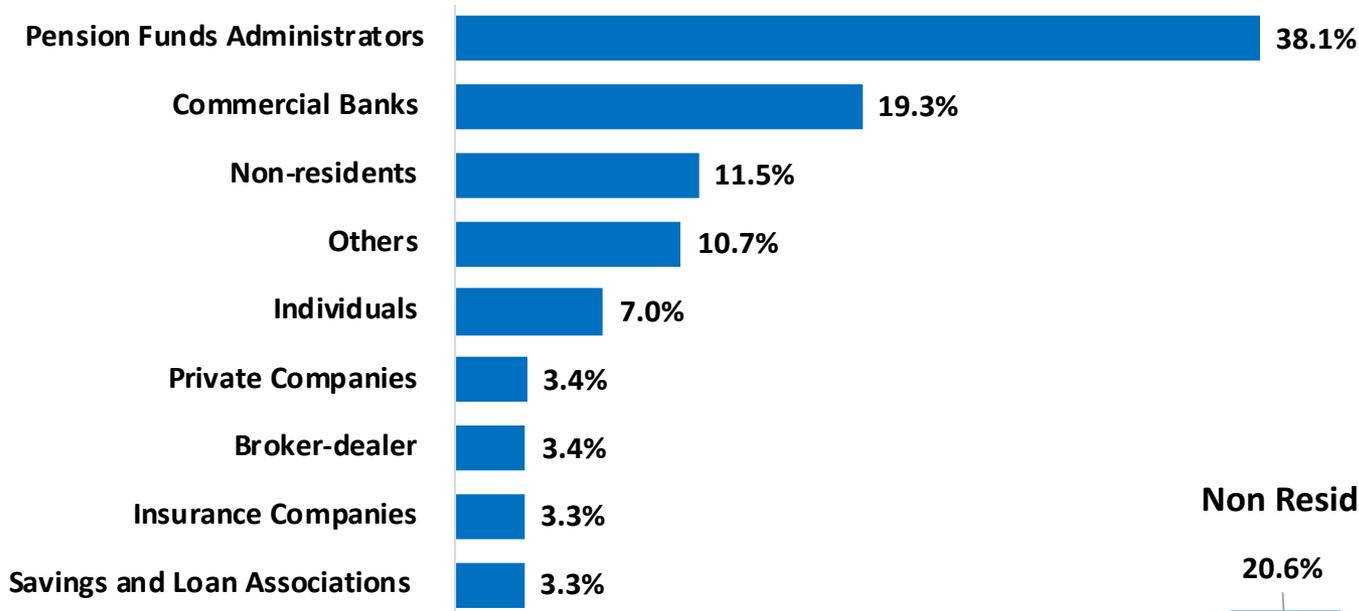
Average Yields and Maturity





DOMESTIC CAPITAL MARKET

Domestic Bonds Holders April 2020





INTERNATIONAL ISSUANCES

10 Years Bonds
@ 7.5%.

10 Years Bonds
@ 5.875%
@ 6.60%.

30 Years
Issue @
6.85%.

First Issue in
DOP, @ 8.9%



- US\$ 500.0 MM @ 6.95%
- Pre-financing: US\$ 250.0 MM @ 6.875%

First Issuance at
30 años @7.45%.

10 Years Bonds
@ 5.5%

❑ 2019: First issuance of DOP 7-years, @9.75%; USD 30-years at the historic lowest rate @6.49%

❑ 2020 : First USD 40-years, @5.875% and USD 10-years @4.5% at the historic lowest rate

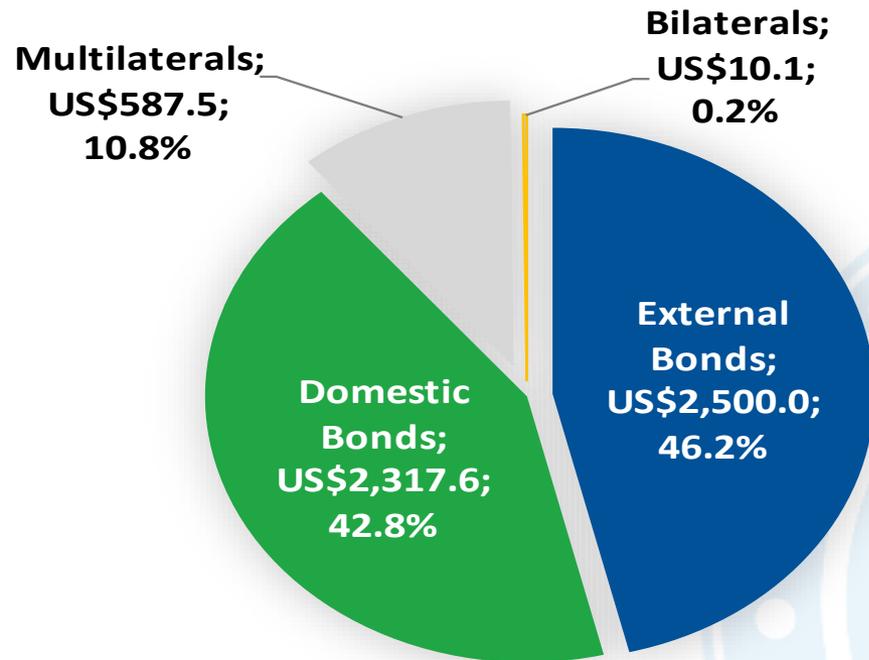


FINANCING



Total financing for 2019 amounted to US\$5,415.2 million. Of the total financing 50.2% was in DOP.

Financing Composition by Creditor Type



Figures in million and as percentage of GDP

Gross Financing Needs	2020 Budget			2020 Execution		
	RD\$	US\$	% GDP	RD\$	US\$	% GDP
Financing Sources (I+II)	246,295.8	4,598.50	5.0%	194,972.7	3,659.06	4.1%
<i>(I) External Financing</i>	159,983.7	2,987.0	3.3%	136,700.9	2,571.1	2.9%
<i>Multilaterals, Bilaterals, Commercial banks (Investment Projects)</i>	24,102.0	450.0	0.5%	2,367.0	43.8	0.0%
<i>Global Bonds</i>	107,120.0	2,000.0	2.2%	132,837.3	2,500.0	2.8%
<i>Budget Support</i>	28,761.7	537.0	0.6%	1,533.4	27.9	0.0%
Bilaterals	10,712.0	200.0	0.2%	1,533.4	27.9	0.0%
Multilaterals	18,049.7	337.0	0.4%	-	-	0.0%
<i>(II) Domestic Financing</i>	86,312.1	1,611.5	1.8%	58,271.8	1,088.0	1.2%

The Government has identified additional financing sources to attend the emergency and cover the different economic measures announced to manage the COVID-19 impact.

Disbursed:

- Emergency Loan from BIRF: US\$150.0 million
- Emergency Loan from BCRD: RD\$12,000.0 million
- Excess Technical Reserves from IDOPPRIL: RD\$14,000.0 million

Pending Disbursement:

- Natural Disaster Line from IADB, now to include Health Pandemics: US\$90.0 million

Pending Congressional Approval:

- Rapid Financing Instrument (RFI) from IMF: US\$650.0 million (already disbursed to the Central Bank)

The Government has also identified potential funding from other multilaterals, ranging from US\$2.2 to US\$2.8 billion in total, to be negotiated in case they become necessary.



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