



First Treasury Note 2026 under Panamenian Law and 144-A REG S



REPÚBLICA DE PANAMÁ
— GOBIERNO NACIONAL —

**MINISTERIO DE
ECONOMÍA Y FINANZAS**

DIRECCIÓN DE FINANCIAMIENTO
PÚBLICO

On April 10, 2019, the Republic of Panama, successfully priced a US\$1.0 bn offering of new 7-year Euroclearable Local Treasury Note...

Transaction Highlights

- Panama’s first internationally placed under 144-A Reg S and local Law Instrument
- The Notes are listed on LatinClear, the local clearing house, and trades in Euroclear.
- Strong investor participation from local and international accounts allowed Panama to tighten from initial price of T+150bps to a final spread of T+140bps.
- With this transaction Panama joined other Latin American sovereigns such as Mexico, Peru, Chile, and Uruguay in an effort to develop its local market.

Joint Bookrunners

Morgan Stanley



Local Broker Dealer

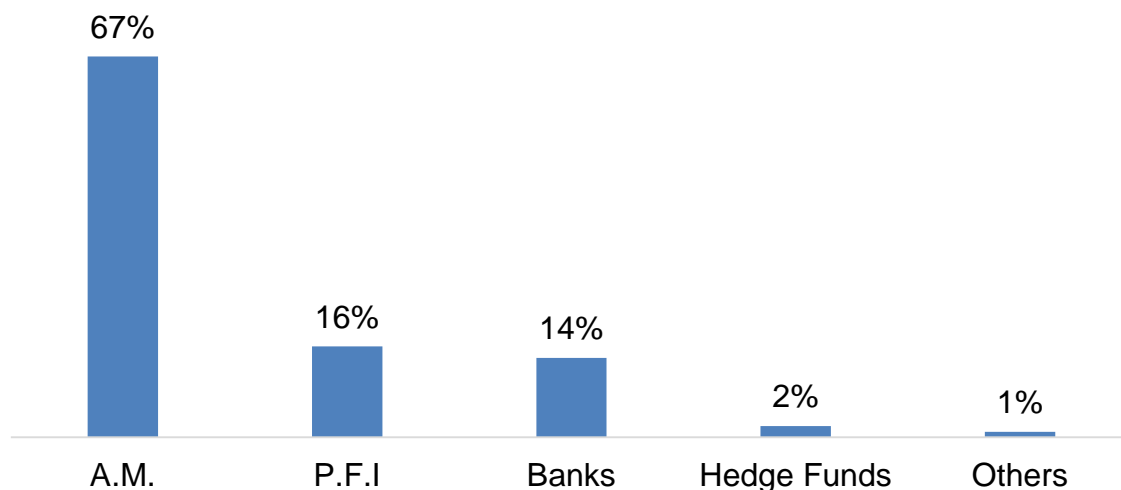


Final Terms and Conditions

Issuer Rating	Baa1/BBB+/BBB
Rank	Senior Unsecured
Format	144A/Reg S
Principal Amount	US\$1.0 bn
Maturity	April 17th, 2026
Coupon	3.750%
Issue Price	99.847%
Yield to Maturity	3.775%
Listing	LatinClear and Euroclear
Governing Law	Law of the Rep. of Panama

The Republic of Panama, on their first offering, managed to generate significant demand from top U.S., European and Latin American investors to build a strong order book, which reached 2x oversubscription.

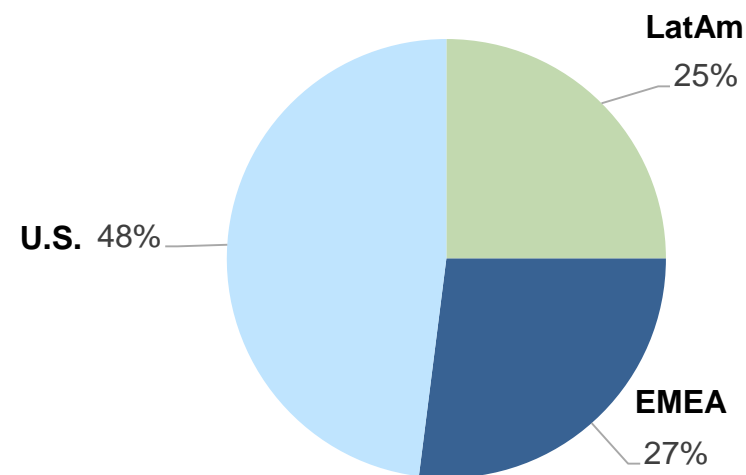
Allocation By Investor Type



Source: Directorate of Public Financing

The notes were allocated to asset managers (67%), pension funds & insurance companies (16%), banks (14%), and hedge funds (2%).

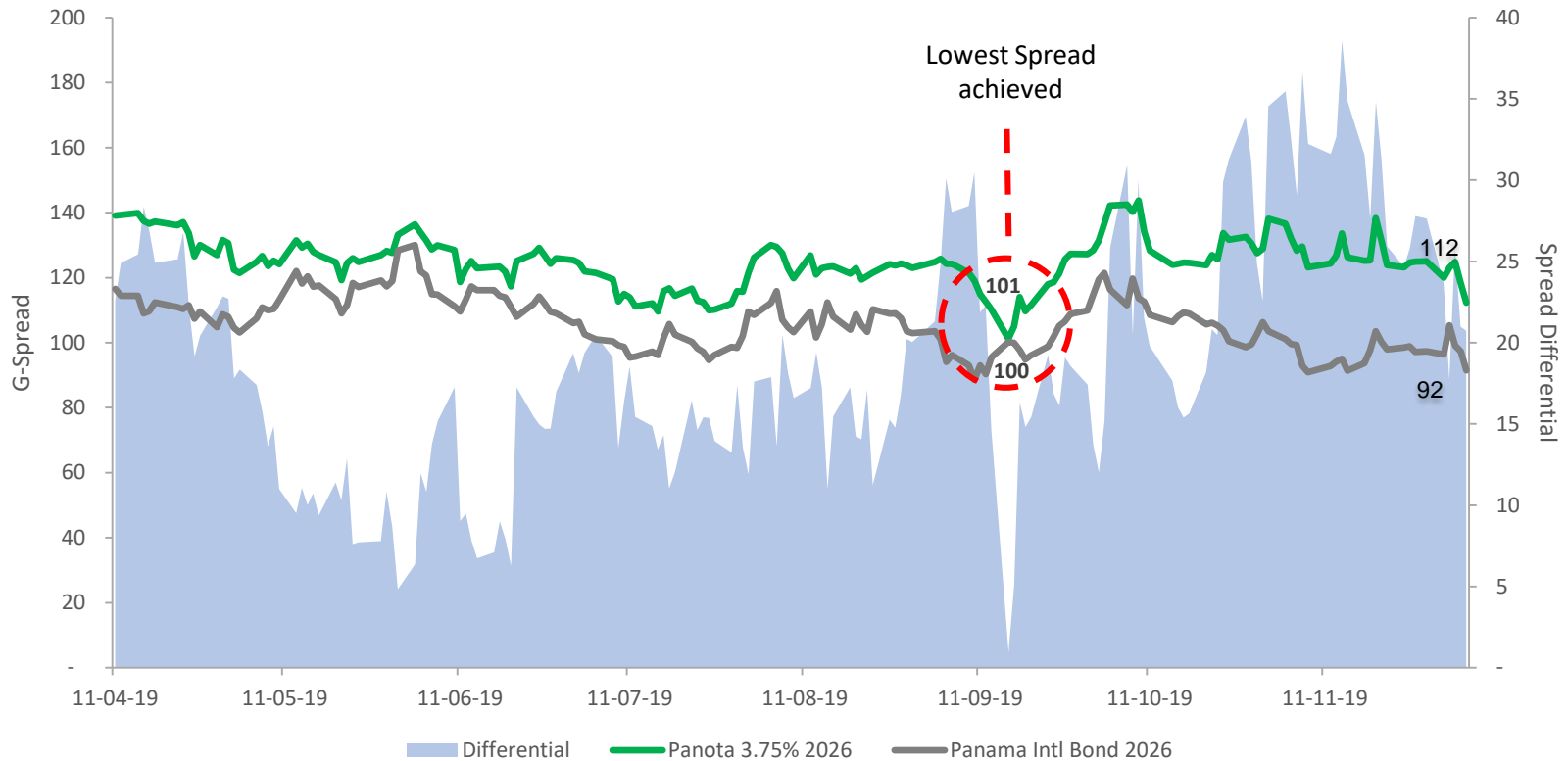
Allocation By Region



Source: Directorate of Public Financing

From a geographical perspective, 48% was allocated to U.S. investors, while 27% went to Europe and 25% to Latin American investors.

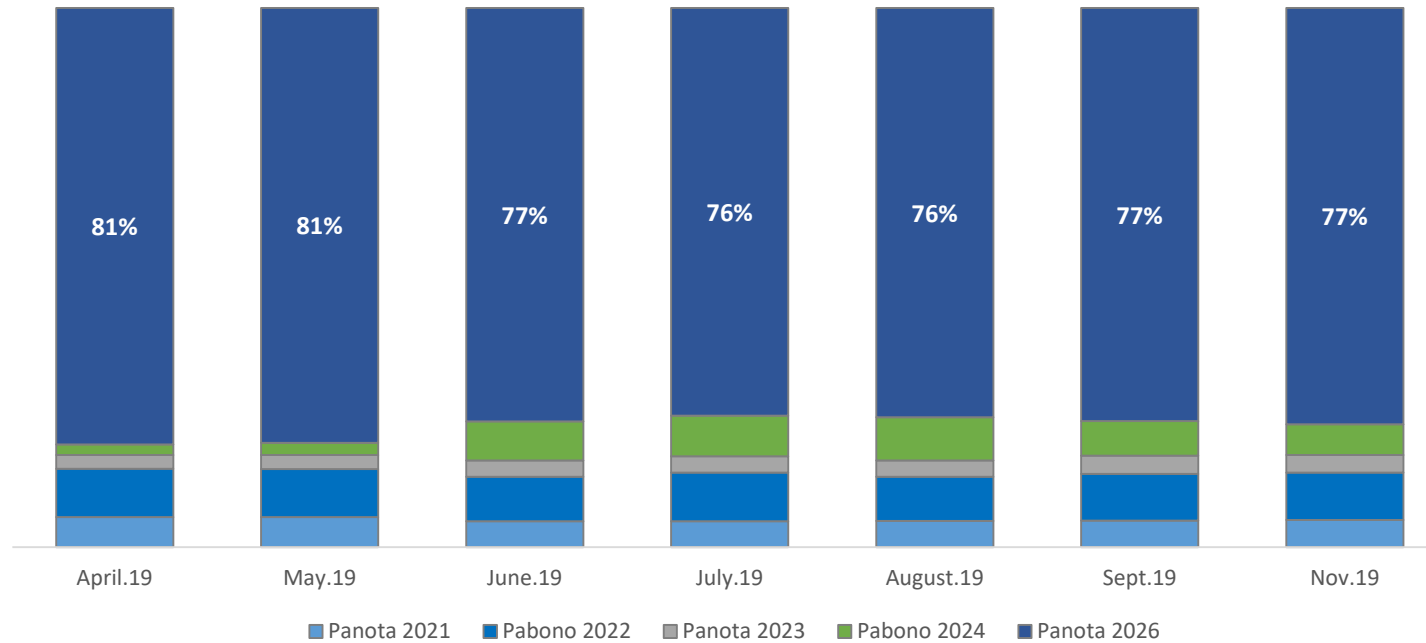
G-Spread differential Panota 2026 vs Panama Global Bond 2026



Source: Directorate of Public Financing

From April to November, the Panota 2026 records an average differential of 19 basis points (bps) compared to our Global Bond of same maturity. It is important to point out that this differential has been tightening from 39bps, hitting a record differential of 1bp in September 16, 2019.

Panota 2026 as percentage of total Custody in Euroclear November 2019



Source: Directorate of Public Financing

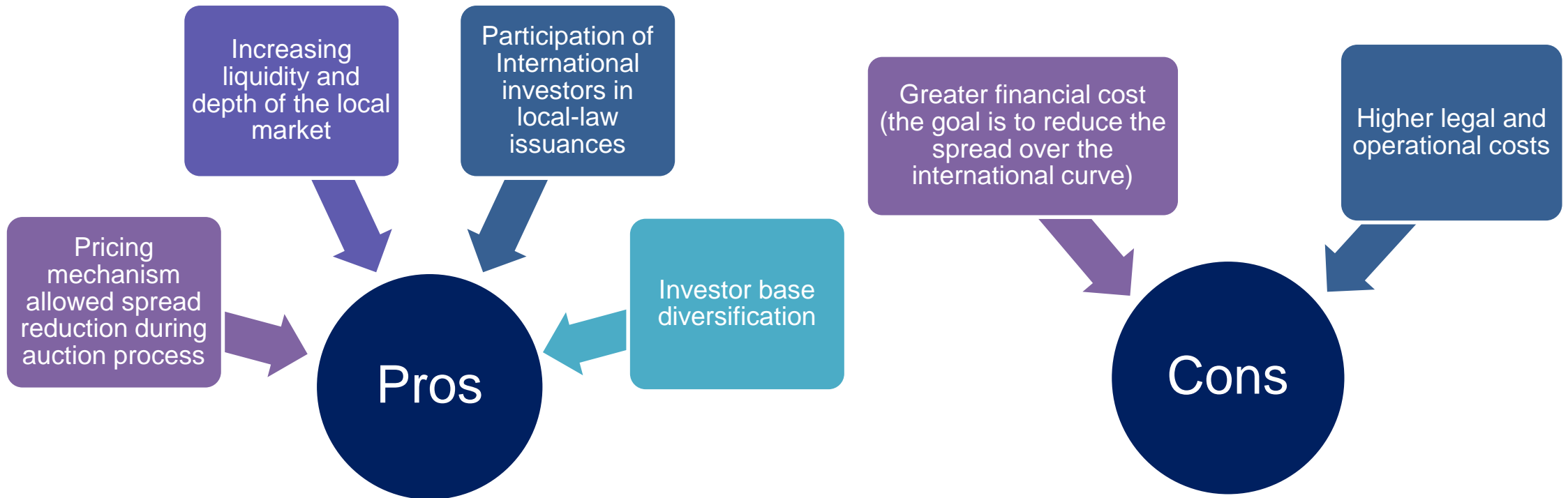
From April to November, Panota 2026, has been the instrument with the highest amount in custody of Euroclear compared to the other local instruments.

“Macrotítulo” of Treasury Note 2026



As one of the requirements of our local regulation, a “Macrotítulo” has to be signed by the General Comptroller of the Republic.

5. Pros and Cons – Panama experience





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