



PRESS RELEASE | September 4, 2019

BPI prices first USD ASEAN Green Bond by a Philippine bank

Bank of the Philippine Islands ('BPI') yesterday, Sept. 3, 2019, successfully priced a USD 300 million Senior Unsecured Fixed Rate ASEAN Green Bond via a drawdown under its USD 2 billion Medium Term Note Programme. The bonds were priced at 99.641 with a re-offer yield of 2.577%. The bonds will carry a coupon of 2.500% p.a., payable semiannually, and will have a final maturity date of 10 September 2024.

The offering was over four times over-subscribed, with the order book allocated predominantly to Asia, and the rest to Europe. By investor type, more than half of the offering was allocated to asset managers and fund managers, around one-third to banks, financial institutions and private banks, and the remainder to insurance companies, pension funds and other investors. The transaction is expected to settle on 10 September 2019.

Upon issuance, the bonds will comprise:

- The **first USD-denominated ASEAN green bond** issued by a Philippine bank
- The **lowest coupon and yield** ever paid for a USD-denominated bond from the Philippines
- The **lowest credit spread** ever paid by a Philippine bank

The net proceeds from the bonds will be used for the financing and/or re-financing, in whole or in part, of "green" eligible projects, as further described in BPI's Green Finance Framework.

The Philippine Securities and Exchange Commission ('Philippine SEC') has confirmed that the bonds comply with the requirements under the ASEAN Green Bonds Circular and as such are qualified to be issued under the ASEAN Green Bond label.

BPI Capital is the Sole Global Coordinator for the transaction while BPI Capital, Bank of America Merrill Lynch, Citigroup, Credit Suisse, Mizuho Securities and UBS are the Joint Lead Managers and Bookrunners for the transaction.

BPI Green Finance Framework

In June 2019, BPI established a Green Finance Framework (the "Framework"), highlighting its long-standing commitment to fund projects with clear environmental benefits. The Framework details guidelines for the following with respect to any green bonds or loans to be issued by the Bank: evaluation and selection of eligible projects, management of proceeds, and reporting.

The Framework is aligned with the International Capital Market Association Green Bond Principles, the ASEAN Green Bond Standards, and the Loan Market Association Green Loan Principles.

A more detailed discussion of BPI's Green Finance Framework can be found in this link: https://www.bpiexpressonline.com/media/uploads/5d24332e21bee_BPI_Green_Finance_Framework.pdf

Sustainalytics provided a Second Party Opinion on BPI's Framework which can be found in this link: https://www.bpiexpressonline.com/media/uploads/5d243324a3522_BPI_Green_Finance_Framework_SPO_Final.pdf

ABOUT BPI

The 168-year-old Bank of the Philippine Islands is the first bank in the Philippines and Southeast Asia. We are licensed as a universal bank by the Bangko Sentral ng Pilipinas to provide a diverse range of financial services: deposit taking and cash management, payments, lending and leasing, asset management, bancassurance, investment banking, securities brokerage, and foreign exchange and capital markets. BPI has significant financial strength, with robust Tier 1 capital adequacy ratios and profitability, underpinned by a stringent compliance and risk management regimes. BPI has investment-grade ratings of BBB+ (S&P), Baa2 (Moody's), and BBB (Capital Intelligence), and BBB- (Fitch).

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Summary Terms and Conditions for the bonds:

Issue Amount	USD 300 million
Pricing Date	3 September 2019
Payment Date	10 September 2019
Maturity Date	10 September 2024
Issue Price	99.641
Re-offer yield	2.577%
Coupon	2.500%
Re-offer spread	T+120bp
Issue Type	Senior Unsecured Fixed rate ASEAN Green Bond
Format	Drawdown from US\$2 billion (or equivalent) MTN Programme
Listing	SGX-ST

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The bonds will not be distributed in the Philippines. Any securities to be issued under the Programme will not be registered with the Philippine SEC. However, the securities issued by a bank registered as such under the laws of the Republic of the Philippines constitute exempt securities within the meaning of Subsection 9.1(e) of the Securities Regulation Code of the Philippines, and as such, are not required to be registered under the provisions thereof before they can be sold or offered for sale or distribution in the Philippines. Any future sale or offer of the securities in the Philippines, however, can only be made in accordance with the applicable regulations of the *Bangko Sentral ng Pilipinas* and the Philippine SEC.

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