



Subject of the Disclosure : Clarification of News Article

Source : Philstar.com
Subject of News Report : "BPI eyes offshore debt market via US\$ bonds"
Date of Publication : Aug 16, 2019

Clarification of News Report:

We write in reply to your request for clarification on the news article entitled "BPI eyes offshore debt market via US\$ bonds" posted on philstar.com on August 16, 2019. The article reported in part that:

"MANILA, Philippines — Ayala-led Bank of the Philippine Islands (BPI) is set to return to the offshore debt market after successfully raising \$600 million via the issuance of unsecured fixed rate notes in September last year.

Maria Theresa Marcial Javier, chief financial officer at BPI, said the listed bank has yet to finalize the details of the planned fund raising activity within the year, but the amount would definitely be below \$500 million and lower than the amount raised last year.

'The size that we're looking at is probably smaller than the \$600 million issuance in 2018. So it's probably smaller. But we will let you know. We're just looking at some finer points and we'll definitely be coming up with specific soon,' she said.

According to Javier, BPI is talking to potential arrangers and underwriters.

"We are very seriously looking at tapping the debt capital market in terms of additional bond issue and we will announce the details in due course," Javier told reporters.

Proceeds of the proposed fund raising activity would be used to manage the bank's funding mix.

"We're looking at the schedule of our maturities as well as the expected pipeline in terms of potential availments and particularly for the coming quarter we will have other maturity in US dollar bonds that we can refinance," she said.

BPI has an outstanding \$2 billion medium note program.

BPI has raised \$600 million via the issuance of five-year senior unsecured fixed rate Regulation S notes with a coupon of 4.25 percent to lengthen the maturity of the bank's borrowings.

On the equity side, the bank has no immediate plans to raise more funds after its P50-billion stock rights offering in May last year.

BPI's net income jumped by 24.6 percent to P13.74 billion in the first half from P11.03 billion in the same period last year after a strong performance in the second quarter."

We confirm that the foregoing news article is accurate and there is no other relevant information not reported in the news article. Furthermore, the disclosures on the US\$600 million issuance and the 1H 2019 earnings results have been disclosed to the PSE in the required timely manner.

BANK OF THE PHILIPPINE ISLANDS

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The Bank remains opportunistic in tapping the debt capital markets and it is in the normal course of business to conduct exploratory discussions with relevant parties.

Rest assured, once there are specific details, the Bank will comply with the required disclosures to the PSE in due course.

Other Relevant Information:

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