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SEC confirms BPI's CARE Bonds as social bonds

MAKATI CITY, Philippines – The Securities and Exchange Commission (“SEC”) has confirmed that the planned issuance of the country’s first COVID Action Response Bonds (“CARE Bonds”) by Bank of the Philippine Islands (“BPI” or the “Bank”) qualifies as Social Bonds under the ASEAN Social Bonds Standards in the Philippines.

In recognition of the significant contribution of Micro, Small and Medium Enterprises (“MSMEs”) to the Philippine economy, and as a direct response to their needs as one of the sectors hardest hit by the global pandemic, proceeds from the issuance will be used to finance or refinance eligible MSMEs under the Bank’s recently established Sustainable Funding Framework¹.

The planned offering supplements BPI’s efforts to support the recovery of MSMEs. Some of these initiatives include the loan payment deferral program that allowed businesses to delay payments without interest charges, waiver of fees for online funds transfer transactions, and discussions with state-owned Philippine Guarantee Corporation to refine its loan products for qualified clients. In addition, BPI’s parent company, Ayala Corporation, launched the Ayala Enterprise Circle network, where MSMEs can have access to exclusive Ayala Group solutions and offerings, expert mentorship, online dialogues and master classes, and business-matching and co-marketing opportunities.

The BPI CARE Bonds highlight the Bank’s commitment to achieve positive social outcomes by creating value not only for its business, but also for its stakeholders including clients and the communities in which it operates.

“MSMEs account for a relatively small percentage of total bank borrowings but a very large percentage of total nationwide employment. Loans to MSMEs go a long way to keeping Filipinos working. To support MSMEs is to embrace the Bayanihan spirit,” said BPI President and CEO Cezar P. Consing.

The Bank will soon release further announcements on the planned BPI CARE Bonds.

¹ A more detailed discussion of BPI’s Sustainable Funding Framework can be found in this link:
<https://www.bpiexpressonline.com/p/1/2273/bpi-sustainable-funding-framework>

Sustainalytics provided a Second Party Opinion on the Framework which can be found in this link:
https://www.bpiexpressonline.com/media/uploads/5ee07272d52ba_SPO_-_BPI_Sustainable_Funding_Framework.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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