

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II product governance / Professional investors and ECPs only target market** — Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

**Section 309B(1)(c) Notification** — The Notes shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **Pricing Supplement Dated August 28, 2018**

### **Bank of the Philippine Islands**

#### **Issue of US\$600,000,000 4.25% Notes due 2023 under the US\$2,000,000,000 Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated June 21, 2018 and any documents therein incorporated by reference (including the unaudited condensed consolidated statement of condition as at June 30, 2018 of the Bank of the Philippine Islands and its subsidiaries (the **Group**), and the unaudited condensed consolidated statements of comprehensive income of the Group for the six-month periods ended June 30, 2018 and 2017) (collectively, the **Offering Circular**). This Pricing Supplement comprises the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

1. Issuer: Bank of the Philippine Islands  
(LEI: 549300UW4UH6XT2X8C50)
2. (a) Series Number: 01  
(b) Tranche Number: 01  
(c) Date on which the Notes will be consolidated and form a single Not Applicable

Series:

3. Specified Currency or Currencies: US\$
4. Aggregate Nominal Amount:
  - (a) Series: US\$600,000,000
  - (b) Tranche: US\$600,000,000
5. (a) Issue Price: 99.577% of the Aggregate Nominal Amount  
(b) Net Proceeds: approximately US\$596,842,000
6. (a) Specified Denominations: US\$200,000 and integral multiples of US\$1,000 in excess thereof  
(b) Calculation Amount: US\$1,000
7. (a) Issue Date: September 4, 2018  
(b) Interest Commencement Date: September 4, 2018
8. Maturity Date: September 4, 2023
9. Interest Basis: 4.25% Fixed Rate
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: None
13. Status of the Notes: Senior
14. (a) Date Board approval for issuance of Notes obtained: June 13, 2018  
(b) Date regulatory approval/consent for issuance of Notes obtained: None required
15. Listing: SGX-ST
16. Method of distribution: Syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

17. Fixed Rate Note Provisions: Applicable
  - (a) Rate of Interest: 4.25% per annum payable in arrear on each Interest Payment Date
  - (b) Interest Payment Dates: March 4 and September 4 in each year up to and including the Maturity Date
  - (c) Fixed Coupon Amount: US\$21.25 per Calculation Amount

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|--|----------------|
| (d) Broken Amount(s):  | Not Applicable |
| (e) Day Count Fraction:  | 30/360         |
| (f) Determination Date(s):   | Not Applicable |
| (g) Party responsible for calculating the amount of interest payable per Calculation Amount (if not the Principal Paying Agent): | Not Applicable |
| (h) Other terms relating to the method of calculating interest for Fixed Rate Notes:   | None           |
| 18. Floating Rate Note Provisions:   | Not Applicable |
| 19. Zero Coupon Note Provisions:   | Not Applicable |
| 20. Index Linked Interest Note Provisions:   | Not Applicable |
| 21. Dual Currency Interest Note Provisions:  | Not Applicable |

**PROVISIONS RELATING TO REDEMPTION**

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|--|--|
| 22. Notice periods for Condition 7.2:  | Minimum period: 30 days<br>Maximum period: 60 days |
| 23. Issuer Call:   | Not Applicable                                     |
| 24. Investor Put:  | Not Applicable                                     |
| 25. Final Redemption Amount of each Note:  | US\$1,000 per Calculation Amount                   |
| 26. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.6): | US\$1,000 per Calculation Amount                   |
| 27. Applicable Spread:   | Not Applicable                                     |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

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|--|---|
| 28. Form of Notes:   | Registered Global Note (US\$600,000,000 nominal amount) registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg |
| 29. Additional Financial Centre(s) or other special provisions relating to Payment Dates:  | Not Applicable  |
| 30. Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature): | No  |
| 31. Details relating to Partly Paid Notes:   | Not Applicable  |

amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:

32. Details relating to Instalment Notes:
- (a) Instalment Amount(s): Not Applicable
  - (b) Instalment Date(s): Not Applicable
33. Redenomination, renominatisation and reconventioning provisions: Not Applicable
34. Consolidation provisions: The provisions in Condition 17 (*Further Issues*) apply
35. Any applicable currency disruption/fallback provisions: Not Applicable
36. Other terms or special conditions: Not Applicable

#### **DISTRIBUTION**

37. (a) If syndicated, names of Managers:
- BPI Capital Corporation  
8th Floor, BPI Building  
6768 Ayala Avenue,  
Makati City 1226,  
Philippines  
Commitment: US\$150,000,000
  - Deutsche Bank AG, Hong Kong Branch  
Level 52, International Commerce Centre  
1 Austin Road  
West Kowloon,  
Hong Kong  
Commitment: US\$150,000,000
  - The Hongkong and Shanghai Banking Corporation Limited  
Level 17 HSBC Main Building  
1 Queen's Road  
Central  
Hong Kong  
Commitment: US\$150,000,000
  - J.P. Morgan Securities plc  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom  
Commitment: US\$150,000,000
- (b) Stabilising Manager(s) (if any): J.P. Morgan Securities plc
- (c) Date of Subscription Agreement: August 28, 2018

38. If non-syndicated, name of relevant Dealer: Not Applicable
39. U.S. Selling Restriction: Reg. S Category 1; TEFRA not applicable
40. Additional selling restrictions: Not Applicable
41. Additional U.S. federal income tax considerations: Not Applicable

**OPERATIONAL INFORMATION**

42. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
43. Delivery: Delivery against payment
44. Additional Paying Agent(s) (if any): Not Applicable
45. ISIN XS1841618421
46. Common Code 184161842

**GENERAL**

47. Rating(s): *Rating Agency: Moody's*  
The Notes are expected to be rated Baa2
48. The aggregate principal amount of Notes issued has been translated into U.S. dollars, producing a sum of: Not Applicable

## **STABILISATION**

In connection with this issue, J.P. Morgan Securities plc (the **Stabilising Manager(s)**) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

## **LISTING**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the US\$2,000,000,000 Medium Term Note Programme of Bank of the Philippine Islands.

## **INVESTMENT CONSIDERATIONS**

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.


Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.


The Issuer represents and warrants that except as disclosed in this Pricing Supplement, there has been no significant change in the financial or trading position of the Issuer since June 30, 2018 and no material adverse change in the financial position or prospects of the Issuer since June 30, 2018.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the **Bank of the Philippine Islands:**

By:   
Antonio V. Paner  
Executive Vice President

  
Dino R. Gasmen  
Senior Vice President