

PRESS RELEASE | November 20, 2018

BPI prices inaugural peso fixed rate bond issue

On November 13, 2018, Bank of the Philippine Islands (BPI) priced its offering of ₱25 billion, 1.25 year fixed rate bonds due March 2020.

The fixed rate bonds will pay a coupon of 6.7970% per annum, payable quarterly. The coupon represents a spread of 20 bps over the interpolated 1.25 year BVAL government benchmark rate, and is at the tight end of the spread range of 20 to 40 bps communicated to institutional investors during the institutional bookbuilding period.

The offering supports the Bank's growth objectives and expansion plans while diversifying its funding sources. At the same time, the fixed rate bonds address clients' need for new investments with shorter tenors compared to long-term negotiable certificates of deposits.

The offering is BPI's first following the recent approval by the Bangko Sentral ng Pilipinas of revisions to rules and regulations relating to the issuances by banks of bonds and commercial papers.

Due to the strong response from both retail and institutional investors, BPI has decided to close the offer period one day ahead of schedule on November 19, 2018. This decision was based not only on the consolidated orderbook having reached over ₱38 billion but also on having achieved this at the tightest end of the pricing range. These have allowed BPI to implement a five-fold increase in the issue size of the Fixed Rate Bonds from the initial guidance of ₱5 billion.

"We are very pleased by the strong response to our peso bond offering. This follows the success of our debut US dollar bond offering earlier this year. We are grateful that investors recognize our strong credit metrics and we are happy to meet their needs for innovative fixed income products," said Cezar Consing, President and Chief Executive Officer.

The bonds will be issued and listed on PDEX on December 6, 2018.

ABOUT BPI

The 167-year-old Bank of the Philippine Islands is the first bank in the Philippines and Southeast Asia. We are a universal bank with an expanded banking license. We provide diverse financial services that include deposits, cash management, asset management, securities brokerage, foreign exchange and capital markets investments, bancassurance, corporate lending, leasing, and investment banking. BPI has significant financial strength, with strong Tier 1 capital adequacy ratios and profitability, underpinned by a strong risk management regime. BPI is rated investment-grade by international credit ratings agencies.

E-mail: *Media:* corporateaffairs@bpi.com.ph *Investors:* Investorrelations@bpi.com.ph

Bank of the Philippine Islands | 6768 Ayala Avenue, Makati City 1226 PH | (02) 816 9398 | bpiexpressonline.com