



October 24, 2019

Securities and Exchange Commission

SEC Building, Mandaluyong City

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Department

The Philippine Stock Exchange, Inc.

6/F Philippine Stock Exchange Tower
5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

29/F BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Attention: **Ms. Vina Vanessa S. Salonga**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

Please be informed that Ayala Corporation (the "Guarantor" or "AC"), one of the largest conglomerates in the Philippines, announced today that it had successfully set the terms of a US dollar-denominated fixed-for-life (non-deferrable) senior perpetual issuance at an aggregate principal amount of US\$400 million with a fixed coupon of 4.850% for life with no step-up and no reset, payable semi-annually. The bonds will be issued by AYC Finance Limited (the "Issuer" or "AYC"), a subsidiary whose shares are 100% held, either directly or indirectly, by AC, and will be unconditionally and irrevocably guaranteed by AC.

The bonds were priced at par with a re-offer yield of 4.850%, reflecting a 27.5 basis points compression from the initial price guidance. The final order book was over four times over-subscribed with the order book allocated predominantly to Asia, with the rest to Europe, reflecting the strong investors' confidence in the Ayala name. By investor type, more than half of the offering was allocated to fund managers, insurance companies and pension funds, around one-quarter to banks and financial institutions and the remainder to private banks. The transaction is expected to settle on October 30, 2019.

Very truly yours,


JOSE TEODORO K. LIMCAOCO
Chief Finance Officer



Ayala Corporation Successfully Launches

US\$400 million senior unsecured and guaranteed fixed for life perpetual notes ("Notes")

October 23, 2019 – Ayala Corporation (PSE: AC) (the "Guarantor" or "AC"), one of the largest conglomerates in the Philippines, announced today that it had successfully set the terms of a US dollar-denominated fixed-for-life (non-deferrable) senior perpetual issuance at an aggregate principal amount of US\$400 million with a fixed coupon of 4.850% for life with no step-up and no reset, payable semi-annually. The bonds will be issued by AYC Finance Limited (the "Issuer" or "AYC"), a subsidiary whose shares are 100% held, either directly or indirectly, by AC, and will be unconditionally and irrevocably guaranteed by AC.

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The issuance of the Notes represents:

- The first fixed-for-life perpetual issuance in the Philippines since April 2018 and marks Ayala Corporation's return to the international bond market after its debut perpetual fixed-for-life issue in 2017
- The second issuer in Asia Pacific able to price a fixed-for life perpetual in 2019 YTD and the lowest yielding fixed-for-life perpetual ever out of South East Asia

"The successful fixed for life issuance will further support our thrust for sustainable growth and enable Ayala Corporation to diversify our liquidity sources and strengthen our balance sheet. We are very pleased with the strong investor receptivity and continued support" said Ayala Corporation Chairman and CEO Jaime Augusto Zobel de Ayala. "We are grateful for the unwavering support from the investors despite volatile market conditions. This issuance will provide us with additional flexibility to lengthen our maturity profile and support our strategic initiatives." said Ayala Corporation CFO Jose Teodoro K. Limcaoco.

Upon issuance, the net proceeds from the bonds will be used to refinance the Issuer's maturing USD-denominated obligations and to fund investments of the Guarantor or its offshore subsidiaries.

The Hongkong and Shanghai Banking Corporation Limited ("HSBC") is the Sole Global Coordinator for the transaction while BPI Capital Corporation, Credit Suisse (Hong Kong) Limited, HSBC (B&D), JP Morgan Securities plc and UBS AG Singapore Branch are the Joint Lead Manager and Joint Bookrunner for the transaction with the participation of China Bank Capital Corporation and BDO Capital & Investment Corporation as Domestic Lead Managers.

About Ayala Corporation

Ayala Corporation is one of the largest conglomerates in the Philippines. The Company is organized as a holding company of the Ayala Group with businesses in real estate, financial services, telecommunications, water, power, industrial technologies, infrastructure, healthcare, education and technology ventures. Significant investee companies include Ayala Land, Inc., Bank of the Philippine Islands, Globe Telecom, Inc., Manila Water Company, Inc., Integrated Micro-Electronics, Inc. and AC Energy, Inc.

Investor Relations Contact

Celeste M. Jovenir, jovenir.cm@ayala.com.ph

Summary Terms and Conditions for the bonds

Issuer	AYC Finance Limited, incorporated in the Cayman Islands and a subsidiary of the Guarantor
Guarantor	Ayala Corporation, incorporated and listed in the Philippines
Guarantee	Unconditional and irrevocable senior guarantee by Ayala Corporation for sums due and payable
Issue	US\$400 million Guaranteed Undated Notes
Coupon	4.85% p.a. fixed coupon for life (no reset or step up) payable semi-annually in arrear Notes contain no ability for the Issuer/Guarantor to defer coupons. The instrument is 'must-pay' with respect to distributions
Pricing Date	23 October 2019
Payment Date	30 October 2019
Issue price	100.00 percent of the aggregate nominal amount of Notes issued
Re-offer yield	4.850%
Coupon	4.850%
Maturity	Perpetual-non-call-5-year
Issuer redemption option	Redemption option on 30 October 2024, and every scheduled coupon payment thereafter at par
Change of control redemption	Investor put at 101% until the First Call Date and at 100% thereafter, plus accrued and unpaid interest
Events of default and other terms	Benefits of negative pledge, events of defaults (including cross default by the Guarantor) and covenants customary for issuances of a similar nature
Other Redemption Events	Gross Up Event / Minimal Outstanding Amounts – Issuer Redemption at Par
Form and denomination	Regulation S only registered US\$200,000 and integral multiples of US\$1,000 in excess thereof
Listing	SGX-ST



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