

Security Bank's first LTNCTD tranche for 2019 gets listed on PDEX



In the photo are (from left) Deutsche Bank Country Manager Michael Chua, Security Bank Corporation (SECB) Head of Treasury Sales Jim Yap, SECB Senior Vice President and Deputy Treasurer Andre Ibarra, PDS Group President Ma. Theresa Ravalo and Philippine Dealing & Exchange Corp. (PDEX) President and Chief Operating Officer (COO) Antonino Nakpil.

23 September 2019, Makati Philippines - Security Bank Corporation (SECB) issued and listed PHP 6.06 Billion worth of Long-Term Negotiable Certificates of Time Deposit Due 2025, the initial tranche of the approved PHP 20 Billion LTNCTD issuance, with a 5.5 year tenor and a 4% coupon rate to be paid quarterly. The issuance was driven by solid demand, resulting in total subscriptions of PHP 6.06 Billion, exceeding the original offer of PHP 5 Billion; and PDEX President & COO Antonino Nakpil said this is "all the better for the bank to facilitate the extension of the terms of its liabilities, and the funding of its asset build-up."

"It is serendipitous that we have a listing of an LTNCD, an instrument targeted toward retail investors, one week after the launch of the Name on Central Depository facility, likewise aimed to streamline pre and post-trade processes of active retail investors. And I bring this up to acknowledge Security Bank's own Broker Unit that has been an active proponent for the NOCD facility to get launched and whom we expect to become an avid user of the facility," he added.

PDEX's 23rd listing and 3rd LTNCTD issuance for 2019 pushes the amount of new listings to PHP 251 Billion for this year, marking a 107% increase from the same period last year. This results in a total outstanding bank issues to PHP 436.41 Billion, and a total outstanding face amount of listed bonds to PHP 1.21 Trillion.

Given today's situation of uncertainty and volatility, SECB Senior Vice President and Deputy Treasurer Andre Ibarra remarked that "it is just prudent for our Bank to employ a strategy to lengthen our funding profile moving forward. We envision that we will have similar transactions in the future, and we are expecting the same support from all our partners." #