

**BPI'S PIONEER COVID ACTION RESPONSE "CARE" BONDS  
RAISES PHP 21.5 BILLION ON PDEX**



*In the photo are, from left, top to bottom: SEC Commissioner Ephyro Luis B. Amatong, BSP Assistant Governor Restituto C. Cruz, PDS Group President Ma. Theresa B. Ravallo, BPI Capital Corporation President Rhoda A. Huang, BPI President and CEO Cezar P. Consing, PDEX President and COO Antonino A. Nakpil, and HSBC President and CEO Graham FitzGerald.*

**7 August 2020, Makati, Philippines** — Bank of the Philippine Islands (BPI) returns to the PDEX organized market for the third time this year for its PHP 21.5 Billion Fixed Rate COVID Action Response or “CARE” Bonds Due 2022, the first bond issuance dedicated to support the country’s COVID-19 response efforts. Crafted under BPI’s Sustainable Funding Framework, this maiden issuance is also the country’s first Social Bond aligned with the SEC and ASEAN Social Bond Standards.

The bonds were more than seven (7) times oversubscribed from its initial offer of PHP 3 Billion. The 1.75-year bonds have quarterly coupons priced at 3.05% per annum, and its proceeds will be used to provide capital support to eligible micro, small, and medium enterprises (MSMEs).

In his Welcome Remarks, PDEX President and Chief Operating Officer Antonino A. Nakpil said, “We are pleased to welcome the Bank of the Philippine Islands back to list this PHP 21.5 Billion CARE Bond, and marking several milestones as the first Philippine Social Bond compliant with the SEC and ASEAN Social Bond Standards, the first-ever ASEAN Social Bond issued by a Philippine Issuer, the second Social Bond issued by an ASEAN Issuer, but the first Local Currency Social Bond from an ASEAN Issuer. Kudos to BPI, the Issuer.”

“Equally remarkable are the circumstances under which this funding exercise is being achieved, a seven-week stretch wherein private corporate issuers, with today’s listing, raised PHP 136.95 Billion in the fixed income market. All the while, the National Government is simultaneously raising funds well north of PHP 300 Billion through its successful Retail Treasury Bond, all told investors are piling in close to PHP 500 Billion into bonds. Kudos to domestic investors,” added Mr. Nakpil.

Commissioner Ephyro Luis B. Amatong of the Securities and Exchange Commission was also present in the event, and congratulated BPI for the success of the country’s first ASEAN Social Bonds.

“Thanks to BPI’s vision and initiative in being the first mover in the peso market, we now have ‘proof of concept’ for ASEAN Social Bonds in the Philippines. This transformative transaction puts the Philippines in an enviable position of having a universal bank issue local currency social funding on a commercial basis and without need for support from any development financial institutions,” said Commissioner Amatong.

For his part, BPI President and CEO Cezar P. Consing elaborated on the importance of supporting MSMEs and how it aligns with BPI’s vision of pursuing sustainable and impactful business practices.

“The MSME sector accounts for probably only a little over 10 percent of all loans in our financial system, and yet it accounts for 60% of all employment.,” said Mr. Consing.

“We issued CARE bonds to address the financing needs of MSMEs as they work to overcome the challenges brought about by Covid-19. The amount raised adds to our capability to provide financing to this very important segment of the economy,” added Mr. Consing.

This 23<sup>rd</sup> listing for 2020 brings the year-to-date total of new listings to PHP 291.95 Billion, pushing the total level of tradable corporate debt instruments to PHP 1.51 Trillion issued by 56 companies, comprised of 203 securities.

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