

**UNION BANK OF THE PHILIPPINES LISTS THE FIRST PHILIPPINE BANK-ISSUED
DIGITAL BOND ON PDEx**



In the photo from left are: Standard Chartered Bank CEO Lynette Ortiz, HSBC SVP & Wholesale Banking Head Mimi Concha, Philippine Depository & Trust Corp. President and CEO Ma. Theresa B. Ravalo, Union Bank of the Philippines (UBP) President & CEO Edwin Bautista, UBP SEVP & Treasurer Jose Emmanuel Hilado, Philippine Dealing & Exchange Corp. President and CEO Antonino A. Nakpil, PDS Group President & CEO Ramon S. Monzon.

02 June 2022, Makati, Philippines – Union Bank of the Philippines (UBP) has listed PHP 11 Billion for its inaugural digital peso bond issuance – the country's first of its kind on the Philippine Dealing and Exchange Corp. (PDEX). Equally, the event also celebrated the launch of the Proof of Concept (POC) PDTC Digital Registry and PDTC Digital Depository with the UBP Digital Bond as the pioneer client.

This issuance was made possible through the close coordination and joint effort of PDTC and #STACS (hash+STACS), a Singapore-based fintech firm as its technology partner.

The bond was priced at 3.25% per annum for a tenor year of 1.5 years, following an oversubscription from a minimum size of PHP 1 Billion and was issued from UBP's existing PHP 39 Billion bonds program.

PDEX President and Chief Executive Officer Antonino A. Nakpil opened the listing ceremony and expressed his gratitude to be part of this milestone. He said: "It is no surprise that Union Bank of the Philippines is the pilot issuer of this 1.5-Year digital bond, and for this POC live test originally targeting PHP 1 Billion among 200 bondholders, Team UBP and its underwriters went "all in" to issue and list PHP 11 Billion worth of bonds to 893 bondholders. Now we trust that such commitment removes any doubt that Union Bank is indeed the proverbial "tip of the digital spear"."

"As one of the first, if not the first CSD in Asia to launch a live DL-backed Digital Registry and Digital Depository, it is our hope that this digital platform is a seed that blooms into a thousand other apps delivering innovative self-service technologies to empower each capital market stakeholder, securely, inclusively, sustainably, a worthy aspiration for a digital market infrastructure.", further added Mr. Nakpil.

SEC Commissioner Hon. Emilio B. Aquino also delivered a special message. In his message, he remarked: "As strong adherence of fintech, we at SEC find digitalization as a key for the development and efficiency of our financial markets moving forward. I hope for the success of this new digitized system of the PDTC and advocate for the utilization of appropriate technology to improve our systems that will ensure protection of the investors and the integrity of our capital market."

The listing ceremony was also delighted with the presence of SEC Commissioner Kelvin Lester K. Lee. He stated: "Today marks a historic event in our Philippine capital markets. We shall witness the first ever live bond issuance using the PDTC Digital Registry Proof of Concept. Through this POC which shall also cover secondary market transactions, we will get to evaluate the viability of the technology to support issuance and the servicing of a Philippine Digital Bond. Further, we hope to learn from this experience and determine efficiencies to enable a harmonious technological framework for these bonds."

UBP SEVP & Treasurer Mr. Jose Emmanuel U. Hilado also showed his appreciation to investors who made this successful issuance possible. “This pioneering issuance serves as another building block in Union Bank’s journey to embrace digitization and positive disruption in the industry.”

“I am confident that this will be recognized globally as a game changing digital initiative in the field of finance.” added Mr. Hilado.

This 13th admission for 2022 brings the year-to-date total of new listings and enrollments to PHP 242.46 Billion, pushing the total level of tradable corporate debt instruments to PHP 1.34 Trillion issued by 53 companies, comprised of 190 securities.

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