Securities and Exchange Commission PHILIPPINES

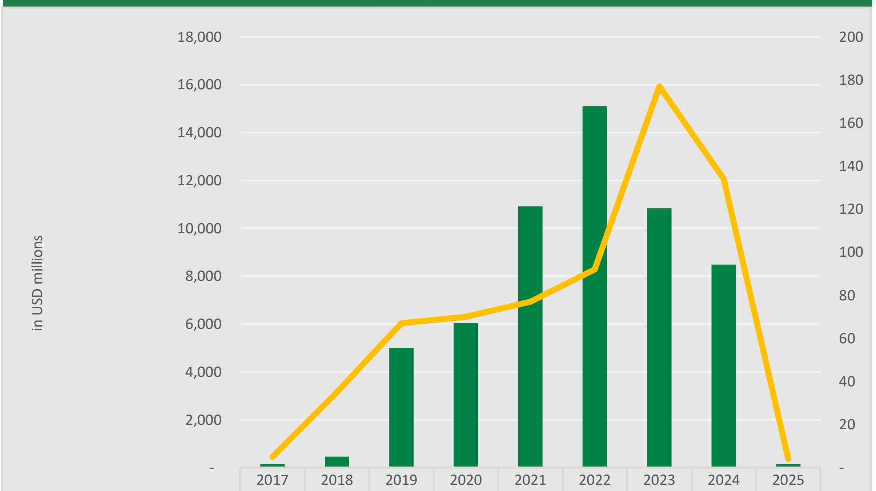
ACMF

SUSTAINABLE FINANCE MARKET UPDATE

Markets and Securities Regulation Department | February 2025 | Issue No. 54

IN FEBRUARY, MALAYSIA REPORTED AN ISSUANCE OF ASEAN-LABELED SUSTAINABILITY BONDS AMOUNTING TO USD56.05 MILLION. MEANWHILE, THE PHILIPPINES REMAINED AS THE THIRD LEADING ISSUER OF ASEAN-LABELED GSS+ BONDS WITH A TOTAL ISSUANCE OF USD15.32 BILLION, CONTINUING TO TRAIL BEHIND MALAYSIA AND THAILAND WITH USD15.60 BILLION AND USD19.54 BILLION WORTH OF ISSUANCES, RESPECTIVELY.

TOTAL ASEAN-LABELED GREEN, SOCIAL, SUSTAINABILITY AND SUSTAINABILITY-LINKED (GSS+) BONDS



	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Amount Issued	155	466	5,000	6,036	10,920	15,095	10,835	8,488	157
No. of Issuance	5	35	67	70	77	92	177	134	4

Source: ACMF

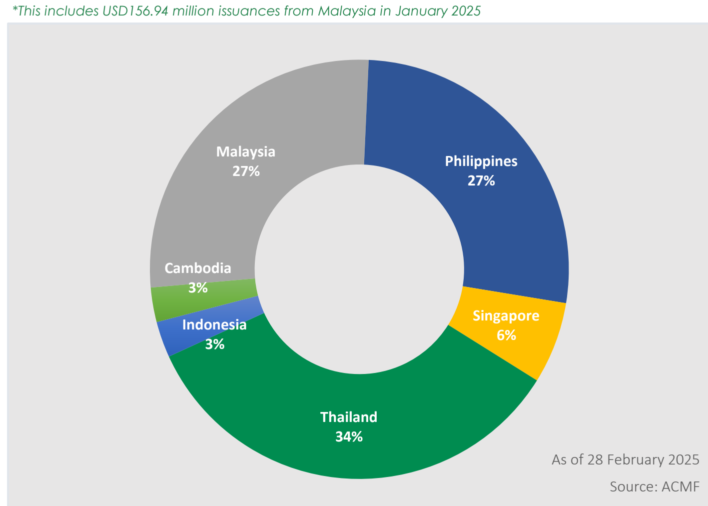
As of 28 February 2025, the total amount of ASEAN-labelled Green, Social, Sustainability and Sustainability-Linked Bonds issued was USD56.99 billion, with Philippine issuers accounting for US$15.32 billion dollars or 27% of the total amount issued.

TOTAL ASEAN–LABELLED GSS+ BOND ISSUANCES BY COUNTRY

(in USD Millions; figures may vary due to exchange rates)

Country	As of 28 Feb 25	As of 31 Jan 25	% Change	RANK
Philippines	15,316.12	15,316.12	0.00%	3rd
Thailand	19,536.06	19,536.06	0.00%	1st
Malaysia	15,603.52*	15,446.58	1.02%	2nd
Singapore	3,595.42	3,595.42	0.00%	4th
Indonesia	1,582.84	1,582.84	0.00%	5th
Cambodia	1,517.78	1,517.78	0.00%	6th

*This includes USD156.94 million issuances from Malaysia in January 2025



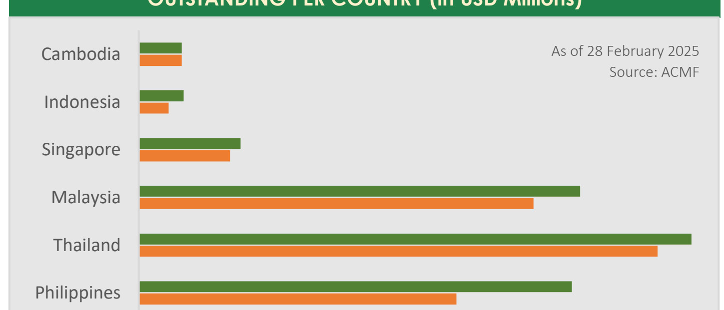
A total of USD56.05 million worth of ASEAN-labelled GSS+ bonds was issued in February. Malaysia's sustainability bond issuer Malakoff Power Berhad aimed to use the proceed of its USD56.05 million issuance to finance and/or refinance projects on renewable energy, pollution prevention and control, and employment generation. Further, Malaysia belatedly reported issuances of ASEAN-labeled bonds in January. Issuer LBS Bina Group Berhad intended to use the funds raised from its USD89.68 million worth of social bonds for affordable housing while issuer Global Vision Logistics Sdn Bhd aimed to use the proceeds of its USD11.21 million worth of green bonds for the construction and development of a large-scale warehousing facility which comprises of a multi-story building, logistics infrastructure, office space, worker accommodations, and parking facilities.

SEC PARTICIPATES IN IGLR FORUM ON GREEN FINANCING REFORMS

On 5 February 2025, the Philippine SEC participated in a forum titled "Green Financing Reforms: Empowering Private Sector Participation for Sustainable Growth," which was organized by the University of the Philippines Institute of Government and Law Reform (UP-IGLR). Held as a side event to the 2025 Open Government Partnership Asia and the Pacific Regional Meeting, the forum brought together nearly 200 participants including policymakers, financial sector leaders, sustainability advocates, and international organizations to discuss green financing opportunities in the Philippines. SEC Commissioner McJill Bryant Fernandez joined other key financial regulators and industry leaders in exploring mechanisms to enhance private sector engagement in green financing. The discussions emphasized policy reforms, regulatory support, and innovative financial tools that can drive sustainable growth. The event also introduced the Greenhouse Gas (GHG) Calculator, a tool to help businesses and financial institutions assess the carbon footprint of their investments.

Source: UP College of Law website

TOTAL AMOUNT OF GSS+ BONDS ISSUED AND TOTAL AMOUNT OUTSTANDING PER COUNTRY (in USD Millions)



	Philippines	Thailand	Malaysia	Singapore	Indonesia	Cambodia
Cumulative	15,316.12	19,536.06	15,603.52	3,595.42	1,582.84	1,517.78
Outstanding	11,233.82	18,346.42	13,951.23	3,228.28	1,052.70	1,517.78

ACMF 42ND CHAIRS' MEETING ADVANCES REGIONAL CAPITAL MARKET INITIATIVES

The ASEAN Capital Markets Forum (ACMF) successfully held its 42nd Chairs' Meeting on February 14, 2025, in Penang, Malaysia, hosted by the Securities Commission Malaysia. The meeting endorsed Strategic Thrusts and Key Principles for the upcoming ACMF Action Plan 2026-2030 (AP2026), set for release in October 2025. The new roadmap will build on the successes of the ACMF Action Plan 2021-2025, with input from member states and stakeholders to keep pace with evolving market trends.

The meeting welcomed new technical collaborations, including a Carbon Market Ecosystem Roadmap and a Mitigation, Adaptation, Resilience, and Sustainable Finance (MARS) Framework to enhance climate finance measures. Progress updates were also noted on the ASEAN Collective Investment Schemes Framework, ASEAN Corporate Governance Scorecard, and sustainability-related disclosures, with ongoing engagement with the International Sustainability Standards Board. Additionally, the ACMF acknowledged the latest advancements in ASEAN Taxonomy for Sustainable Finance (Version 3) and the Asia Green Transformation Consortium (Asia GX Consortium). ACMF also expressed appreciation for Asian Development Bank (ADB), Sustainable Finance Institute Asia (SFIA), and the Economic Research Institute for ASEAN and East Asia (ERIA) for their continued technical support in fostering sustainable and interconnected capital markets.

Source: ACMF website

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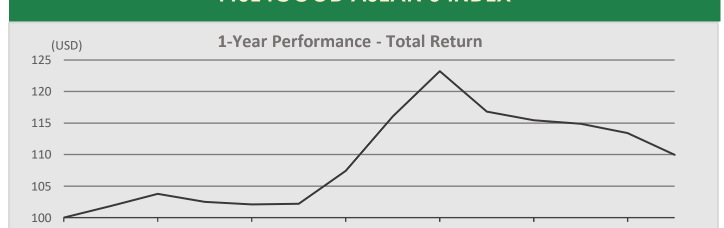

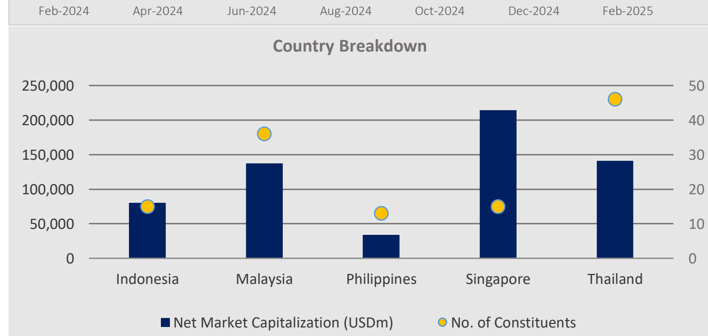

As of 28 February 2025
Source: FTSE Website

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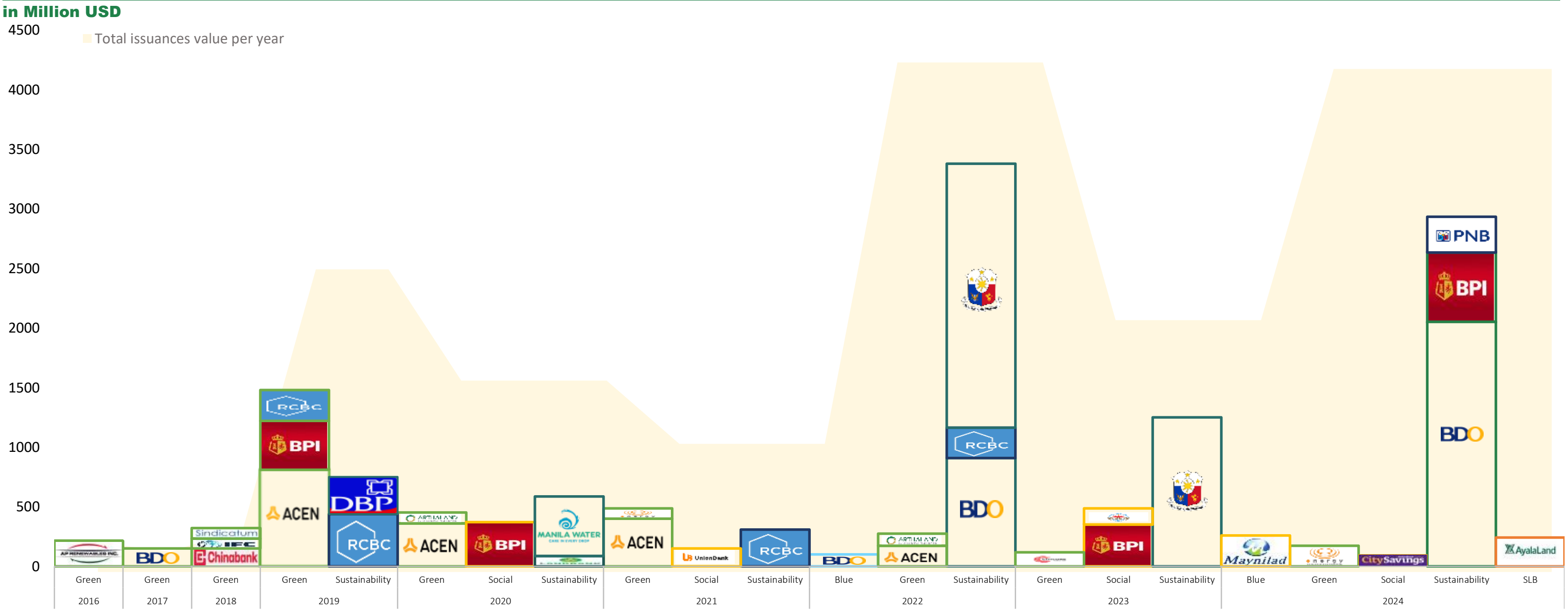
PHILIPPINE GSS+ BOND ISSUANCES*



*Includes Green Bonds that are issued prior to the release of the SEC GSS Bond Guidelines, as well as Sustainability and Blue Bonds that are not ASEAN-labelled.

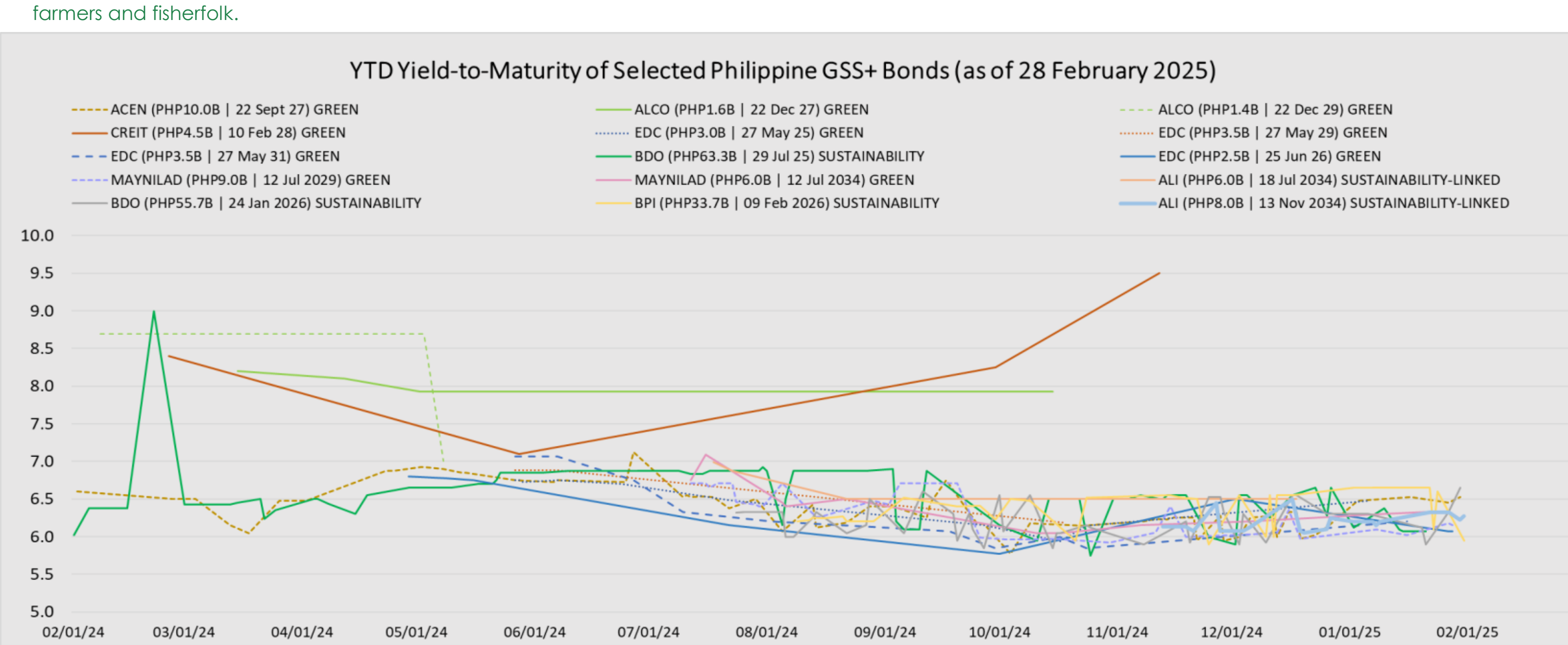
PHILIPPINE SUSTAINABILITY NEWS UPDATE

- ACEN secures A-rating for climate action from CDP.[1] ACEN Corp., the Ayala group's listed energy platform, has secured an A– rating and Leadership status from Carbon Disclosure Project (CDP) for its climate action efforts, improving from its previous B rating. CDP is a global non-profit that evaluates corporate environmental transparency and performance in climate change, deforestation, and water security. To attain the Leadership status, companies must demonstrate best practices in climate action, governance, transparency, risk management, and target setting. ACEN has participated in CDP's climate disclosure since 2022, contributing to the global environmental dataset alongside over 24,800 organizations. In 2022, ACEN completed the world's first market-based Energy Transition Mechanism (ETM) by divesting a 246 MW coal plant in Batangas and committing to its early retirement by 2040, potentially reducing up to 50 million tons of carbon emissions. The company is now piloting Transition Credits to advance the retirement to 2030, further cutting emissions by 19 million tons.

- Allianz earns 2024 Dow Jones Sustainability Index spot.[2] Allianz secured a spot in the 2024 Dow Jones Sustainability Index (DJSI), reaffirming its commitment to sustainability and resilience. The company achieved a score of 89 out of 100 in the 2024 S&P Global Corporate Sustainability Assessment, ranking among the top sustainable insurers globally. Chief Sustainability Officer Emilia Macarie stated that the recognition validates Allianz's efforts and encourages further improvements in sustainability strategies. In the Philippines, Allianz PNB Life has focused on community investment, partnering with Scholars of Sustenance Food Rescue PH to address hunger and food waste. This initiative rescued 732,280 kilogram of food, prevented 441,111 kg of CO2 emissions, and provided meals to 115 communities. Additionally, its collaboration with the Moran Foundation has promoted financial literacy, benefiting 480 students and 120 teachers through Futsal programs. Looking ahead to 2025, Allianz PNB Life aims to expand its community engagement efforts, emphasizing financial literacy, environmental protection, and overall well-being.

- Maynilad's Blue Bond Offering wins prestigious international awards.[3] Maynilad Water Services, Inc. has received international recognition for its PHP 15-billion Blue Bond issuance, winning "Best Blue Bond in Southeast Asia" and "Most Innovative Deal of the Year 2024" at the Alpha Southeast Asia Awards in Kuala Lumpur, Malaysia. The bond, the first SEC-registered blue bond in the Philippines, was listed on the Philippine Dealing & Exchange Corp. in July 2024 to support sustainable water and wastewater management projects. Maynilad's Blue Bond outperformed similar issuances in Thailand and Vietnam, securing 2.47 times oversubscription despite a competitive fundraising environment. This success demonstrated strong investor confidence and enabled the company to achieve favorable pricing. Maynilad Chief Finance Officer Ricardo F. De Los Reyes stated that the bond issuance supports critical projects such as pipe-laying, pump stations, modular treatment plants, and sewerage system upgrades, aligning with water security, climate resilience, and the UN Sustainable Development Goals. The Alpha Southeast Asia Awards, a prestigious program recognizing financial sector excellence in the region, honored Maynilad's achievement.

- PH commits to advance agriculture sustainability.[4] The Philippines reaffirmed its commitment to sustainable and inclusive agriculture at the 17th Global Forum for Food and Agriculture (GFFA) in Berlin. Representing Agriculture Secretary Francisco P. Tiu Laurel Jr., Undersecretary Christopher V. Morales outlined the country's strategies for integrating bioeconomy principles into national policies. Key frameworks driving this initiative include the Philippine Action Plan for Sustainable Consumption and Production and the National Innovation Agenda, both aimed at promoting resource efficiency and technological innovation in agriculture. Morales emphasized that while increasing agricultural productivity is a priority, minimizing environmental impact and fostering a circular economy remain equally important. Highlighting the threats of climate change and resource scarcity, Morales called for global collaboration in developing inclusive and equitable bioeconomy strategies. He underscored the role of technology-driven solutions in modernizing agriculture, enhancing efficiency, and improving the livelihoods of farmers and fisherfolk.



[1]Business World Online. (2025, February 10). *ACEN secures a- rating for climate action from CDP*. BusinessWorld Online. https://www.bworldonline.com/corporate/2025/02/11/652382/acen-secures-a-rating-for-climate-action-from-cdp/
[2]Manila Standard Business. (2025, February 8). *Allianz earns 2024 Dow Jones sustainability index spot.* https://manilastandard.net/business/314555427/allianz-earns-2024-dow-jones-sustainability-index- spot.html
[3]Manila Standard Business. (2025, February 3). *PH commits to advance agriculture sustainability.* https://manilastandard.net/spotlight/environmental-and-sustainability/314553840/ph-commits-to-advance-agriculture-sustainability.html
[4]Maynilad News. (2025, February 20). *Maynilad's Blue Bond Offering wins prestigious international awards.* https://www.mayniladwater.com.ph/maynilads-blue-bond-offering-wins-prestigious-international-awards/

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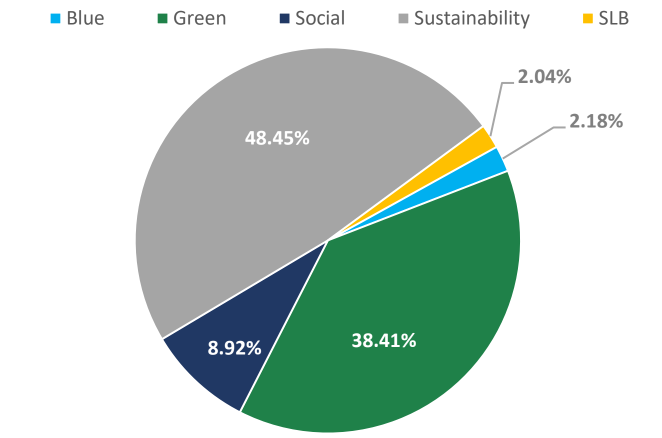
ASEAN-Labeled Bonds Issuances by Philippine Issuers

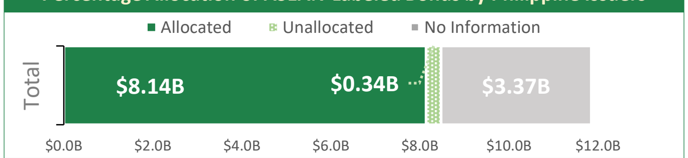


Blue	Green	Social
USD258.69M	USD4.55B	USD1.06B

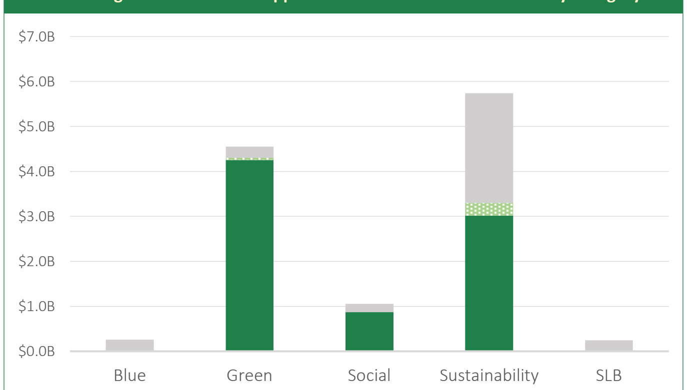
Sustainability	Sustainability-Linked
USD5.74B	USD241.44M

As of February 2025, the total ASEAN-labelled bonds issued by Philippine entities amounted to USD11.85 billion. Sustainability bonds, supporting a blend of green and social initiatives, comprised the largest portion at USD5.74 billion or 48.45% of the total amount issued. BDO Unibank, Inc. was the leading issuer of Sustainability Bonds, with total bonds amounting to USD2.96 billion or 51.57% of the total ASEAN-labeled Sustainability Bonds. Green bonds followed the lead category, with total issued amount of USD4.55 billion or approximately 38.41% of the country's total ASEAN-labelled GSS+ bond issuances. Leading the group is AC Energy Finance International Limited, which issued a substantial USD2.87 billion or 63.05% of the total ASEAN-labeled Green Bonds. Its affiliate, ACEN Finance Limited, added another USD572.46 million, further cementing the Ayala Group's role in green financing.

Percentage Allocation of ASEAN-Labeled Bonds by Philippine Issuers

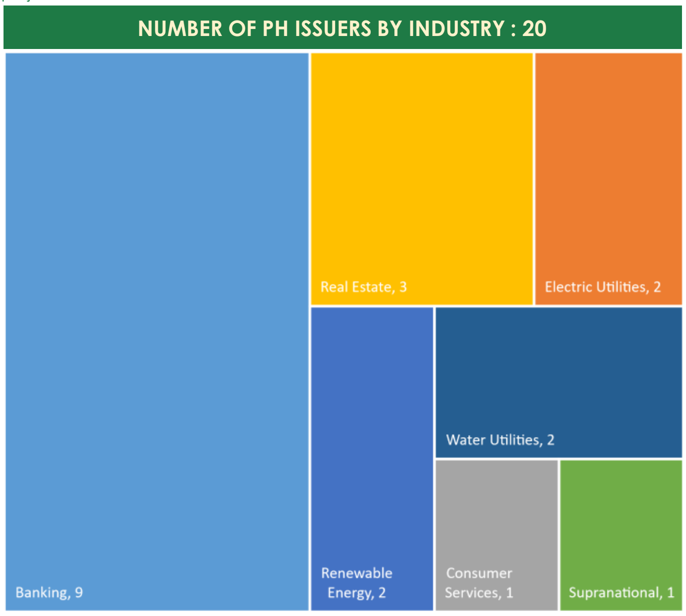


Percentage Allocation of Philippine-Issued ASEAN-labeled Bonds by Category



Out of the USD11.85 billion ASEAN-Labeled GSS+ Bonds issued by Philippine companies, approximately USD8.14 billion (68.68%) has been successfully disbursed to eligible projects while USD337.16 million (2.84%) is yet to be disbursed to projects. A substantial USD3.37 billion (28.48%) is classified as "No Information," since the Impact Report for these issuances are not yet available. Within these categories, Green bonds have the highest disbursement rate, with 93.47% of proceeds already directed to eligible Green projects.

NUMBER OF PH ISSUERS BY INDUSTRY : 20



Turning Proceeds into Progress: Actual Projects Funded through ASEAN-Labeled Bonds

GREEN BONDS HIGHLIGHTS

Issuer: AC Energy Finance International Limited and ACEN Finance Limited


133MW Cagayan North Solar
Lal-lo, Cagayan, Philippines


120MW Alaminos Solar Plant
Alaminos, Laguna, Philippines


81MW N. Luzon Renewables Wind
Pagudpud, Ilocos Norte, Philippines


80MW La Carlota & Manapla Solar Plant
Negros Occidental, Philippines


405MW Ninh Thuan Solar
Ninh Thuan, Vietnam


252MW Quang Binh Wind
Quang Binh, Vietnam

The proceeds from green bond issuances of AC Energy Finance International Limited and its affiliate, ACEN Finance Limited, included large-scale renewable energy projects across Southeast Asia, featuring solar and wind plants in the Philippines and Vietnam, and a major geothermal facility in Indonesia. In the Philippines, among the solar projects they backed are located in Cagayan (133 MW), Laguna (120 MW), Negros Occidental (80 MW), and the 81 MW Ilocos Norte wind farm. In Vietnam, some of the projects they financed are the 405 MW Ninh Thuan solar farm and and the 252 MW Quang Binh wind farm.

Source: ACEN Renewables Website

Issuer: Energy Development Corporation


28.9 MW Palayan Bayan Binary Project (Steamfield), Albay


3.6 MW Mindanao 3 Binary Project Kidapawan City, Cotabato

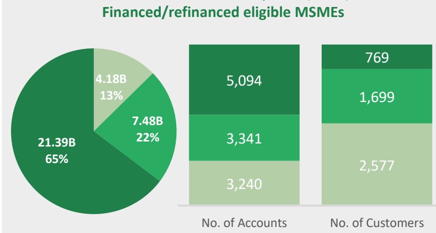
The proceeds from EDC's green bond issuances have been fully allocated to operational renewable energy initiatives, particularly in the geothermal sector. The funds supported the operation of the 28.9 MW Palayan Bayan Binary Project in ALbay and 3.6 MW Mindanao 3 Binary Project in Kidapawan, Cotabato City. Proceeds were also used for geothermal capital expenditures, including the acquisition of critical spare parts and investments to enhance natural catastrophe (NatCat) resiliency across EDC's facilities. These efforts contributed to 3.6 MW of additional installed renewable energy capacity and the avoidance of 5,769.8 metric tons of CO_2e emissions.

Source: EDC and First Balfour Websites

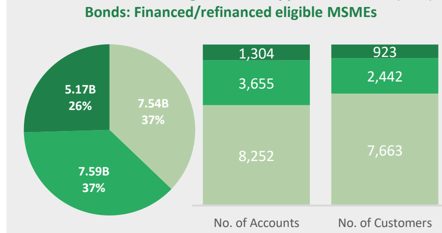
SOCIAL BONDS HIGHLIGHTS

Issuer: Bank of the Philippine Islands

PHP21.5B BPI COVID-Action Response (CARE) Bonds: Financed/refinanced eligible MSMEs



PHP20.3B BPI Reinforcing Inclusive Support for MSMEs (RISE) Bonds: Financed/refinanced eligible MSMEs



Microenterprises | Small Enterprises | Medium Enterprises

BPI has successfully issued social bonds to support micro, small, and medium enterprises (MSMEs) through COVID-19 Action Response (CARE) Bonds and Reinforcing Inclusive Support for MSMEs (RISE) Bonds. The PHP21.5 billion CARE Bonds, issued in August 2020 as the country's first peso-denominated COVID-response bonds, financed 5,045 eligible MSMEs across 11,675 loan accounts, with a total earmarked portfolio of PHP33.04 billion. This was followed by the PHP20.3 billion RISE Bonds, which expanded financial access to over 11,000 MSME customers through 13,211 accounts, with microenterprises receiving the largest share.

Source: BPI Integrated Reports

SUSTAINABILITY BONDS HIGHLIGHTS

Issuer: BDO Unibank, Inc.

PHP52.7B ASEAN SUSTAINABILITY BONDS

BDO's PHP52.7 billion ASEAN Sustainability Bonds reflect the bank's strong commitment to advancing both environmental sustainability and social development. Of the total proceeds, PHP33.4 billion was allocated to green projects, including significant investments in renewable energy (PHP24.7B), clean transportation (PHP7.8B), green buildings (PHP5.3B), and sustainable water and waste management. On the social side, PHP14.4 billion supported initiatives focused on employment generation (PHP8.8B) and food security (PHP5.6B).

Source: BDO ASEAN Impact Report