



CONSENT SOLICITATION FOR THE MERGER WITH BPI IN RELATION TO ITS PHILIPPINE PESO DENOMINATED 4.30% 2.5 YEAR FIXED RATE BONDS DUE 2022

In relation to its merger with parent company, Bank of Philippine Islands (“**BPI**”), BPI Family Savings Bank, Inc. (the “**Issuer**”), the Philippines’ largest thrift bank, will undertake consent solicitation among the holders of its 2.5-year 4.30% fixed rate bonds due 2022 (“**Bonds**”) of record date July 8, 2021.

On January 20, 2021, the boards of directors of the Issuer and BPI approved the Plan of Merger, where BPI will be the surviving corporation (“**Merger**”). The Merger was subsequently approved by stockholders of BPI representing at least two-thirds (2/3) of outstanding capital stock on April 22, 2021, and of the Issuer on April 21, 2021. The Merger will not alter the interest rate or maturity date of the Bonds. Once the Merger becomes effective, BPI will assume the Issuer’s obligations under the Bonds such as the payment of interest and the principal upon maturity date.

The Merger will unlock the value resulting from enhanced synergy and scale. It will allow the BPI group to harmonize the products and services offering, deliver holistic solutions and elevate the customer experience of both banks. With the accelerated shift towards digitalization, the Merger will enable rationalization of the BPI group’s branch network, streamlining of operations, increased manpower productivity and improved capital efficiency. More specifically, the BPI group expects to realize savings on operating expenses given the consolidation of branch locations and marketing support, reduction in tax leakages from intercompany services, and streamlining of compliance and reportorial requirements. The Merger will further strengthen BPI’s positioning with more focused support on a single brand and enhance cross selling capabilities through data analytics and mining of the integrated customer bases.

The Merger is currently pending approval by the *Bangko Sentral ng Pilipinas* and the Securities and Exchange Commission (the “**SEC**”). It will take effect on the later of: (a) SEC’s issuance of a Certificate of Merger, or (b) January 1, 2022.

As the Merger is expected to take effect before the maturity date of the Bonds, the Issuer hopes to secure the consent of Bondholders of record as of 5:00 p.m. (Philippine time) on July 8, 2021. With such consent, Bondholders agree that the surviving entity, BPI, shall step into the shoes of BPI Family Savings Bank, Inc. as Issuer, thereby, assuming the rights and obligations of the Issuer, including the payment of the Bonds to the Bondholders under the same terms and conditions set out in the bond agreements. For the terms and conditions of the consent solicitation, a kit containing the Consent Solicitation Statement, procedures, forms, and requirements will be distributed to Bondholders from July 13 to July 30, 2021.

As a consideration to the consent, the Issuer will pay each consenting Bondholder which has submitted a properly and validly executed and validated Consent Form within the consent solicitation period, a Consent Fee of PHP1.00 per PHP1,000.00 of the principal amount of the Bonds covered by such Consent Form. Consent Forms may be submitted to Land Bank of the Philippines – Trust Banking Group or to BPI Capital Corporation (through any of the branches of the Issuer or BPI) on or before 12:00 p.m. on August 24, 2021. The consent solicitation period will run from July 13 to August 24, 2021, subject to change at the sole discretion of the Issuer.

The Issuer appointed BPI Capital Corporation as the Consent Solicitation Advisor and Land Bank of the Philippines – Trust Banking Group as the Trustee for this consent solicitation exercise. Any questions on the terms and conditions of the consent solicitation may be directed to:

<i>The Trustee</i>	<i>The Advisor</i>
LAND BANK OF THE PHILIPPINES – TRUST BANKING GROUP	BPI CAPITAL CORPORATION
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