

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

ATTY. ANGELA PILAR B. MARAMAG

Contact Person

8246-5902

Company Telephone Number

1	2	3	1
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Month
Day
Fiscal Year

DEFINITIVE INFORMATION
STATEMENT

FORM TYPE

0	4	2	8	22
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Month
Day
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

STAMPS



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of the Bank of the Philippine Islands (BPI) will be conducted virtually via <http://www.ayalagroupshareholders.com/> on **Thursday, April 28, 2022 at 9:00 A.M.**, for the transaction of the following business:

1. Calling of Meeting to Order
2. Certification of Notice of Meeting, Determination of Quorum, and Rules of Conduct and Procedures
3. Approval of the Minutes of the Annual Meeting of the Stockholders on April 22, 2021
4. Approval of Annual Report and Audited Financial Statements
5. Ratification of the Acts of the Board of Directors and Officers
6. Election of the Board of Directors (including the Independent Directors)
7. Election of External Auditors and Fixing of their Remuneration
8. Amendment of the Bank's Articles of Incorporation and By-Laws
 - a. Amendment of Article Seventh of the Articles of Incorporation
 - b. Amendment of the Amended By-Laws
9. Consideration of Such Other Business as May Properly Come Before the Meeting
10. Adjournment

Stockholders of record as of March 11, 2022 will be entitled to notice and to vote at this meeting.

Given the current circumstances, stockholders may only attend the meeting by appointing the Chairman of the meeting as their proxy or by remote communication.

Duly accomplished proxies shall be submitted to the Office of the Corporate Secretary, Ayala North Exchange Tower 1, 6796 Ayala Avenue cor. Salcedo St., Legaspi Village, Makati City or by email to bpi-asm@bpi.com.ph not later than 5:00 P.M. of April 18, 2022. Validation of proxies is set for April 19, 2022 at 2:00 P.M.

Stockholders intending to participate by remote communication should notify the Bank by email to bpi-asm@bpi.com.ph on or before April 18, 2022. Stockholders may vote electronically *in absentia*, subject to validation procedures. The procedures for participation in the meeting through remote communication and for casting votes *in absentia* are set forth in the Bank's website and Information Statement.

For this purpose and in accordance with Article XII of the Bank's Amended By-Laws, the Stock and Transfer Book of BPI will be closed from March 29, 2022 to April 27, 2022.

Makati City, March 18, 2022

FOR THE BOARD OF DIRECTORS

(Sgd.) ANGELA PILAR B. MARAMAG
Corporate Secretary

EXPLANATION OF AGENDA ITEMS FOR ANNUAL STOCKHOLDERS' MEETING – APRIL 28, 2022

1. Calling of Meeting to Order

Mr. Jaime Augusto Zobel de Ayala, Chairman of the BPI Board of Directors, will call the meeting to order.

2. Certification of Notice of Meeting, Determination of Quorum and Rules of Conduct and Procedures

The Corporate Secretary will certify the date when written notice of the meeting was sent to all stockholders of record as of March 11, 2022, and the date of publication of the notice at a newspaper of general circulation.

The Corporate Secretary will further certify whether a quorum is present for the valid transaction of the Annual Stockholders' Meeting. Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by stockholders, the Bank has set up a designated online web address which may be accessed by the stockholders to register and vote *in absentia* on the matters for resolution at the meeting. The holders of record of a majority of the stock of the Bank then issued and outstanding and entitled to vote, represented by proxy or participating through remote communication or voting *in absentia*, shall constitute a quorum for the transaction of business.

The following are the rules of conduct and procedures for the meeting:

- (a) Stockholders may attend the meeting remotely through the online web address (URL) provided. Questions and comments may be sent via e-mail prior to or during the meeting to bpi-asm@bpi.com.ph, and shall be limited to the items in the Agenda of the meeting.
- (b) Stockholders must notify the Bank of their intention to participate in the meeting by remote communication to be included in the determination of quorum, together with stockholders who voted *in absentia* and by proxy.
- (c) Voting shall only be allowed for stockholders registered in the Bank's Voting *In Absentia* & Shareholder (VIASH) System or through the Chairman of the meeting as proxy. Detailed requirements and instructions pertaining to the VIASH System and the user thereof are provided in the Bank's website and Information Statement. Stockholders may also contact the BPI Stock Transfer Office for information and assistance.
- (d) For items on the agenda for approval, the affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the meeting will be required for approval. For item 8 of the agenda, the affirmative vote of at least 2/3 of the issued and outstanding capital stock is required. Each outstanding share of stock entitles the registered holder to one vote. The election of directors will be by plurality of votes and every stockholder shall be entitled to cumulate his votes. All votes received shall be tabulated by the Office of the Corporate Secretary and the results will be validated by the Bank's auditor.
- (e) The meeting proceedings will be recorded in audio and video format.

3. Approval of the Minutes of the Annual Meeting of the Stockholders on April 22, 2021

The minutes of the meeting held on April 22, 2021 are available at the Bank's website, www.bpi.com.ph. Copies of the minutes will also be distributed to the stockholders before the meeting.

4. Approval of Annual Report and Audited Financial Statements as of December 31, 2021

The audited financial statements (AFS) as of December 31, 2021 will be presented for approval of the stockholders. Prior thereto, the Chairman, Mr. Jaime Augusto Zobel de Ayala, and the President and Chief Executive Officer, Mr. Jose Teodoro K. Limcaoco, will deliver their report to the stockholders on the highlights of BPI's performance in 2021 and the outlook for 2022. After the presentation of the Chairman and the President/CEO, the stockholders will be given an opportunity to ask relevant questions and express appropriate comments.

A copy of the Annual Report will be available to stockholders during the meeting. Further, a copy of the Bank's AFS is posted at the Bank's website.

5. Ratification of the acts of the Board of Directors and Officers

The acts and resolutions of the Board of Directors and its committees were those taken or adopted since the annual stockholders' meeting on April 22, 2021 until April 28, 2022, contracts and transactions entered into by the Bank, credit/loan transactions including to related parties, projects and investments, treasury matters, manpower related decisions/approvals, corporate governance-related actions, and other matters covered by disclosures to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). The acts of Management were those taken to implement the resolutions of the Board or its committees or made in the general conduct of business.

6. Election of the Board of Directors (including the Independent Directors)

Any stockholder, including minority stockholders, may submit to the Nomination Committee nominations to the Board of Directors not later than March 11, 2022. The Nomination Committee will determine whether the nominees for the Board, including the nominees for independent directors, have all the qualifications and none of the disqualifications to serve as members of the Board. The profiles of the nominees to the Board will be provided in the Information Statement and in the company website.

7. Election of External Auditor and Fixing of their Remuneration

The Audit Committee will endorse to the stockholders the appointment of the external auditor for the ensuing year as well as its proposed remuneration.

8. Amendment of the Bank's Articles of Incorporation and By-Laws

a. Amendment of Article Seventh of the Articles of Incorporation

The proposed amendment of Article Seventh of the Bank's Articles of Incorporation, as approved by the Board of Directors at its meeting on March 16, 2022, will be presented to the stockholders for approval, to reflect: a) decrease of the Bank's Authorized Capital Stock particularly the common stock from 5,000,000,000 shares to 4,593,820,724 shares by retiring 406,179,276 common shares (previously issued and recorded as treasury shares pursuant to the merger between the Bank and BPI Family Savings Bank, Inc.) to comply with the disposition requirement under Section 10 of Republic Act No. 8791 or the General Banking Law of 2000; and b) the combination of the allocation of authorized common shares for the Bank's Executive Stock Option Plan (ESOP) and for Stock Purchase Plan (SPP) to allow the Bank flexibility in designing future ESOP and/or SPP programs.

b. Amendment of the Amended By-Laws

The proposal to amend the Bank's Amended By-Laws will be submitted to the stockholders for ratification.

The Board of Directors of the Bank, at its meeting on March 16, 2022, approved the proposed amendments to the Amended By-Laws which are intended for alignment with the Revised Corporation Code and good corporate governance practices, in particular: (a) digitalization of service of notice for regular and special meetings, holding of virtual annual stockholders' meetings and provision of the right for stockholders to vote through remote communication or *in absentia* at the Bank's annual stockholders' meetings (Articles IV and V); (b) raising the minimum quorum at any meeting for the transaction of corporate business from majority to two-thirds of the members of the Board of Directors (Article V); (c) clarification on the powers of the Board of Directors and the Executive Committee (Articles VI and VII); (d) deletion of provisions referring to the Trust Committee and Trust Operations, in view of the spin-off of the Trust Department of the Bank to BPI Asset Management and Trust Corporation (Articles VII-B and XI); (e) incorporation of Manual of Regulations for Bank (MORB) provisions on the Audit Committee (Article VII-C, renumbered to Article VII-B); (f) new article stating that the Manual on Corporate Governance, board and board-level committee charters are suppletory to the By-Laws (new Article XI); (g) digital payment of dividends (Article XIV); (h) correction of clerical/typographical errors and references to the Revised Corporation Code (Article I; Article XII); (i) corresponding adjustment and re-numbering of article and section numbers. The provisions of the By-Laws reflecting the foregoing changes are attached hereto as Annex A-4.

The Bank's stockholders have previously delegated to the Board of Directors the authority to amend the By-Laws (per Article XVII of the Bank's Amended By-Laws), provided that the proposed amendments to the By-Laws will be reported to the stockholders as part of the acts of the Board for ratification. Accordingly, ratification will be requested from the stockholders on the foregoing changes. Further, the stockholders will be requested to approve/confirm the delegation to the Board of the power to further amend, modify, repeal or adopt new by-laws of the Bank as it deems necessary and proper, or as may be required by law, regulations, or the relevant regulators.

9. Consideration of Such Other Business as May Properly Come Before the Meeting

The Chairman will open the floor for comments and questions by the stockholders, and take up items included on the agenda received from stockholders in accordance with existing laws, rules and regulations of the Securities and Exchange Commission¹.

10. Adjournment

Upon determination that there are no other matters to be considered, the Chairman upon motion made and duly seconded by a stockholder shall declare the meeting adjourned.

¹SEC Memorandum Circular No. 14, series of 2020 or "Shareholders' Right to Put items on the Agenda for Regular/Special Stockholders' Meetings"

BANK OF THE PHILIPPINE ISLANDS
2022 Annual Stockholders Meeting
April 28, 2022

PROXY

The undersigned stockholder of **The Bank of the Philippine Islands** (the "Company") hereby appoints the Chairman of the meeting, as *attorney* and *proxy*, with power of substitution, to present and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on April 28, 2022 and at any of the adjournments thereof for the purpose of acting on the following matters:

- | | |
|--|---|
| <p>1. Approval of minutes of previous meeting.
☐ Yes ☐ No ☐ Abstain</p> <p>2. Approval of annual report.
☐ Yes ☐ No ☐ Abstain</p> <p>3. Ratification of the acts of the Board of Directors and Officers.
☐ Yes ☐ No ☐ Abstain</p> <p>4. Election of Directors</p> <p>☐ Vote for all nominees listed below:
Jaime Augusto Zobel de Ayala
Fernando Zobel de Ayala
Janet Guat Har Ang (Independent)
René G. Bañez
Romeo L. Bernardo
Ignacio R. Bunye (Independent)
Cezar P. Consing
Emmanuel S. de Dios (Independent)
Ramon R. del Rosario, Jr.
Octavio V. Espiritu
Jose Teodoro K. Limcaoco
Aurelio R. Montinola III
Cesar V. Purisima, (Independent)
Eli M. Remolona, Jr. (Independent)
Maria Dolores B. Yuvienco (Independent)</p> <p>☐ Withhold authority to vote for all nominees listed above.</p> <p>☐ Withhold authority to vote for the nominees listed below:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> | <p>5. Election of Isla Lipana & Co. as independent auditors and fixing of their remuneration.
☐ Yes ☐ No ☐ Abstain</p> <p>6. Amendment of the Bank's Articles of Incorporation and By-Laws</p> <p>a. Amendment of Article Seventh of the Articles of Incorporation
☐ Yes ☐ No ☐ Abstain</p> <p>b. Amendment of the Amended By-Laws
☐ Yes ☐ No ☐ Abstain</p> <p>7. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.
☐ Yes ☐ No ☐ Abstain</p> <p style="text-align: center;">_____
PRINTED NAME OF STOCKHOLDER</p> <p style="text-align: center;">_____
SIGNATURE OF STOCKHOLDER /
AUTHORIZED SIGNATORY</p> <p style="text-align: center;">_____
DATE</p> |
|--|---|

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE **APRIL 18, 2022**, THE DEADLINE FOR SUBMISSION OF PROXIES.

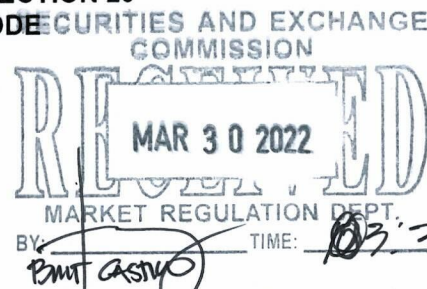
THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED UPON NOTICE TO THE CORPORATE SECRETARY.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**



1. Check the appropriate box:

☐ Preliminary Information Statement

☒ Definitive Information Statement

2. Name of Registrant as specified in its charter: **BANK OF THE PHILIPPINE ISLANDS**

3. Province, country or other jurisdiction of incorporation or organization: **MANILA, PHILIPPINES**

4. SEC Identification Number: **PW-121**

5. BIR Tax Identification Code: **000-438-366-000**

6. Address of principal office: **Ayala North Exchange Tower 1, 6796 Ayala Ave. cor. Salcedo St., Legaspi Village, Makati City, Metro Manila**
Postal Code: **1229**

7. Registrant's telephone number, including area code: **(632) 8246-5902**

8. Date, time and place of the meeting of security holders:

Date: **April 28, 2022**

Time: **9:00 a.m.**

Place: **to be conducted virtually through
<http://www.ayalagroupshareholders.com/>**

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
March 31, 2022

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

Title of Each Class

Number of Shares of Common Stock
Outstanding or Amount of Debt Outstanding
(as of February 28, 2022)

Common Shares

4,513,128,255

11. Are any or all of registrant's securities listed in a Stock Exchange?

Yes ☒ No ☐

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc. - Common Shares

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, time and place of meeting of security holders.**

- (a) Date : April 28, 2022
Time : 9:00 a.m.
Place : to be conducted virtually through
<http://www.avalagroupshareholders.com/>
- (b) Approximate date on which the information statement is first to be sent or given to security holders: **March 31, 2022**

**WE ARE NOT ASKING FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY**

Item 2. **Dissenters' Right of Appraisal**

Under Title X of the Revised Corporation Code, shareholders dissenting from and voting against the following corporate actions may demand payment of the fair value of their shares as of the day prior to the date on which the vote was taken for such corporation action: (i) amendment to the Bank's articles and by-laws which has the effect of changing or restricting the rights of any shareholder or class of shares; or authorizing preferences in any respect superior to those of outstanding shares of any class; (ii) sale, lease, mortgage or other disposition of all or substantially all of the Bank's assets; (iii) merger or consolidation; (iv) investment of corporate funds in another corporation or business or for any purpose other than its primary purpose; and (v) extension or shortening of term of corporate existence.

There are no matters or proposed corporate actions included in the agenda of the meeting, which may give rise to a possible exercise, by security holders of their appraisal rights.

Item 3. **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- (a) No current director or officer of the Bank, or nominee for election as director has any substantial interest, direct, indirect, by security holdings, or otherwise, in any matter to be acted upon other than election to office.
- (b) No director has informed the Bank of his opposition to any action to be taken up at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

- (a) **Class of Voting Securities**
Number of Shares Outstanding as of February 28, 2022: Common Shares 4,513,128,255
Number of Votes Entitled: One (1) vote per share

- (b) **Record Date**

Stockholders of record as of March 11, 2022 are entitled to notice and to vote in the Annual Stockholders' Meeting.

- (c) **Manner of Voting**

Article IV of the Amended By-Laws of the Bank states that:

“Voting for the election of members of the Board of Directors and upon all questions before the stockholders’ meeting, shall be by shares of stock, that is, one share entitles the holder thereof to one vote, two shares to two votes, etc.; but in the election of members of the Board of Directors, any stockholder may cumulate his vote as provided for in the Corporation Code.

“In the election of members of the Board of Directors, the fifteen (15) nominees receiving the highest number of votes shall be declared elected.”

Article IV of said Amended By-Laws further provides that a stockholder may delegate in writing their right to vote, provided the said proxy is attested by two (2) witnesses and filed with the Bank at least ten (10) days before the meeting. Voting shall be by shares and not per capita.

Pursuant to Sections 57 and 23 of the Revised Corporation Code, which allow voting by remote communication or *in absentia* by stockholders, on February 16, 2022 the Board of Directors of the Bank authorized voting through remote communication or *in absentia* during meetings of the stockholders of the Bank, subject to compliance with the rules and regulations as may be issued by the Securities and Exchange Commission. The requirements and procedures for electronic voting *in absentia* or via absentee ballot are provided in Annex “A-2” and the Bank’s website.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

- i. Security Ownership of Certain Record and Beneficial Owners of more than 5% as of February 28, 2022

Title of Class	Name/Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares	Percent of Holdings
Common	PCD Nominee Corporation¹ - Non-Filipino - Filipino 37/F Tower 1, The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City	PCD Participants acting for themselves or for their customers	Various Filipino	884,302,372 789,259,134 1,673,561,506	19.5940% 17.4881% 37.0821%
Common	Ayala Corporation² 33 rd Floor Ayala Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Stockholder	Ayala Corporation ³	Filipino	1,000,261,934	22.1634%
Common	Liontide Holdings, Inc.⁴ 33 rd Floor Ayala Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Stockholder	Liontide Holdings, Inc. ⁵	Filipino	904,194,682	20.0348%
Common	AC International Finance Limited c/o Ayala Corporation 34 th Floor Ayala Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Stockholder	Ayala Corporation ⁶	Cayman Islands	390,269,162	8.6474%
Common	Roman Catholic Archbishop of Manila	Roman Catholic Archbishop of Manila ⁷	Filipino	327,904,251	7.2656%

¹ PCD Nominee Corporation (PCD), Non-Filipino and Filipino, is the registered owner of the shares beneficially owned by its participants. The Board of Directors of each participant generally has the power to decide on how shares are to be voted. Out of the 1,673,561,506 common shares registered in the name of PCD, 515,304,857 shares (or 11.4179% of the total outstanding shares), 346,499,275 shares (or 7.6776% of the total outstanding shares), and 302,170,166 shares (or 6.6954% of the total outstanding shares) are for the accounts of The Hongkong and Shanghai Banking Corporation, Citibank N.A., and Standard Chartered Bank, respectively.

² Mermac, Inc. owns 47.8657% of common shares and 57.2651% of total voting shares, while Mitsubishi Corporation owns 6.0952% of common shares and 6.9952% of total voting shares, respectively, of the outstanding shares of Ayala Corporation (AC).

³ The Board of Directors of AC has the power to decide how AC’s shares in BPI are to be voted.

⁴ AC owns 84.16% of the outstanding shares of Liontide Holdings, Inc. (formerly Ayala DBS Holdings, Inc.), which translates to 78.07% effective ownership.

⁵ The Board of Directors of Liontide Holdings, Inc. (“Liontide”) has the power to decide how Liontide’s shares in BPI are to be voted.

⁶ Under a Voting Trust Agreement dated October 12, 2017, the Board of Directors of AC International Finance Limited (AC International) has the power to decide how AC International’s shares in BPI are to be voted. AC International Finance Limited is a 100%-owned subsidiary of Ayala Corporation.

Title of Class	Name/Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares	Percent of Holdings
	121 Arzobispo St., Intramuros Manila Stockholder				

ii. Security Ownership of Directors and Management as of February 28, 2022

Title of Class	Name of Beneficial Owner	Position	No. of Shares	Nature of Ownership	Citizenship	% of Holdings
Common	Jaime Augusto Zobel de Ayala	Chairman	9,628	Direct	Filipino	0.000%
Common	Fernando Zobel de Ayala	Vice-Chairman	89,137	Direct	Filipino	0.002%
Common	Jose Teodoro K. Limcaoco	Director & President	291,416	Direct/Indirect	Filipino	0.006%
Common	Janet Guat Har Ang	Director	10	Direct	Singaporean	0.000%
Common	René G. Bañez	Director	10	Direct	Filipino	0.000%
Common	Romeo L. Bernardo	Director	12	Direct	Filipino	0.000%
Common	Ignacio R. Bunye	Director	133,452	Direct	Filipino	0.003%
Common	Cesar P. Consing	Director	2,834,093	Direct	Filipino	0.063%
Common	Ramon R. del Rosario, Jr.	Director	2,287	Direct	Filipino	0.000%
Common	Octavio V. Espiritu	Director	1,105,110	Direct	Filipino	0.024%
Common	Aurelio R. Montinola III	Director	1,794,863	Direct	Filipino	0.040%
Common	Cesar V. Purisima	Director	10	Direct	Filipino	0.000%
Common	Eli M. Remolona, Jr.	Director	10	Direct	Filipino	0.000%
Common	Maria Dolores B. Yuvienco	Director	5,813	Direct	Filipino	0.000%
Common	Ma. Theresa M. Javier	EVP & CFO	284,994	Direct	Filipino	0.006%
Common	Ramon L. Jocson	EVP & COO	63,783	Direct	Filipino	0.001%
Common	Marie Josephine M. Ocampo	EVP	281,692	Direct	Filipino	0.006%
Common	Juan Carlos L. Syquia	EVP	8,982	Direct	Filipino	0.000%
Aggregate Shareholdings of Directors & Officers as a Group			6,905,302			0.153%

None of the members of the Bank's Board of Directors and Management owns 2.0% or more of the outstanding capital stock of the Bank.

iii. Voting Trust Holders of 5% or More

Ayala Corporation has a Voting Trust Agreement with AC International Finance Limited.

iv. Changes in Control

No change of control in the Bank has occurred since the beginning of its last fiscal year.

(e) **Certain Relationships and Related Party Transactions**

In the normal course of business, the Parent Bank transacts with related parties consisting of its subsidiaries and associates. Likewise, the BPI Group has transactions with Ayala Corporation (AC) and its subsidiaries (Ayala Group), where all transactions are dealt with on an arm's length basis. AC is a substantial stockholder of BPI as at reporting date.

The Parent Bank has a Board-level Related Party Transactions Committee that vets and endorses all significant related party transactions, including those involving directors, officers, stockholders and their related interests (DOSRI), for which the latter shall require final Board approval. The Committee consists of three directors, majority of whom are independent directors including the Chairman, and two non-voting members from management, namely, the Chief Audit Executive and the Chief Compliance Officer.

These transactions have terms and conditions that are generally comparable to those offered to non-related parties or to similar transactions in the market.

Significant related party transactions and outstanding balances as at and for the year ended December 31, 2021 are summarized below:

⁷ The Archbishop of Manila has the power to decide how the Roman Catholic Archbishop of Manila's shares in BPI are to be voted.

Consolidated

2021			
	Transactions	Outstanding Balances	Terms and Conditions
	(In Millions of Pesos)		
Loans and Advances from: Subsidiaries Associates Ayala Group Other related parties			These are loans and advances granted to related parties that are generally secured with interest rates ranging from 2.50% to 9.63% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 5 days to 15 years.
	(189)	-	
	(449)	60	
	(11,314)	65,195	
	(23,614)	546	
	(35,566)	65,801	
Deposits from: Subsidiaries Associates Ayala Group Key management personnel			These are demand, savings and time deposits bearing the following average interest rates: Demand – 0.07% to 0.14% Savings – 0.10% to 0.24% Time – 1.73% to 2.00% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
	3,441	11,383	
	(4)	1,273	
	(7,349)	11,401	
	200	984	
	(3,712)	25,041	

A more detailed discussion on related party transactions can be found in Note 25 of the 2021 Audited Financial Statements.

Item 5. Directors and Executive Officers

(a) Board of Directors

Article V of the Bank's Amended By-Laws provides:

“Unless otherwise provided in the Corporation Law, the corporate powers of the Bank are exercised, its business conducted and its properties controlled and held, by a Board of Directors consisting of fifteen (15) members elected from among the stockholders of the Bank, said members so elected to hold their office for one year and until their successors are elected annually by the stockholders during their annual meeting or adjournment thereof, or at any special meeting called for that purpose.”

The attendance of the directors at the meetings of the Board of Directors held during the year 2021 is as follows:

Name	No. of Meetings Attended/Held	Percent Present
Jaime Augusto Zobel de Ayala	15/15	100%
Fernando Zobel de Ayala	14/15	93%
Jose Teodoro K. Limcaoco	14/14	100%
Janet Guat Har Ang*	9/9	100%
René G. Bañez**	7/7	100%
Romeo L. Bernardo	15/15	100%
Ignacio R. Bunye	15/15	100%
Cezar P. Consing	15/15	100%
Ramon R. del Rosario, Jr.	14/15	93%
Octavio V. Espiritu	14/15	93%
Rebecca G. Fernando***	8/8	100%
Aurelio R. Montinola III	15/15	100%
Mercedita S. Nollado****	6/6	100%
Antonio Jose U. Periquet*****	14/14	100%
Cesar V. Purisima*****	14/14	100%
Eli M. Remolona, Jr.	15/15	100%
Maria Dolores B. Yuvienco	15/15	100%

*Board member effective 19 May 2021

**Board member effective 18 August 2021

Name	No. of Meetings Attended/Held	Percent Present
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***Board member until 17 August 2021

****Board member until 18 May 2021

*****Board member until 15 December 2021

*****Board member effective 20 January 2021

(b) Board Committees

The Board carries out its various responsibilities through the Executive Committee and delegates specific responsibilities to other committees that focus on certain areas as allowed by law. The different committees of the Board and its membership are as follows:

Name	Executive Committee	Corporate Governance Committee	Nomination Committee	Audit Committee	Risk Management Committee	Personnel and Compensation Committee	Retirement/Pension Committee	Related Party Transaction Committee
Jaime Augusto Zobel de Ayala	C		M					
Fernando Zobel de Ayala	VC		M			C		
Jose Teodoro K. Limcaoco	M							
Janet Guat Har Ang*					M*****			
René G. Bañez*****	M						M	M
Romeo L. Bernardo								
Ignacio R. Bunye**		M				M		C
Cezar P. Consing	M				M			
Ramon R. del Rosario, Jr.		M						
Octavio V. Espiritu				M	M		M	
Rebecca G. Fernando***	M						M	M
Aurelio R. Montinola III	M					M	C*****	
Mercedita S. Nollado****							C	
Antonio Jose U. Periquet*****	M		M			M		
Cesar V. Purisima*		C	C	M	M			
Eli M. Remolona, Jr.*					C			
Maria Dolores B. Yvionco*				C		M		M

C – Chairman; VC – Vice-Chairman; M – Member

* Independent Director

** Lead Independent Director

*** Committee Member until 17 August 2021

**** Committee Member until 18 May 2021

***** Committee Member until 16 December 2021

***** Committee Member effective 19 May 2021

***** Committee Member effective 18 August 2021

The attendance of each member of the Board of Directors, according to his/her respective Committee meetings, is enumerated in "Annex A-3(a)".

(c) The Board of Directors/Nominees for Election at the Annual Stockholders' Meeting and Key Executive Officers

Per Article V of the Amended By-Laws of the Bank, all nominations for election as Directors by the stockholders shall be submitted in writing to the Board of Directors through the Corporate Secretary, together with the written acceptance of the nominee, not later than the date prescribed by law, rules and regulations or at such earlier or later date as the Board of Directors may fix. No nominee shall qualify to be elected as Director unless this requirement is complied with. In accordance with the resolution of the Board of Directors of the Bank dated December 15, 2021, which resolution was disclosed and reported to PSE and SEC, all nominations for election of Directors for the term 2022-2023 were required to be submitted to the Corporate Secretary not later than March 11, 2022. As of said date, there were only 15 nominees to the Board received by the Corporate Secretary and all the nominees confirmed their acceptance of said nomination. Mr. Rene G. Bañez was nominated by the Roman Catholic Archbishop of Manila and the rest of the nominees were formally nominated by Ms. Josenia Jessica D. Nemeño, a long time stockholder of BPI who is not related to any of the nominees including the nominees for independent director. The nominations were subsequently processed and evaluated by the Nomination Committee of the Bank in a meeting called for that purpose and it was determined by the Committee that all the nominees (both regular Directors and Independent Directors) possess all the qualifications required by relevant law, rules,

regulations and BPI's By-Laws and Manual on Corporate Governance and no provision on disqualification would apply to any of them.

The following is the list of current directors and the list of nominees for election as members of the Board of Directors of BPI for the term as approved by the Nomination Committee:

i. Current Board of Directors

Name	Age (as of 2022 ASM)	Citizenship
1. Jaime Augusto Zobel de Ayala	63	Filipino
2. Fernando Zobel de Ayala	62	Filipino
3. Jose Teodoro K. Limcaoco	60	Filipino
4. Janet Guat Har Ang (Independent Director)	62	Singaporean
5. René G. Bañez	66	Filipino
6. Romeo L. Bernardo	67	Filipino
7. Ignacio R. Bunye (Independent Director)	77	Filipino
8. Cezar P. Consing	62	Filipino
9. Ramon R. del Rosario, Jr.	77	Filipino
10. Octavio V. Espiritu	78	Filipino
11. Aurelio R. Montinola III	70	Filipino
12. Cesar V. Purisima (Independent Director)	62	Filipino
13. Eli M. Remolona, Jr. (Independent Director)	69	Filipino
14. Maria Dolores B. Yuvienco (Independent Director)	74	Filipino

ii. Nominees for Election to the Board of Directors for the Term 2022-2023

Name	Age (as of 2022 ASM)	Citizenship
1. Jaime Augusto Zobel de Ayala	63	Filipino
2. Fernando Zobel de Ayala	62	Filipino
3. Jose Teodoro K. Limcaoco	60	Filipino
4. Janet Guat Har Ang (Independent Director)	62	Singaporean
5. René G. Bañez	66	Filipino
6. Romeo L. Bernardo	67	Filipino
7. Ignacio R. Bunye (Independent Director)	77	Filipino
8. Cezar P. Consing	62	Filipino
9. Emmanuel S. de Dios (Independent Director)	67	Filipino
10. Ramon R. del Rosario, Jr.	77	Filipino
11. Octavio V. Espiritu	78	Filipino
12. Aurelio R. Montinola III	70	Filipino
13. Cesar V. Purisima (Independent Director)	62	Filipino
14. Eli M. Remolona, Jr. (Independent Director)	69	Filipino
15. Maria Dolores B. Yuvienco (Independent Director)	74	Filipino

The following is the list of Key Executive Officers of BPI:

The Key Executive Officers			
Name	Rank/Title	Age (As of 2022 ASM)	Citizenship
1. Jose Teodoro K. Limcaoco	President & CEO	60	Filipino
2. Maria Theresa M. Javier	EVP & CFO	51	Filipino
3. Ramon L. Jocson	EVP & COO	62	Filipino
4. Juan Carlos L. Syquia	EVP	55	Filipino
5. Marie Josephine M. Ocampo	EVP	60	Filipino

None of the above-named Directors and Officers of the Bank works for the government.

Please refer to attached Annex "A" for the brief background of the Directors/Nominees and Executive Officers of BPI.

(d) **Significant Employees**

The Bank values its human resources and considers its entire workforce as significant employees. It expects each employee to do his share in achieving the company's set goals and objectives.

(e) Family Relationships

The Chairman of the Board of Directors, Mr. Jaime Augusto Zobel de Ayala, and Mr. Fernando Zobel de Ayala, the Vice-Chairman of the Board, are brothers.

(f) Legal Proceedings

To the knowledge of the Bank, none of its nominees for election as Directors and its Executive Officers have been subject of the following legal proceedings during the last five (5) years:

- i. any bankruptcy petition filed by or against any business of which such director or officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- ii. any conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign;
- iii. any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- iv. being found by domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading, market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

(g) Resignation of Directors

To date, no director has resigned from, or declined to stand for election or re-election to the Board since the date of the 2021 annual meeting of stockholders due to any disagreement with the Bank relative to its operations, policies and practices.

Item 6. Compensation of Directors and Executive Officers

(a) Executive Compensation

Names arranged By Rank/ By Surname	Position	2020		
		Salary	Bonuses	Fees and Other Compensation
Cezar P. Consing	President & CEO			
Maria Theresa M. Javier	EVP & CFO			
Ramon L. Jocson	EVP & COO			
Marie Josephine M. Ocampo	EVP			
Juan Carlos L. Syquia	EVP			
All above-named Officers as a group		158,818,822	95,507,700	
All other unnamed Officers as a group		10,075,502,316	1,277,868,000	

Names arranged By Rank/ By Surname	Position	2021		
		Salary	Bonuses	Fees and Other Compensation
Jose Teodoro K. Limcaoco	President & CEO (from April 2021)			
Cezar P. Consing	President & CEO (until April 2021)			
Maria Theresa M. Javier	EVP & CFO			
Ramon L. Jocson	EVP & COO			
Marie Josephine M. Ocampo	EVP			
Juan Carlos L. Syquia	EVP			
All above-named Officers as a group		187,848,883.51	72,813,500	
All other unnamed Officers as a group		8,732,179,018.14	1,029,675,000	

Names arranged By Rank/ By Surname	Position	2022 Estimates		
		Salary	Bonuses	Fees and Other Compensation
Jose Teodoro K. Limcaoco	President & CEO			
Maria Theresa M. Javier	EVP & CFO			
Ramon L. Jocson	EVP & COO			
Marie Josephine M. Ocampo	EVP			
Juan Carlos L. Syquia	EVP			
All above-named Officers as a group		159,230,603	79,513,500	
All other unnamed Officers as a group		9,502,218,275	1,109,599,500	

(b) Compensation of Directors

Article V of the Bank's Amended By-Laws provides:

"Each director shall be entitled to receive from the Bank, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director. The Board of Directors shall have the sole authority to determine the amount, form and structure of the fees and other compensation of the directors. In no case shall the total yearly compensation of directors exceed one percent (1%) of the net income before income tax of the Bank during the preceding year.

The Personnel and Compensation Committee of the Bank shall have the responsibility for recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the Committee shall be guided by the objective of ensuring that compensation should fairly pay directors for work required in a company of the Bank's size and scope."

Pursuant to the above provisions, the total compensation for 2021 for the members of the Board of Directors amounted to P81,000,000.00⁸. Directors who hold executive or management positions do not receive directors' fees or per diems. In accordance with the requirements of the Revised Corporation Code relating to an annual report of compensation of each director, the total compensation for 2021 for each non-executive and independent director is attached as Annex "A-3(b)".

(c) Standard Arrangement

Other than the above-mentioned compensation for Directors, the Bank has no other arrangement with regards to compensation of Directors, directly or indirectly, for any other services provided by the said directors, for the last completed fiscal year.

Item 7. Independent Public Accountants

- (a) The principal accountant of the Bank for the fiscal year 2021 is the accounting firm of Isla Lipana & Co. The same accounting firm is being recommended for re-election at the Annual Stockholders' Meeting of the Bank. Pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Bank has engaged Isla Lipana & Co., as the external auditor with Mr. John-John Patrick V. Lim as the Partner-in-Charge.

The appointment or re-appointment of the Bank's external auditor is subject to the approval and endorsement by the Audit Committee, for subsequent confirmation and approval by the Board of Directors and finally the Stockholders.

The Audit Committee of BPI is chaired by Ms. Maria Dolores B. Yuvienco (Independent Director), with the following members: Mr. Octavio V. Espiritu, and Mr. Cesar V. Purisima (Independent Director).

- (b) Representatives of Isla Lipana & Co. are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions and to count and/or validate the votes, if needed, during the Annual Stockholders' Meeting.

⁸ Includes P25.7M for the year 2021 representing per diem of Directors at P70,000 per Board meeting and P30,000 per Committee meeting attended.

(c) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with Isla Lipana & Co. on accounting and financial disclosures.

(d) Audit and Audit-Related Fees

BPI has paid the following fees, inclusive of taxes, to its external auditors in the past two (2) years:

Fiscal Year	Audit Fees	Audit-related Fees
2019 paid in 2020	₱18.210 M	₱ 3.559 M
Bond Offerings	₱ 1.250 M	₱203.161 K
2020 paid in 2021	₱18.340 M	₱3.767 M
Approved for 2021 (not yet paid)	₱21.010 M	-

The audit and audit-related fees cover services by the external auditor that are reasonably related to the performance of the audit or review of the annual, half year or quarter end financial statements for BPI and its subsidiaries. There were no non-audit fees for other services not related to the audit/review of the financial statements.

Item 8. Compensation Plans

As currently provided in Article Seventh of the Bank's Amended Articles of Incorporation, not more than one and one half percent (1½%) of the authorized capital stock of BPI is set aside for an Executive Stock Option Plan (ESOP) and another one and one half percent (1½%) for Executive Stock Purchase Plan (ESPP) for employees and officers of BPI and its subsidiaries, over which shares the stockholders shall have no pre-emptive rights. Said provision was approved by the Bangko Sentral ng Pilipinas, Securities and Exchange Commission and the Stockholders.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no matters or actions to be taken up in the meeting with respect to the authorization or issuance of securities other than for exchange.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The management's discussion and analysis, market price of shares and dividends and other data related to the Company's financial information and the Statement of Management's Responsibility for Financial Statements including the audited financial statements as of December 31, 2021, are attached hereto as Annexes "A-1" and "B".

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up in the meeting with respect to mergers, consolidations, acquisitions and similar matters.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the meeting with respect to material acquisition or disposition of any property by the Company.

Item 14. Restatement of Accounts

There are no matters or actions to be taken up in the meeting with respect to restatement of accounts.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following are to be submitted for approval during the stockholders' meeting:

- (a) Approval of the Minutes of the Annual Meeting of the Stockholders on April 22, 2021, containing:
 - (i) Approval of Minutes of Annual Stockholders' Meeting on April 23, 2020.
 - (ii) Approval of Annual Report and the Bank's Audited Financial Statements as of 31 December 2020 incorporated in the Annual Report.
 - (iii) Ratification of the Acts of the Board of Directors and Officers.
 - (iv) Election of Board of Directors (including the Independent Directors).
 - (v) Election of External Auditors and Fixing of their Remuneration.
 - (vi) Merger of BFSB into BPI, Increase in Authorized Capital Stock and Amendment of Article VII of the Bank's Articles of Incorporation.

The minutes of the 2021 Annual Stockholders Meeting, which is available on the website of the Bank, contain the following information:

- (i) Description of the voting and voting tabulation procedures used in the previous meeting;
- (ii) Description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given
- (iii) The matters discussed and resolutions reached
- (iv) A record of the voting results for each agenda item
- (v) List of directors, officers and stockholders who attended the meeting.

The minutes is attached as Annex "A-3(c)" and may be viewed through the following link: <https://www.bpi.com.ph/about/disclosures/minutes-of-asm>

- (b) Approval of the Annual Report and the Bank's Audited Financial Statements as of December 31, 2021 containing the performance of the Bank and its financial condition.

The Audited Financial Statements as of December 31, 2021 will be presented for approval of the stockholders.

- (c) Ratification of the acts of the Board of Directors and Officers.

The acts and resolutions of the Board of Directors and its committees were those taken or adopted since the annual stockholders' meeting on April 22, 2021 until April 28, 2022, contracts and transactions entered into by the Bank, credit/loan transactions including to related parties, projects and investments, treasury matters, manpower related decisions/approvals, including programs of the Bank's Executive Stock Option Plan and Stock Purchase Plan for employees and officers, corporate governance-related actions, and other matters covered by disclosures to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). The acts of Management were those taken to implement the resolutions of the Board or its committees or made in the general conduct of business.

- (d) Election of the Board of Directors (Including the Independent Directors)

The members of the Board of Directors (regular and independent) of the Bank for the term 2022-2023 are to be elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting, and/or until their respective successors have been duly elected and qualified.

- (e) Election of External Auditors and Fixing of their Remuneration

The Accounting Firm of Isla Lipana & Co. is proposed to be re-elected as the Bank's External Auditors for the Fiscal year 2022, at the remuneration agreed upon between BPI Management and the External Auditors.

Item 16. Matters Not Required to be Submitted

All matters or actions that will require the vote of the security holders will be submitted in the meeting.

Item 17. Amendment of Charter, By-Laws or Other Documents

(a) Amendment of Article Seventh of the Articles of Incorporation

The proposed amendment of Article Seventh of the Bank's Articles of Incorporation, as approved by the Board of Directors at its meeting on March 16, 2022, will be presented to the stockholders for approval, to reflect: a) decrease of the Bank's Authorized Capital Stock particularly the common stock from 5,000,000,000 shares to 4,593,820,724 shares by retiring 406,179,276 common shares (previously issued and recorded as treasury shares pursuant to the merger between the Bank and BPI Family Savings Bank, Inc.) to comply with the disposition requirement under Section 10 of the Republic Act No. 8791 or the General Banking Law of 2000 which requires that the Bank's treasury shares shall, within six (6) months from the time of its purchase or acquisition, be sold or disposed of at a public or private sale; and b) the combination of the allocation of authorized common shares for the Bank's Executive Stock Option Plan (ESOP) and for Stock Purchase Plan (SPP) to allow the Bank flexibility in designing future ESOP and/or SPP programs.

Upon approval by the stockholders, the Amended Articles of Incorporation of the Bank will read as follows:

"SEVENTH. – That the Capital Stock of the Corporation is Forty Six Billion Five Hundred Thirty Eight Million, Two Hundred Seven Thousand Two Hundred Forty Pesos (P46,538,207,240.00) divided into:

- Common Stock consisting of Four Billion Five Hundred Ninety Three Million, Eight Hundred Twenty Thousand, Seven Hundred Twenty Four (4,593,820,724) shares with a par value of Ten Pesos (P10.00) per share, not more than three percent (3%) of which is set aside for employee stock incentive plans, such as an Executive Stock Option Plan and a Stock Purchase Plan for Employees and Officers of BPI and its Subsidiaries, over which shares the stockholders shall have no pre-emptive rights;
- Preferred Stock consisting of Sixty Million (60,000,000) Preferred "A" shares with a par value of Ten Pesos (P10.00) per share."

(b) Amendment of the Amended By-Laws

The proposal to amend the Bank's Amended By-Laws will be submitted to the stockholders for ratification.

The Board of Directors of the Bank, at its meeting on March 16, 2022, approved the proposed amendments to the Amended By-Laws which are intended for alignment with the Revised Corporation Code and good corporate governance practices, in particular: (a) digitalization of service of notice for regular and special meetings, holding of virtual annual stockholders' meetings and provision of the right for stockholders to vote through remote communication or in absentia at the Bank's annual stockholders' meetings (Articles IV and V); (b) raising the minimum quorum at any meeting for the transaction of corporate business from majority to two-thirds of the members of the Board of Directors (Article V); (c) clarification on the powers of the Board of Directors and the Executive Committee (Articles VI and VII); (d) deletion of provisions referring to the Trust Committee and Trust Operations, in view of the spin-off of the Trust Department of the Bank to BPI Asset Management and Trust Corporation (Articles VII-B and XI); (e) incorporation of Manual of Regulations for Bank (MORB) provisions on the Audit Committee (Article VII-C, renumbered to Article VII-B; (f) new article stating that the Manual on Corporate Governance, board and board-level committee charters are

supplementary to the By-Laws (new Article XI); (g) digital payment of dividends (Article XIV); (h) correction of clerical/typographical errors and references to the Revised Corporation Code (Article I; Article XII); (i) corresponding adjustment and re-numbering of article and section numbers. The provisions of the By-Laws reflecting the foregoing changes are attached hereto as Annex "A-4".

The Bank's stockholders have previously delegated to the Board of Directors the authority to amend the By-Laws (per Article XVII of the Bank's Amended By-Laws), provided that the proposed amendments to the By-Laws will be reported to the stockholders as part of the acts of the Board for ratification. Accordingly, ratification will be requested from the stockholders on the foregoing changes. Further, the stockholders will be requested to approve/confirm the delegation to the Board of the power to further amend, modify, repeal or adopt new by-laws of the Bank as it deems necessary and proper, or as may be required by law, regulations, or the relevant regulators.

Item 18. Other Proposed Action

There are no proposed actions other than those indicated in the notice for this Annual Meeting of Stockholders.

Item 19. Voting Procedures

(a) Vote Required for Approval or Election

The election of directors will be by plurality of votes and every stockholder shall be entitled to cumulate his votes.

Approval of the amendment of Article Seventh of the Articles of Incorporation will need the affirmative vote of at least two-thirds (2/3) of the outstanding capital stock.

Approval of matters required to be acted upon will need the affirmative vote of at least a majority of the issued and outstanding stock entitled to vote and represented at the meeting.

(b) Method by which the Votes will be Counted

Votes will be counted by shares and not per capita. Each outstanding share of stock entitles the registered holder to one vote. Any stockholder may cumulate his vote as provided in the Corporation Code for purposes of election of the members of the Board. All votes received shall be tabulated by the Office of the Corporate Secretary and the results will be validated by the Bank's auditor. In light of the Regulations (as defined in Item 19(c) below), stockholders will only be allowed to vote by appointing the Chairman of the meeting as proxy or electronically *in absentia*.

(c) Participation of Shareholders by Remote Communication

To comply with applicable regulations prohibiting mass gatherings, identifying authorized persons outside residence, and/or requiring social distancing to prevent the spread of COVID-19 (the "Regulations") and to ensure the safety and welfare of our stockholders, the Bank will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication, as set forth below, and by voting in *absentia*, as provided in Items 4(c) and 19(b) above, or voting through the Chairman of the meeting as proxy.

The live webcast of the meeting shall be accessible through the following online web address: <http://www.ayalagroupshareholders.com/>. To enable the Bank to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Bank by email to bpi-asm@bpi.com.ph on or before April 18, 2022, of their participation in the meeting by remote communication. Stockholders may email questions or comments prior to or during the meeting at the following email address: bpi-asm@bpi.com.ph. The detailed instructions for participation through remote communication are set forth in Annex "A-2".

Item 20. **Management Report - Annex “A-1”**

Item 21. **Statement of Management’s Responsibility and Audited Financial Statements – Annex “B”**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on the 18th day of March 2022.

BANK OF THE PHILIPPINE ISLANDS

by : (Sgd.) ANGELA PILAR B. MARAMAG
Corporate Secretary

THE NOMINEES TO THE BPI BOARD OF DIRECTORS FOR THE TERM 2022-2023

- 1. JAIME AUGUSTO ZOBEL DE AYALA**, Filipino, 62, has been a member of the board of directors (non-executive director) of BPI since March 1990 and chairman since March 2004. He is currently the chairman of the Bank's Executive Committee and a member of the Nomination Committee. Mr. Zobel served as vice chairman from 1995 to March 2004.

Mr. Zobel also serves as a director of Ayala Corporation since May 1987. He is the chairman of the board of Ayala Corporation since April 2006. He was its CEO from April 2006 to April 2021. He holds the following positions in publicly listed companies: chairman of Globe Telecom, Inc., Integrated Micro-Electronics, Inc.; and vice chairman of Ayala Land, Inc., and AC Energy Corporation (formerly AC Energy Philippines, Inc.). He is also the chairman of AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc.; Director of AC Ventures Holding Corp., Alabang Commercial Corporation, AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc., Light Rail Manila Holdings, Inc. and AG Holdings Limited.

Outside the Ayala group, he is a director of Temasek Holdings (Private) Limited and a member of various business and socio-civic organizations in the Philippines and abroad, including the JP Morgan International Council, JP Morgan Asia Pacific Council, and Mitsubishi Corporation International Advisory Council. He is a member of the Board of Governors of the Asian Institute of Management, the Advisory Board of Asia Global Institute (University of Hong Kong) and of various advisory boards of Harvard University, including the Global Advisory Council and Asia Center Advisory Committee, HBS Board of Dean's Advisors, and HBS Asia Advisory Committee. He sits on the board of Singapore Management University (SMU) and is the chairman of SMU International Advisory Council in the Philippines. He is a member of the Asia Business Council, Asean Business Club Advisory Council, Leapfrog Investment Global Leadership Council, The Council for Inclusive Capitalism, and World Wildlife Philippines National Advisory Council. He is the co-vice chairman of the Makati Business Club, the chairman of Endeavor Philippines, and a trustee emeritus of Eisenhower Fellowships.

He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with rank of Grand Commander in 2010, and the Order of Mabini with rank of Commander in 2015 by the president of the Philippines in recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business.

Mr. Zobel graduated with B.A. in Economics (Cum Laude) from Harvard College in 1981 and obtained an MBA from the Harvard Graduate School of Business in 1987.

- 2. FERNANDO ZOBEL DE AYALA**, Filipino, 62 years old, has been a member of the board of directors (non-executive director) of BPI since October 1994 and was elected vice chairman in April 2013. He also serves as chairman of the Bank's Personnel and Compensation Committee, vice chairman of the Executive Committee, and member of the Nomination Committee. He is also a member of the board of BPI Asset Management and Trust Corporation and chairman of the board of trustees of The Bank of the Philippine Islands Foundation, Inc.

Mr. Zobel is the president and Chief Executive Officer of Ayala Corporation, the chairman of Ayala Land, Inc., and AC Energy Corporation. He is the co-vice chairman of Globe Telecom, Inc. and is a director for Manila Water Company, Inc., Integrated Micro- Electronics, Inc.; and serves as an independent director of Pilipinas Shell Petroleum Corporation.

He is the chairman of AC International Finance Ltd., Liontide Holdings, Inc., AC Energy and Infrastructure Corporation, Ayala Healthcare Holdings, Inc., Alabang Commercial Corporation, Accendo Commercial Corp. and Hero Foundation, Inc.; co- chairman of Ayala Foundation, Inc.

He is the vice chairman of AC Industrial Technology Holdings, Inc., ALI Eton Property Development Corporation, Ceci Realty Inc., Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Emerging City Holdings, Inc., Columbus Holdings, Inc., Berkshires Holdings, Inc. AKL Properties, Inc., AC Ventures Holdings Corp., and Bonifacio Art Foundation, Inc. He is a director of Livelt Investments, Ltd., AG Holdings Ltd., AC Infrastructure Holdings Corporation, Asiacom Philippines, Inc., Ayala Retirement Fund Holdings, Inc., Altaraza Development, Corporation and The Manila Peninsula.

He is a director of INSEAD Business School and Georgetown University; member of the International Advisory Board of Tikehau Capital and of the Hispanic Society Museum & Library International Advisory Council; vice chairman of the Philippine-Singapore Business Council, Chief Executives Organization; member of Habitat for Humanity International's Asia Pacific Development Council; co-chair of the Tate Museum Asia-Pacific Acquisitions Committee, member of the board of trustees of Caritas Manila, Pilipinas Shell Foundation, and the National Museum; and Asia Philanthropy Circle and The Metropolitan Museum International Council.

He holds a liberal arts degree from Harvard College and a CIM from INSEAD, France.

3. **JOSE TEODORO K. LIMCAOCO**, Filipino, 60 years old, was elected as President and Chief Executive Officer of Bank of the Philippine Islands (BPI) in April 2021.

He serves as chairman of BPI Capital Corporation, BPI Asset Management and Trust Corporation, BPI/MS Insurance Corporation, BPI AIA Life Assurance Corporation and BPI Europe Plc; president and vice chairman of The Bank of the Philippine Islands Foundation, Inc.; vice chairman of BPI Century Tokyo Lease & Finance Corporation and BPI Century Tokyo Rental Corporation, and director of Globe Fintech Innovations, Inc. and AC Energy International Inc. Previously, he served as president of BPI Family Savings Bank from 2010-2015 and president of BPI Capital Corporation from 2007-2010. He was also officer-in-charge for Ayala Life Assurance, Inc. in 2009 and director/chairman of Ayala Plans, Inc. in 2010-2011. He also worked at BPI from 1989 to 1992 and at BPI Capital from 1995 to 1997.

From 2015 to 2021, he was a Senior Managing Director and the Chief Finance Officer, Chief Risk Officer, Chief Sustainability Officer and Finance Group Head of Ayala Corporation. He served as a director of publicly listed companies Globe Telecom, Inc., Integrated Micro-Electronics, Inc. and as an independent director of SSI Group, Inc. He also served as a director of a number of Ayala group companies including those involved in healthcare, infrastructure, education, energy, and industrial technologies.

Mr. Limcaoco joined Ayala Corporation as a managing director in 1998. His responsibilities prior to his secondment to BPI in 2007 included assistant treasurer of Ayala Corporation, trustee and treasurer of Ayala Foundation, Inc., president of myAyala.com, and CFO of Azalea Technology Investments, Inc.

He served as the president of the Chamber of Thrift Banks from 2013-2015. He was named as the ING-Finex CFO of the Year in 2018. He has held prior positions with JP Morgan & Co. and with BZW Asia.

He is a director and treasurer of Just For Kids, Inc., a family-owned company.

He graduated from Stanford University with a BS Mathematical Sciences (Honors Program) in 1984 and from the Wharton School of the University of Pennsylvania with an MBA (Finance and Investment Management) in 1988.

4. **JANET GUAT HAR ANG**, Singaporean, 62 years old, was elected as an independent director of BPI in May 2021. She is a member of the Bank's Risk Management Committee.

Ms. Ang is currently the chairman of SISTIC.com Pte Ltd and an independent director of the board of the SPH Limited. She also serves as the chairman of the NUS Institute of Systems Science, the Singapore Polytechnic and the Caritas Singapore Agape Fund Board of Trustees. Ms. Ang is also the deputy chairman of the Singapore Business Federation Foundation as well as member of the Board of The Esplanade Company Ltd, the Home Team Science & Technology Agency, and the Cenacle Mission (Singapore).

Ms. Ang serves on the Council for Board Diversity and the Singapore Business Federation, and is a Senior Advisor of the RGE Group and board member of the Tanoto Foundation. She is a Fellow of the Singapore Computer Society, a Fellow of Singapore Institute of Directors and a member and past president of the International Women's Forum (Singapore). She is a nominated MP of the Parliament of Singapore and Singapore's Non-Resident Ambassador to the Holy See.

Ms. Ang had a thirty-seven year career in the information technology industry and had lived and worked in Japan and China over a span of eleven years. She was a managing director of IBM Singapore from 2001 to 2003 and again from 2011-2015. Ms. Ang was a member of the IBM Industry Academy. Her last executive role was as IBM Vice President, Industry Solutions, IBM Asia Pacific.

Ms. Ang was awarded The Public Service Medal in 2019. She was also awarded the Singapore Computer Society IT Leaders Award – Hall of Fame in 2018, the NUS Distinguished Alumni Service Award in 2015 and the NUS Business School Eminent Alumni Award in 2014.

Ms. Ang graduated with a Bachelor of Business Administration (Honours) from the National University of Singapore.

5. **RENÉ G. BAÑEZ**, Filipino, 66 years old, was elected as director of BPI in August 2021. He is a member of the Bank's Executive, Related Party Transaction, and Retirement/Pension Committees. Mr. Bañez also serves as a board director of BPI Asset Management and Trust Corporation and BPI Capital Corporation.

Mr. Bañez served as the commissioner of the Bureau of Internal Revenue (BIR) from February 2001 to August 2002 and as deputy commissioner from June 1993 to November 1995.

In the private sector, he held several senior-level positions in PLDT until his retirement in 2016. He was senior vice president and head of the Supply Chain, Asset Protection and Management Group, from 2008 to 2016; senior vice president and chief governance officer from 2004 to 2007; corporate governance advisor from 2003 to 2004; senior vice president, Support Services and Tax Management from 2000 to 2001; and first vice president, Support Services and Tax Management from 1998 to 2000. Prior to joining PLDT, he was Group Tax Director of Metro Pacific Investment Corporation until 1998.

Before his appointment to the BIR in 1993, he spent more than 11 years at accounting firm Isla Lipana & Co./PwC (formerly Joaquin Cunanan & Co.), starting as a tax consultant in 1982 until he became tax principal (Partner) from 1990 to 1993. He was a faculty member at the Ateneo de Manila University College of Law, handling Taxation, from 1990 to 2007.

He is affiliated with the Equestrian Order of the Holy Sepulchre, and is a member of the Finance Board of the Archdiocese of Manila and Diocese of Pasig, a board member/trustee of Radio Veritas Corporation, Pope Pius Foundation, Catholic Travel Inc., Mirador Jesuit Villa & Retreat House Corporation, Loyola School of Theology Corporation, and Unitas Asia Corp. (a subsidiary of Radio Veritas Asia).

Mr. Bañez earned his Bachelor of Laws degree in 1981 and his Bachelor of Arts degree in 1976 both from Ateneo de Manila University.

6. **ROMEO L. BERNARDO**, Filipino, 67 years old, has served as a member of the board of directors of BPI since February 1998, and an independent director since August 2002 until April 2019.

Mr. Bernardo serves as an independent director of the following PSE-listed companies: Aboitiz Equity Ventures, Inc, and RFM Corporation. He is also a non-executive director of Globe Telecom, Inc. He is the chairman of the board of directors of the ALFM family of mutual funds. He also serves as a board director of the Management Association of the Philippines and the Finex Foundation. He is likewise a public advocate of good corporate and national governance and frequently writes on the subject in his capacity as vice chairman and co-

founder of the Foundation for Economic Freedom and the Philippine Partner of GlobalSource Partners, Inc., a worldwide network providing insights on emerging markets.

Mr. Bernardo is a former undersecretary of the Department of Finance and founded his consultancy practice, Lazaro Bernardo Tiu & Associates in 1997. He has worked and/or been engaged as consultant in various multilateral institutions such as the World Bank, International Finance Corporation, Asian Development Bank, and Japan International Cooperation Agency. He has also worked with government institutions such as the Department of Finance and the National Economic Development Authority (NEDA) in policy matters involving pension reform, capital markets reform, and fiscal and debt management.

Mr. Bernardo graduated with a B.S. Business Economics degree (Magna Cum Laude), from the University of the Philippines in 1974. He obtained his M.A. Development Economics at Williams College, Williamstown, Massachusetts in 1977.

7. **IGNACIO R. BUNYE**, Filipino, 76 years old, was elected as an independent director of BPI in April 2016. He is the chairman of the Bank's Related Party Transaction Committee and a member of the Corporate Governance and Personnel and Compensation Committees. He was appointed lead independent director in April 2021. Mr. Bunye also serves as an independent director of BPI Asset Management and Trust Corporation, BPI Direct Banko, Inc., A Savings Bank and BPI Capital Corporation.

Mr. Bunye was a member of the Monetary Board of the Bangko Sentral ng Pilipinas from 2008 to 2014. He previously held the positions of Presidential Political Adviser in 2008, Presidential Spokesperson in 2003, and Press Secretary in 2002. He also worked in BPI's Treasury and Corporate Finance departments from 1983 to 1986 before he began his government service in the City of Muntinlupa (then a municipality) as officer-in-charge and later as Mayor between 1986 and 1998.

During his twelve-year stewardship in Muntinlupa, Mr. Bunye founded the Muntinlupa Polytechnic College (now Pamantasan ng Lungsod ng Muntinlupa) and laid the foundation for the establishment of the Ospital ng Muntinlupa. In a concurrent capacity, he also served as Chairman of the Metropolitan Manila Authority (now Metropolitan Manila Development Authority) between 1991 and 1992, and was a member of the House of Representatives representing Muntinlupa between 1998 and 2001. A former print and broadcast journalist, he now writes a regular weekly column for Manila Bulletin, Tempo, People's Tonight, Sun Star, BusinessWeek Mindanao, Panay News and Filipino Reporter (in New York).

Significant awards and recognition received by Mr. Bunye include the Asian Institute of Management Honor and Prestige Award, the Bangko Sentral Service Excellence Medal, the Gran Oden de Isabela Catolica, and the Order of Lakandula (rank of Bayani).

Mr. Bunye is a member of the Integrated Bar of the Philippines. He obtained his Bachelor of Arts degree and Bachelor of Laws degree from the Ateneo de Manila University in 1964 and 1969, respectively. He passed the Philippine Bar Examination in 1969.

8. **CEZAR P. CONSING**, Filipino, 62 years old, was elected as regular director of the Bank in April 2021. He served as President and Chief Executive Officer of BPI from 2013 to 2021. He is a member of BPI's Executive and Risk Management Committees. Mr. Consing also serves as member of the board of directors of BPI Asset Management and Trust Corporation, BPI Capital Corporation, and BPI Direct Banko, Inc., A Savings Bank.

Mr. Consing is the chairman of Philippine Dealing System Holdings and its three operating subsidiaries, a position he has held since 2019. Mr. Consing is a board director of the publicly listed Ayala Corporation (2020-present) and three of its publicly listed companies: Bank of the Philippine Islands, or BPI (1995-2000, 2004-2007, 2010-present), Globe Telecom (2021-present), and AC Energy (2021-present). He is also a director of the Singapore-listed Yoma Strategic Holdings Ltd. and the Myanmar-listed First Myanmar Investment Public Company Limited.

Mr. Consing served as the chairman and president of the Bankers Association of the Philippines from 2019-2021. He was the president of Bancnet, Inc. from 2017-2021. Mr.

Consing was a partner at the Rohatyn Group from 2004-2013. He headed its Hong Kong office and its private investing business in Asia and was a board director of its real estate and energy and infrastructure private equity investing subsidiaries. Mr. Consing worked for J. P. Morgan & Co. in Hong Kong and Singapore from 1985-2004. He headed the firm's investment banking business in Asia Pacific from 1997-2004 and served as president of J. P. Morgan Securities (Asia Pacific) Ltd. as a senior managing director, Mr. Consing was a member of the firm's Global Investment Banking Management Committee, its Asia Pacific Management Committee, and its Global Managing Director Selection Committee.

Mr. Consing worked for BPI from 1981-1985, as a management trainee and eventually as assistant vice president. Mr. Consing has served as an independent board director of four publicly listed companies in Asia: Jollibee Foods Corporation (2010-2021), CIMB Group Holdings (2006-2013), First Gen Corporation (2005-2013), and National Reinsurance Corporation (2014-2019), where he also served as chairman (2018-2019). He currently serves on the board of FILGIFTS.com. He has also served on the boards of SQREEM Technologies, Endeavor Philippines and the Hongkong based Asian Youth Orchestra. He is a board director of the US-Philippines Society and the Philippine-American Educational Foundation, and a board trustee of the Manila Golf Club Foundation. He is a member of the National Mission Council of De La Salle Philippines and a board trustee of College of St. Benilde and La Salle Greenhills. Mr. Consing has been a member of the Trilateral Commission since 2014.

Mr. Consing received an A.B. Economics degree (Accelerated Program), Magna Cum Laude, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

9. **EMMANUEL S. DE DIOS**, Filipino, 67 years old, is nominated for election as independent director of Bank of the Philippine Islands (BPI) for the term 2022-2023. Mr. de Dios is a board member of ABS-CBN Corporation and was appointed as independent director on April 23, 2013. Mr. de Dios has been a Professor of Economics at the University of the Philippines School of Economics since 1989. He is also the President of Human Development Network (Philippines) since July 2012.

He was the Dean of the University of the Philippines School of Economics from 2007 to 2010. He was a member of the Board of Advisors to the Board of Directors of the Company from 2011 until his election as an Independent Director in 2013. He became chair of the Board of Trustees of Pulse Asia Research, Inc. as of 2016.

He received his AB Economics degree from the Ateneo de Manila University (cum laude) in 1978 and his Ph.D. in Economics from the University of the Philippines in 1987. He pursued post-doctoral studies at the Universität Konstanz in Germany from 1987 to 1988 and is the author or editor of various books, monographs, articles and reviewers in economics.

10. **RAMON R. DEL ROSARIO, JR.**, Filipino, 77, was elected as director of Bank of the Philippine Islands (BPI) in April 2020 and is a member of the Corporate Governance and Retirement and Pension Committees.

He currently holds the following positions in the following companies: President and Chief Executive Officer of Phinma Corporation; President and Chief Executive Officer of Philippine Investment Management, Inc.; Chairman of Araullo University, University of Iloilo, University of Pangasinan, Cagayan de Oro College, Southwestern University, St. Jude College, Republican College, Rizal College of Laguna, Union College of Laguna, United Pulp and Paper Co., Inc., PHINMA Microtel Hotels, Inc. and PHINMA Hospitality, Inc. He is vice chairman of Phinma Foundation, Inc. and Phinma Property Holdings Corp., director of Philcement Corp. and other PHINMA managed companies; chairman of Philippine Business for Education; and vice chairman of Caritas Manila and Philippine Business for Social Progress. He is a former chairman of the Ramon Magsaysay Award Foundation and Makati Business Club, where he remains a trustee; and former chairman of the National Museum of the Philippines. He has managed Phinma since 2002 and brings with him a wealth of experience in leading a diversified conglomerate.

Mr. del Rosario graduated from De La Salle College in 1967 with degrees in BSC-Accounting and AB Social Sciences (Magna Cum Laude) and from Harvard Business School in 1969 with a Master in Business Administration degree.

- 11. OCTAVIO V. ESPIRITU**, Filipino, 78 years old, has been a member of the board of directors of BPI since April 2000 and an independent director since April 2003 until May 2021. He is a member of the Audit and Risk Management Committees. He was appointed lead independent director in April 2019 until May 2021.

Mr. Espiritu is an independent director of Bloomberry Resorts Corporation and Manila Water Company Inc., a member of the board of directors of Philippine Stratbase Consultancy, Inc., Pueblo de Oro Golf & Country Club, and The Country Club, Inc. He is the chairman of GANESP Ventures, Inc. and MAROV Holding Company, Inc. He is also a trustee and board member of the Carlos P. Romulo Foundation.

Mr. Espiritu was the president and Chief Executive Officer of Far East Bank & Trust Company (which merged with the Bank of the Philippine Islands in the year 2000) from 1984 until April 2000. He was also the president of the Bankers Association of the Philippines for three consecutive terms from March 25, 1991 to March 28, 1994. He served as the chairman of the board of trustees of Ateneo de Manila University for 14 years.

He graduated with an A.B. Economics degree from the Ateneo de Manila University in 1963 and obtained his M.A. Economics degree from Georgetown University, U.S.A in 1966.

- 12. AURELIO R. MONTINOLA III**, Filipino, 70 years old, has been a member of the board of directors of BPI since 2004. Mr. Montinola served as President and Chief Executive Officer of BPI for eight years from 2005 to 2013, and BPI Family Savings Bank, Inc. for twelve years from 1992 to 2004. He is the chairman of the Bank's Retirement/Pension Committee and member of the Bank's Executive, and Personnel & Compensation Committees. Among the several BPI subsidiaries and affiliates, Mr. Montinola serves as member of the board of directors of the following: BPI Capital Corporation, BPI/MS Insurance Corporation, BPI Direct Banko, Inc., A Savings Bank, and The Bank of the Philippine Islands Foundation, Inc.

Mr. Montinola is the chairman of Far Eastern University, Inc. and an independent director of Roxas and Company, Inc., both PSE-listed companies. Among others, he is also the chairman of Ramon Magsaysay Award Foundation, Amon Trading Corporation, Roosevelt College, Inc. and East Asia Computer Center, Inc. He is a member of the board of trustees of the Philippine Business for Education Inc. where he sits as vice chairman.

Significant awards received by Mr. Montinola include Management Man of the Year 2012 (Management Association of the Philippines), Asian Banker Leadership Award (twice), and Legion d'Honneur (Chevalier) from the French Government.

He obtained his Bachelor of Science in Management Engineering degree at the Ateneo de Manila University in 1973 and his MBA from the Harvard Business School in 1977.

- 13. CESAR V. PURISIMA**, Filipino, 61 years old, was elected as independent director of BPI in January 2021. He is the chairman of BPI's Corporate Governance and Nomination Committees, and member of the Risk Management and Audit Committees. He also serves as a member of the board of directors of BPI Capital Corporation.

Mr. Purisima also currently serves as an independent director of Ayala Land, Inc., Universal Robina Corporation, and Jollibee Foods Corporation. He is also a founding partner of Ikhlas Capital Singapore Pte. Ltd., a pan-ASEAN private equity platform. He is a member of the board of AIA Group Limited, a member of the Global Advisory Council of Sumitomo Mitsui Banking Corporation, a member of Singapore Management University's International Advisory Council in the Philippines and member of the Board of Advisors of ABS-CBN. He is also a member of the board of trustees of the World Wildlife Fund- Philippines, De La Salle University, and the International School of Manila. He is an Asia Fellow at the Milken Institute, a global, non-profit, non-partisan think tank.

Mr. Purisima served in the government of the Philippines as Secretary of Finance and chair of Economic Development Cluster of the President's Cabinet from July 2010 to June 2016 and as secretary of Trade and Industry from January 2004 to February 2005. He also previously served on the boards of a number of government institutions, including as a member of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP), Governor of the Asian Development Bank and World Bank for the Philippines, Alternate Governor of the International Monetary Fund for the Philippines, and chairman of the Land Bank of the Philippines. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six consecutive years by a number of publications, a first for the Philippines. Prior to serving the government, Mr. Purisima was the chairman & country managing partner of the Philippines' largest professional services firm SGV & Co.

He was conferred the Chevalier dans l'Ordre national de la Legion d'Honneur (Knight of the National Order of the Legion of Honour) by the president of the French Republic in 2017, the Order of Lakandula, Rank of Grand Cross (Bayani) by the president of the Philippines in 2016, and the Chevalier de l'Ordre national du Merite (Knight of the National Order of Merit) by the president of the French Republic in 2001.

Mr. Purisima is a certified public accountant and has extensive experience in public accounting both in the Philippines and abroad. Mr. Purisima obtained his Bachelor of Science in Commerce (Majors in Accounting & Management of Financial Institutions) degree from De La Salle University (Manila) in 1979, Master of Management degree from J.L. Kellogg Graduate School of Management, Northwestern University in 1983 and Doctor of Humanities honoris causa degree from Angeles University Foundation (Philippines) in 2012.

14. **ELI M. REMOLONA, JR.**, Filipino, 69 years old, has been an independent director of BPI since April 2019 and is the chairman of the Risk Management Committee. Mr. Remolona also serves as an independent director of BPI/MS Insurance Corporation since December 2020.

He has extensive policy experience in financial markets, international finance, monetary policy, and bank regulation, having worked for 14 years at the Federal Reserve Bank of New York and 19 years at the Bank for International Settlements (BIS). He is currently professor of Finance and director of Central Banking at the Asia School of Business in Kuala Lumpur. The school is a collaborative effort with the MIT Sloan School of Management.

Until October 2018, Mr. Remolona was the chief representative for Asia and the Pacific of the BIS. He also served as secretary of the Asian Consultative Council, which consists of the Governors of the 12 leading central banks in the region. Until 2008, he was head of Economics for Asia and the Pacific of the BIS. Mr. Remolona joined the BIS in 1999 and for 6 years served as Head of Financial Markets and Editor of the BIS Quarterly Review. Before that, he was research officer of the Federal Reserve Bank of New York. He has taught at Columbia University, New York University, Williams College and the School of Economics of the University of the Philippines.

Mr. Remolona obtained his Bachelor's Degree in Economics Honors from Ateneo de Manila University and has a Ph.D. in Economics from Stanford University.

15. **MARIA DOLORES B. YUVIENCO**, Filipino, 74 years old, was elected as director of BPI in April 2014 and as independent director in April 2016. Mrs. Yuvienco currently serves as the chairman of the Audit Committee, a member of the Related Party Transactions Committee and the Personnel and Compensation Committee. In July 2019, Mrs. Yuvienco was elected as independent director of BPI Asset Management and Trust Corporation, and designated chairman of the AMTC Corporate Governance Committee and a member of the AMTC Risk Oversight Committee.

She serves as independent director of First Consolidated Bank (Thrift Bank), and chairman of the Nomination and Governance Committee.

Ms. Yuvienco worked for 41 years with the Bangko Sentral ng Pilipinas (formerly known as Central Bank of the Philippines) under various capacities until her compulsory retirement in March 2013. She held the post of Assistant Governor in the Supervision and Examination Sector when she retired. Her exposure at the BSP was largely in bank supervision where her

responsibilities ranged from the crafting of policies/regulations on banking supervision to supervising on-site examination and off-site monitoring of BSP-supervised entities. As a ranking official in the BSP, she had opportunities to meet and share ideas with her counterparts in other central banks in the region. Owing to her experience, she was tapped as a resource speaker in various training programs of the Southeast Asian Center for Banking in Kuala Lumpur.

Ms. Yuvienco attended the Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit (The Board's Agenda 2021: The Pathway to Recovery Through ESG) held by Institute of Corporate Directors (ICD) on 21 October 2021 to comply with the requirement of Bangko Sentral ng Pilipinas (BSP).

Ms. Yuvienco graduated from St. Theresa's College, Quezon City in 1967, with a degree of Bachelor of Science in Commerce, major in Accounting. She took up post graduate studies at the University of the Philippines Diliman. She is a Certified Public Accountant and a Career Executive Service Professional.

THE KEY EXECUTIVE OFFICERS OF BPI
as of December 31, 2021

1. JOSE TEODORO K. LIMCAOCO
President & Chief Executive Officer

2. MARIA THERESA MARCIAL JAVIER
Executive Vice President/CFO

Ms. Marcial, Filipino, 51 years old, is the Chief Finance Officer, Chief Sustainability Officer and Head of Strategy and Finance of BPI. She is responsible for strategic planning and sustainability, central accounting, financial control, balance sheet management and analytics, corporate legal affairs, strategic management and sales of bank assets, and investor relations.

She is a member of BPI's Management Committee, Asset and Liability Committee, Credit Committee, and chairs the Finance Committee. She is a board director of BPI MS Insurance Corporation, BPI Europe Plc, AF Payments Inc, and BPI Global Payments Asia Pacific Philippines Inc. She is a fellow of Foundation for Economic Freedom, trustee and treasurer of World Wide Fund for Nature (WWF) Philippines, member of WWF Asia Pacific Council, treasurer of BPI Foundation, and board director of Philippines Inter-Island Sailing Federation.

She joined BPI in 1995 through the Bank Officers Development Program. She has 27 years of banking experience with expertise in strategic planning and finance, corporate banking, debt and equity capital markets, portfolio management, trust, and retail wealth management. She previously served on the BPI Trust Committee and the board of BPI Investment Management Inc. Prior to her banking career, she worked for the National Economic and Development Authority, and the Agricultural Policy Credit Council.

She previously served as president of the Fund Managers Association of the Philippines, president of the Trust Officers Association of the Philippines, vice-chairman of Capital Markets Development Committee of FINEX, alternate governor of the Market Governance Board of Philippine Dealing and Exchange Corporation, and member of the National Advisory Council of WWF Philippines. She was recognized as one of Top 25 Most Influential Women in Asset Management in Asia by Asian Investor and Most Outstanding Alumnus of the University of the Philippines Los Baños.

Ms. Marcial obtained her Master's Degree in Economics in 1995 from the University of the Philippines Diliman and BS Economics, cum laude, from the University of the Philippines Los Baños in 1990. She completed the Advanced Management Program at Harvard Business School in 2010 and the CFA Institute Investment Management Workshop also at Harvard Business School in 2006.

3. RAMON L. JOCSON
Executive Vice President/COO

Mr. Jocson, Filipino, 62 years old, is the Chief Operating Officer of BPI. He heads BPI's Enterprise Services which serves as the backbone of the organization that includes Human Resources, Centralized Operations, Information Systems, Digital Channels, Business Transformation & Data Science, Facilities Services, and Client Experience Center. He chairs the Bank's IT Steering Committee and is a member of the Bank's Management Committee.

He is also currently the vice chairman of the CyberSecurity Committee of the Bankers Association of the Philippines and a member of Yoma Bank's (Myanmar) Technology Advisory Committee.

Mr. Jocson began his career as a Systems Analyst with IBM Manila in 1982, subsequently took on more responsibility as he assumed different positions, including Information Systems Manager, Systems Engineering Manager and Manager of Quality. In 1995, he was assigned in Singapore where he led IBM's Applications/Systems Integration business in ASEAN and South Asia. In 1996, he was appointed as managing director for IBM Philippines. In 2000, he took on a new assignment as vice president and general manager of IBM Global Services, ASEAN and South Asia. He was then appointed as vice president and general manager of IBM Global

Services for Industrial Sector for Asia Pacific in 2005. Two years later, in 2007, he took on the role of vice president and general manager of Application Services for the Growth Market Unit, where he led IBM's Applications Management and Application Integration Services in Asia Pacific, Central and Eastern Europe, Latin America and Middle East/Africa. He was then appointed as vice president & general manager of Integrated Technology Services for Asia Pacific in 2010. In 2013, he was appointed as vice president & general manager of IBM Global Services for Central and Eastern Europe based in Prague, Czech Republic. In this capacity, he was responsible for IBM's services portfolio in Russia/CIS, Turkey, Poland & Baltics, Central Europe and South East Europe. From January 2015 until he joined BPI in September 2015, he was in Singapore as IBM Asia Pacific VP & GM for Strategic Outsourcing which catered to major regional banks, telcos and airlines as major clients.

He was also a member of IBM's Growth & Transformation Team, which is composed of the top senior leaders in IBM which worked directly with the chairman on key/strategic initiatives. He has served on several external boards, including the Economic Development Board of Singapore, Philamlife and iPeople.

Mr. Jocson graduated with a B.S. Industrial Engineering degree from the University of the Philippines in 1982 and obtained his MBA from the Ateneo Graduate School of Business.

4. MARIE JOSEPHINE M. OCAMPO
Executive Vice President

Ms. Ocampo, Filipino, 60 years old, is the head of the Mass Retail Segment of the Bank, where she oversees BPI's credit, debit and prepaid card businesses as well as personal and micro finance loans.

Ms. Ocampo is currently the chairman of the board of BPI Direct Banko, the bank's micro-finance subsidiary. She is a member of the board of BPI Payments Holdings Inc., Global Payments Asia-Pacific Philippines, Inc., AF Payments Inc., Zalora Philippines and CARD MRI Rizal Bank Inc.

Ms. Ocampo started her career in BPI as vice president for Marketing and Sales of BPI Credit Cards in 1996. She soon took the position of president for BPI Card Corporation, the bank's credit card subsidiary where she won the prestigious Agora Award-2000 Marketing Company of the Year. In 2005, Ms. Ocampo was then cross-posted to BPI's Consumer Banking Group as head of Kiosk Banking and head of Personal Banking. She also became the Chief Marketing Officer of BPI from 2008 until 2014 where she was responsible for retooling the bank's data warehouse and customer analytics capabilities into its distinct competitive advantage. Ms. Ocampo also developed the bank's CRM initiatives on top of driving the bank's advertising and digital initiatives across the breadth of products, channels and services. In 2015, she became the Payments and Remittance group head, and was tasked to grow fee revenue via expanding existing businesses and developing new payment platforms.

Prior to joining BPI, Ms. Ocampo gained over 10 years of marketing experience in Procter & Gamble and Johnson & Johnson Australia and the Philippines, where she led the expansion of J&J's Health Care, Baby Care and Sanitary Protection business.

Ms. Ocampo graduated Magna Cum Laude and received her Bachelor of Science in Business Management, Honors Program at Ateneo de Manila University. She also completed the Advanced Management Program at the Harvard Business School in 2007.

5. JUAN CARLOS L. SYQUIA
Executive Vice President

Mr. Syquia, Filipino, 55 years old, is the head of Corporate Banking. His responsibilities include managing the Corporate Banking Relationship Management, Corporate Credit Products, Transaction Services (Cash Management and Trade), Remittance and Fund Transfer, Investment Banking (BPI Capital Corporation) and Equity Brokerage (BPI Securities Corporation). He is also a member of the board of directors of BPI's merchant acquiring joint venture company, Global Payments Asia-Pacific Philippines Incorporated and Mediacard Philippines Inc. Prior to taking on this role in 2018, he was the president of BPI Capital

Corporation and co-head for Investment Banking for the Bank. He has over 30 years of work experience in the financial services industry.

Prior to joining BPI Capital Corporation in June 2016, Mr. Syquia was the country head of Corporate Clients for Standard Chartered Bank in the Philippines serving in that role from late 2011. In that role, he was principally responsible for wholesale banking strategy and operations of the bank in the Philippines.

Mr. Syquia spent 17 years with the ING Group where he started with Baring Brothers & Co. in 1994. Within the banking group of ING, he took on various roles in relationship management, corporate finance origination, and investment banking execution. His last role in ING Bank was as the head of Corporate Finance at ING Bank Manila. In 2007, he moved to a regional role as head of Strategy and Business Development at ING Asia Pacific Ltd., the regional hub of ING Group's life insurance and asset management practice (then based in Hong Kong). He held board of director positions at ING Insurance Bhd. (Malaysia), Pacific Antai Life Insurance Co. (Shanghai, China), ING Vysya Life Insurance (India).

Mr. Syquia is a product of the BPI's Officer Training Program which he completed in 1990 during his first stint at the Bank. In 1991, he was assigned to Cebu where he formed part of a two-man team that established the Corporate Banking Division desk in Cebu. He carries an MBA Degree (Honors) with a concentration in Finance and International Business from Fordham University, NY as well as an AB degree in Management Economics from the Ateneo de Manila University.

MANAGEMENT REPORT

Description of business

As the first bank in the Philippines and in Southeast Asia, Bank of the Philippine Islands has established a history of client trust, financial strength, and innovation. Since 1851, our business, products, and services have created sustainable value and played a significant role in every Filipino's daily life, as well as in the country's growing economy.

A fully diversified universal bank and a recognized leader in the banking industry, BPI offers a diverse range of products and services in consumer and corporate banking as well as in asset management, payments, insurance, investment banking, foreign exchange, leasing, and securities distribution. We are focused on leveraging digital technology to provide our clients across all segments - corporate, consumer, and small, medium and micro-entrepreneurs - outstanding customer journeys anchored on trust and best digital offerings. We are united in our commitment to support our customers, employees and communities towards a sustainable future.

Our 19,181 employees serve over 8.5 million customers through our digital platforms and the 1,176 branches of BPI, BPI Family Savings Bank and BPI Direct Banko.

Principal Subsidiaries. The bank's principal subsidiaries are:

- (1) BPI Family Savings Bank, Inc. (“BFSB”) is BPI's flagship platform for retail lending, in particular, housing and auto loans. It is also one of BPI's primary vehicles for retail deposits. BFSB was acquired by BPI in 1985. In January 2021, the Bank announced BPI's merger with BFSB, with BPI as the surviving entity. The merger took effect on January 1, 2022;
- (2) BPI Capital Corp. (“BPI Cap”) is an investment house that offers a full suite of services covering a comprehensive program: from corporate finance and capital markets advisory, project finance and loan syndication, to debt and equity underwriting and securities distribution. It began operations in December 1994. BPI Cap wholly owns BPI Securities Corp., a stock brokerage.
- (3) BPI Direct Banko, Inc., A Savings Bank (“Banko”), serves microfinance customers through branch, digital, and partnership channels. Founded in July 2009 as BPI Globe BankO, it is now wholly-owned, following a September 2016 purchase of stakes owned by Ayala Corp. (20%) and Globe Telecom, Inc. (40%) and a December 2016 merger with BPI Direct Savings Bank, Inc.;
- (4) BPI International Finance Limited (“BPI IFL”), originally established in August 1974, is a deposit-taking company authorised and regulated by the Hong Kong Monetary Authority. It is also licensed by the Securities and Futures Commission of Hong Kong to undertake Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Its principal business activities are: 1) providing banking services mainly in relation to term deposits and loans; 2) providing securities brokerage services in relation to dealing and advising on securities; and 3) providing asset management services;
- (5) BPI Remittance Centre Hong Kong Ltd. (“BERC HK”) is a licensed money service operator in Hong Kong servicing the remittance services to beneficiaries residing throughout the Philippines. On November 21, 2018, BPI IFL distributed its shares in BERC HK as a property dividend to the Parent Bank. BERC HK became an immediate subsidiary of the Parent Bank following this;
- (6) BPI (Europe) Plc (“BPI Europe”) is a UK-licensed bank authorised by the PRA, jointly regulated by the PRA and the Financial Conduct Authority (FCA). It has been in operation since 2007, and started off with a paid-up capital of £20 million, subsequently increased to £100 million after equity infusions in 2020 and 2021. The bank offers simple retail deposit products, and engages in the proprietary trading of fixed income securities, foreign exchange and syndicated loans;
- (7) BPI/MS Insurance Corp. (“BPI MS”) is a non-life insurance company. It is a joint venture with Mitsui Sumitomo Insurance Co. (who owns a 49% stake), and is the result of a merger of FGU Insurance Co. and FEB Mitsui Marine Insurance Co., which was acquired as a subsidiary of Far East Bank in 2000;

- (8) BPI Asset Management and Trust Corporation (“BPI AMTC”) is a Stand Alone Trust Corporation (SATC) serving both individual and institutional investors with a full suite of local and global investment solutions. BPI AMTC commenced operations on February 1, 2017;
- (9) BPI Investment Management Inc. (“BIMI”) is a wholly owned subsidiary of the Bank and serves as the Bank’s fund manager, investment advisor and principal distributor of the ALFM & PAMI Mutual Funds – open-end investment companies registered with, and regulated by, the Securities and Exchange Commission (SEC).

Legal Proceedings

The Bank does not have any material pending legal proceedings to which the registrant or any of its subsidiaries or affiliates is a party or of which any of their property is the subject.

Market Information

The common shares of BPI have been listed on the Philippine Stock Exchange (PSE) since 1971.

The table below shows the high and low prices of BPI shares transacted at the PSE for each quarter within the last three (3) fiscal years.

		High	Low
Year Ended December 31, 2019			
1st Quarter.....	P	95.00	83.90
2nd Quarter.....		85.65	73.30
3rd Quarter.....		94.35	78.00
4th Quarter.....		100.00	83.10
Year Ended December 31, 2020			
1st Quarter.....	P	89.00	51.40
2nd Quarter.....		78.00	57.00
3rd Quarter.....		75.00	61.00
4th Quarter.....		88.60	64.50
Year Ended December 31, 2021			
1st Quarter.....	P	89.00	79.45
2nd Quarter.....		89.00	80.00
3rd Quarter.....		89.95	80.30
4th Quarter.....		95.80	80.50

The high and low prices of BPI at the Philippine Stock Exchange on February 28, 2022 were P100.00 and P97.60, respectively, with a closing price of P100.00.

Dividends

The Bank’s practice is to declare cash dividends to its common stockholders on a regular basis as may be determined by the Board of Directors. As its dividend payout history shows, the Bank has consistently paid at least P1.80 per share in annual dividends; however, the Bank evaluates its dividend payments from time to time in accordance with business and regulatory requirements, and cannot make explicit warranties about the quantum of future dividend payments.

Cash dividends declared and paid during the years ending December 31, 2019, 2020, and 2021 are as follows:

Date Declared	Date of Payment	Amount of Dividends	
		Per Share	Total (in P Mn)
May 15, 2019	June 19, 2019	0.9	4,056
November 20, 2019	December 27, 2019	0.9	4,057
May 20, 2020	June 26, 2020	0.9	4,062
October 21, 2020	November 26, 2020	0.9	4,062
May 19, 2021	June 23, 2021	0.9	4,062
November 17, 2021	December 24, 2021	0.9	4,062

There are no known restrictions or impediments to the Bank's ability to pay dividends on common equity, whether current or future.

Dividend declaration is ultimately the responsibility of BPI and the BPI Board of Directors which has the authority to declare dividends as it may deem appropriate. Banks that meet the prequalification criteria including capital adequacy requirements and applicable laws and regulations of the BSP can declare and pay dividends without prior BSP verification.

Details of the dividend declaration is reflected in Note 18 of the 2021 Audited Financial Statements.

Management Discussion and Analysis of Financial Condition and Results of Operations

The highlights of the balance sheet and income statement of BPI for each year and the compounded growth rate over the three-year period (2019-2021) are shown below:

In Million Pesos	2018	2019	2020	2021	CAGR
Assets	2,085,228	2,205,030	2,233,443	2,421,915	5.1%
Loans (Net)	1,354,896	1,475,336	1,407,413	1,476,527	2.9%
Deposits	1,585,746	1,695,343	1,716,177	1,955,147	7.2%
Capital	248,521	269,577	279,835	293,060	5.6%

Over the past three years, despite the pandemic, the Bank was able to grow total assets by 5.1%, largely funded by deposits which grew 7.2% annually. Total loans, despite the decline in 2020 due to the pandemic, recovered a year after and registered a 2.9% three year CAGR as of 2021. The Bank continued to accrete capital from operations at 5.6% three year CAGR.

2019

Total resources reached P2.20 trillion, P119.8 billion, or 5.7%, higher than last year's P2.09 trillion. **Total deposits** grew P109.6 billion, or 6.9% to P1.70 trillion, on the back of growth in time, demand, and savings deposits of 17.6%, 6.1%, and 1.8%, respectively. **Deferred credits and other liabilities** increased by P4.6 billion, or 10.8%, from the recognition of lease liabilities on office spaces as part of the Bank's adoption of PFRS 16: Leases. **Manager's checks and demand draft outstanding** increased by P1.4 billion, or 19.7%, on account of higher volume of manager's checks issued. **Accrued taxes, interest and other expenses** rose by P809 million, or 8.9%, on higher accrued interest payable and accrued expenses. On the other hand, **bills payable and other borrowed funds** decreased by P16.1 billion, or 9.6%, largely due to lower bills payable. **Due to Bangko Sentral ng Pilipinas and other banks** decreased by P1.0 billion, or 26.1%, on account of lower tax collected for the Bureau of Internal Revenues (BIR). **Derivative Financial Liabilities** declined by P1.0 billion, or 26.1%, due to lower market valuation of certain derivative products.

Capital funds amounted to P269.6 billion, P21.0 billion, or 8.5%, higher than last year's P248.5 billion. **Surplus** contributed to the capital growth by P20.0 billion, or 15.7%, as a result of accumulated profits net of cash dividend payments. **Reserves** likewise increased by P1.0 billion, or 24.7%, representing required appropriation of general loan loss provisions in excess of PFRS9 loan loss provisions under BSP Circ. 1011. **Accumulated other comprehensive loss** increased by P263 million, or 12.1%, due to the increase in actuarial losses on defined benefit plan.

On the asset side, **loans and advances, net** increased P120.4 billion, or 8.9%, led by the growth in the corporate and consumer segments. **Financial assets at fair value through OCI** likewise increased P16.7 billion, or 44.9%, due to the net effect of the increase in the Bank's various holdings in hold to collect and sell debt securities. **Due from Other Banks**, increased by P9.9 billion, or 79.2%, due to net increase in the account balances with various banks. **Bank premises, furniture, fixtures and equipment, net** increased by P7.5 billion, or 46.1%, as the Bank adopted PRFS 16 which entails the recognition of Right-of-Use Asset for the Bank's leased properties and equipment. **Financial assets at fair value through profit and loss** increased by P7.4 billion, or 44.2%, due to increase in holdings of securities intended for trading on outlook of lower interest rates. **Cash and other cash items** grew P3.7 billion, or 8.5%, on account of higher cash requirement for the period as compared to year-end 2018. **Assets attributable to insurance operations** increased by P1.2 billion, or 7.3%, due to higher securities investments of the Bank's non-life insurance affiliate. **Deferred income tax assets, net** grew P1.2 billion, or 13.7%, on account of the impairment losses setup for the period. **Investments in subsidiaries and associates, net** increased P1.1 billion, or 19.2%, as a result of higher income from the asset management subsidiaries.

On the other hand, **Due from Bangko Sentral ng Pilipinas (BSP)** decreased by P18.1 billion, or 8.0% due to lower volume of placement in BSP deposits and lower reserve requirements. **Financial assets at amortized cost** decreased by P12.5 billion, or 4.3%, due to the net effect of the decrease in the Bank's various holdings in hold to collect and sell debt securities. **Interbank loans receivable and securities purchased under agreements to resell** declined P11.7 billion, or 34.2%, due to lower volume of placement in Reverse Repurchase Agreements (RRP) and interbank term loans. **Other assets, net** was lower by P6.8 billion, or 30.6%, primarily attributable to lower miscellaneous assets. **Assets held for sale, net** also declined P208 million, or 6.2%, due to sale of foreclosed properties.

2020

Total resources reached P2.23 trillion, up P28.41 billion, or 1.3%, from last year's P2.21 trillion. **Total deposits** grew P20.83 billion, or 1.2% to P1.72 trillion, on the back of growth in demand and savings deposits of 15.7% and 16.9%, respectively. **Derivative Financial Liabilities** increased P2.78 billion, or 96.6%, due to lower market valuation of certain derivative products. On the other hand, **Due to Bangko Sentral ng Pilipinas and other banks** decreased by P1.46 billion, or 49.4%, on account of lower tax collected for the Bureau of Internal Revenues (BIR). **Manager's checks and demand draft outstanding** decreased by P1.19 billion, or 14.4%, on account of lower volume of manager's checks issued. **Accrued taxes, interest and other expenses** lower by P963 million, or 9.8%, on lower accrued interest payable.

Capital funds amounted to P279.84 billion, increased P10.26 billion, or 3.8%, higher than last year's P269.58 billion. **Surplus** contributed to the capital growth by P18.05 billion, or 12.2%, as a result of accumulated profits net of cash dividend payments. **Reserves** decreased by P4.69 billion, or 91.9%, representing required appropriation of general loan loss provisions in excess of PFRS9 loan loss provisions under BSP Circ. 1011. **Accumulated other comprehensive loss** likewise increased by P3.46 billion, or 141.9%, due to recognition of lower actuarial losses on defined benefit plan.

On the asset side, **loans and advances, net** declined P67.92 billion, or 4.6%, due to lower growth mostly across business segments compared to 2019. However, **financial assets at fair value through OCI** increased P76.28 billion, or 141.5%, largely due to the sale of hold to collect debt securities. **Due from Other Banks**, increased P17.80 billion, or 79.6% while **due from Bangko Sentral ng Pilipinas (BSP)** increased P16.14 billion, or 7.8% due to higher volume of placements with various banks in BSP deposits. **Financial assets at fair value through profit and loss** increased P13.10 billion, or 54.4%, due to increase in holdings of securities intended for trading. **Deferred income tax assets, net** grew P7.82 billion, or 80.6%, on account of the impairment losses setup for the period. **Interbank loans receivable and securities purchased under agreements to resell** increased P7.68 billion, or 34.0%, due to higher volume placements of interbank term loans. **Other resources, net** was higher by P1.44 billion, or 9.3%, primarily attributable to higher miscellaneous assets. **Assets attributable to insurance operations** increased P935 million, or 5.3%, due to higher securities investments of the Bank's non-life insurance affiliate. **Investments in subsidiaries and associates, net** increased P764 million, or 11.3%, as a result of higher income from the leasing business.

On the other hand, **financial assets at amortized cost** decreased P30.45 billion, or 11.1%, due to the net effect of the decrease in the Bank's various holdings in hold to collect securities. **Cash and other cash items** was lower by P10.08 billion, or 21.3%, on account of lower cash requirement for the

period as compared to year-end 2019. **Bank premises, furniture, fixtures and equipment, net** decreased P4.92 billion, or 20.7%, as the booking of the Right-of-Use Asset for the Bank's leased properties and equipment (PFRS 16) decreased from its first recognition in 2019. **Assets held for sale, net** also declined P185 million, or 5.9%, due to sale of foreclosed properties and decline in building improvements.

2021

Total resources reached P2.42 trillion, up P188.47 billion, or 8.4%, from last year's P2.23 trillion. This was driven by the expansion in **total deposits** of P238.97 billion, or 13.9%, as CASA deposits increased P140.28 billion, 10.3%, to P1.51 trillion and Time Deposits increased P98.69 billion, or 28.2%, to P448.94 billion. The increase was partially offset by the settlement of maturing bonds booked under **other borrowed funds**, down P56.91 billion, or 37.5%. **Deferred credits and other liabilities** at P43.40 billion, down 5.4%, primarily from the decrease in other liabilities. **Derivative financial liabilities** also declined P2.02 billion, or 35.8%, due to lower market valuation of certain derivative products. **Liabilities attributable to insurance operations** at P13.24 billion, decreased P1.11 billion, or 7.7%, on account of lower reserves and other balances. **Due to Bangko Sentral ng Pilipinas and other banks** decreased by P537.77 million, or 36.1%, owing to lower tax collected for the Bureau of Internal Revenues (BIR) and other banks. **Accrued taxes, interest and other expenses** lower by P488.81 million, or 5.5%, on lower accrued income tax and other expenses payable.

Capital funds amounted to P293.06 billion, increased P13.22 billion, or 4.7%, higher than last year's P279.83 billion. **Surplus** contributed to the capital growth by P15.59 billion, or 9.4%, on account of the recognized appropriation of retained earnings. **Reserves** likewise increased by P148.59 million, or 35.8%, due to the 10% appropriated reserves from the trust business income in compliance with the existing BSP regulations. These are partially tempered by the increase in **accumulated other comprehensive loss** by P2.77 billion, or 47.0%, due to the recognized negative movement on defined benefit obligation in the beginning of the year.

On the asset side, **financial assets at amortized cost** increased P94.02 billion, up 38.4%, on account of additional placements in long-term HTC securities. **Loans and advances, net** have bounced back to its pre-pandemic level at P1.48 trillion, grew P69.11 billion, or 4.9%, due to higher growth mostly across business segments compared to 2020. With higher placements in BSP deposits, **due from Bangko Sentral ng Pilipinas (BSP)** increased P44.84 billion, or 20.0%. **Other resources, net** was also higher by P3.05 billion, or 18.1%, on account of higher miscellaneous assets. **Assets held for sale, net** up P311.68 million, or 10.5%, due to lower allowance for losses recognized in 2021.

On the other hand, **financial assets at fair value through profit and loss** decreased P15.88 billion, or 42.7%, due to decrease in holdings of securities intended for trading. **Due from Other Banks** at P34.57 billion, down 13.9%, due to the net decrease in account balances with various banks. **Cash and other cash items** was lower by P2.03 billion, or 5.5%, on account of lower cash placements as compared to year-end 2020. **Deferred income tax assets, net** at P15.82 billion, down 9.7%, mainly due to the net impact of the new tax rate under the CREATE law. **Bank premises, furniture, fixtures and equipment, net** decreased P1.31 billion, or 6.9%, on account of lower booking of right-of-use assets under PFRS 16. **Assets attributable to insurance operations** at P17.56 billion, down 6.2%, due to lower assets booked from the Bank's non-life insurance affiliate.

Asset Quality

The Bank's loan portfolio mix is broken down into corporates at 76.5%, small and medium enterprises (SMEs) at 4.4%, consumer at 19.1%, compared to last year's 76.7%, 4.6%, and 18.7%, respectively.

Allowance for Impairment at P13.13 billion declined P14.87 billion from last year's P28.00 billion. NPL ratio improved to 2.49% from 2.68% in 2020, which was below the industry ratio of 4.12%.

Details of the loan portfolio and asset quality are reflected in the 2021 Audited Financial Statements Note 10 and Note 26.1.3.1, respectively.

Funding and Liquidity

Customer deposits account for 92% of BPI's total funding, while 4% is attributable to other borrowings. The Bank's liquidity ratios (Liquidity Coverage Ratio and Net Stable Funding Ratio) are comfortably above the regulatory minimum of 100%.

The Bank's CASA Ratio was 77.0%, while the Loan-to-Deposit Ratio was 75.5%.

For further details on the Bank's deposits, borrowings, and liquidity, refer to the 2021 Audited Financial Statements Notes 15, 16, and 26.3.1, respectively.

Results of Operations

In Million Pesos	2018	2019	CAGR
Net Interest Income	55,843	65,945	15.9%
Non-Interest Income	22,681	28,389	5.5%
Impairment Losses	4,923	5,822	6.6%
Operating Expenses	43,602	50,077	12.7%
Net Income	23,078	28,803	9.3%

2019 vs. 2018. In 2019, the Bank's net income reached P28.8 billion, an increase of P5.7 billion, or 24.8%, from the P23.1 billion recognized in the prior year. This increase was boosted by revenue growth of P15.8 billion, or 20.1%, which was partially tempered by the increase in operating expenses of P6.5 billion, or 14.8%.

Net interest income stood at P65.9 billion, up P10.1 billion, or 18.1%, on account of the P165.7 billion, or 8.6%, expansion in average asset base, and 24-basis point expansion in margins.

- **Interest income** increased P21.4 billion or 26.7%, from previous year's P80.2 billion. Interest income **on loans and advances** increased by P17.7 billion, or 25.6%, on the back of higher average volume and asset yield by P122.8 billion, and 84 bps, respectively. Interest income **on financial assets** likewise increased by P3.1 billion also due to higher average volume and yield of P59.2 billion and 35 bps, respectively. Interest income **on deposits with BSP and other banks** increased by P550 million, or 46.8%, due to higher average yield, partially tempered by the decrease in average volume;
- **Interest expense** of P35.6 billion, increased P11.3 billion, or 46.4%, driven by the increases in both interest expense **on deposits** at P28.9 billion, up P7.6 billion, or 35.8%, and **on bills payable and other borrowings** at P6.8 billion, up P3.7 billion, or 118.7%, due to higher average volume and interest cost.

Other income at P28.4 billion, up P5.7 billion, or 25.2%, higher than the P22.7 billion earned in the same period of 2018 primarily from the **securities trading gain** of P4.0 billion, up P3.3 billion, or 457.7%, due to profit taking on favorable trading opportunities. **Other operating income** at P12.0 billion, increased P1.6 billion, or 15.4%, due to higher credit card income and miscellaneous income. **Fees and commissions** at P9.1 billion, increased P838 million, or 10.2%, mainly from the higher service charges.

Other expenses at P50.1 billion, increased P6.5 billion, or 14.8%, due to increased spending on the following:

- **Occupancy and equipment-related expenses** at P16.1 billion, grew P3.0 billion, or 22.6%, due to the impact of the PRFS 16 implementation and higher technology-related outsourced services costs;
- **Compensation and fringe benefits** at P17.5 billion, was up P2.2 billion, or 14.2%, on increased manpower complement for both microfinance and regular branches;
- **Other operating expenses** at P16.5 billion, also increased P1.3 billion, or 8.8%, primarily from higher costs for regulatory, marketing, transaction servicing, and outsourced services.

Impairment losses stood at P5.8 billion, which includes specific reserves for the Hanjin exposure.

Provision for income tax at P9.4 billion, up P2.7 billion, or a 40.2% increase from P6.7 billion last year. **Current taxes** at P10.0 billion, was higher by P2.6 billion, or 35.6%, attributable to the higher taxable income subject to regular corporate income tax. **Deferred taxes** at (P685) million, on account of the higher write-offs for the year.

Income attributable to non-controlling interest increased P28 million, or 11.3%, because of higher income contribution from the Bank's non-life insurance affiliates.

Comprehensive Income

Total comprehensive income at P28.8 billion, increased P6.9 billion, or 31.5%, due to increases in both **net income before minority interest** by P5.8 billion, or 24.7%, and **total other comprehensive income, net of tax effect** by P1.4 billion, or 109.9%.

Share in other comprehensive income of associates at P1.3 billion, jumped P2.6 billion, or 200.4%, due to the upward market valuation of investments of the bancassurance affiliates. **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P545.3 million, increased P945 million, or 236.4%, as a result of higher market valuation of the bancassurance affiliates' investment funds. **Net change in fair value reserve on FVOCI securities, net of tax effect** at (P51) million, increased P739 million, or 93.5%, on account of higher market valuation of the Bank's investment securities. **Currency translation differences** at (P202) million, decreased P176 million, or 684.6%, on account of the net effect from cash flow hedging. These increases were partly tempered by the decreases in **remeasurements of defined benefit obligation**, of P2.0 billion due to change in financial assumption, and **share in other comprehensive gain (loss) of associates** of P627 million, due to the remeasurement/fair valuation of BPI-Philam's liabilities, property, and equipment.

Comprehensive income attributable to non-controlling interest increased P279 million, or 171.8% due to higher market valuation of the insurance's subsidiaries' investments.

In Million Pesos	2018 (restated)	2019 (restated)	2020	2021	CAGR
Net Interest Income	55,617	65,575	72,264	69,583	7.8%
Non-Interest Income	21,003	26,687	29,659	27,822	9.8%
Impairment Losses	4,719	5,562	28,000	13,135	40.7%
Operating Expenses	42,085	48,344	48,154	50,733	6.4%
Net Income	23,078	28,803	21,409	23,880	5.6%

The Bank's income grew at a compounded annual rate of 5.6% in the past three years despite the significantly higher impairment losses recorded in 2020. Net interest income and non-interest income increased by 7.8% and 9.8%, respectively while operating expenses grew at a slower rate of 6.4% over the same period.

2020 vs. 2019. On November 18, 2020, the Board of Directors approved the transfer of the Parent Bank's majority ownership via the sale of BPI's 2% share in BPI CTL to TCC, effective December 22, 2020. This resulted in a 49% to 51% ownership structure between BPI and TCC. The loss of control of the Parent Bank over BPI CTL resulted in the deconsolidation of the finance lease operations and was presented as a discontinued operation.

Accordingly, the Bank's **net income attributable to equity holders arising from continued operations** reached P21.41 billion, decreased P7.39 billion, or 25.7%, from the P28.80 billion recognized in the prior year. This amount is net of the **loss arising from the discontinued operations** of (P211) million resulted from the recent transaction. Moreover, the decline in net income was primarily from the P28.0 billion **impairment losses** booked for the full year 2020, as the economic slowdown leads to an increase in non-performing loans. However, total revenues for the year increased by 10.5%, to P101.92 billion, and **operating expenses** amounted to P48.15 billion, almost flat compared to previous year, declined -0.4%.

Net interest income stood at P72.26 billion, up P6.69 billion, or 10.2%, on account of the P119.81 billion, or 5.8%, expansion in average asset base, and 14-basis point expansion in margins.

- **Interest income** decreased P4.18 billion, or 4.2%, compared from the P100.49 billion of the same period last year. Interest income **on loans and advances** decreased P3.74 billion, or 4.4%, on the back of lower asset yields, down by 84 bps, despite higher average volume by P122.8 billion. Interest income **on financial assets** likewise decreased P657 million due to lower asset yield, despite higher average volume. However, interest income **on deposits with BSP and other banks** increased P222 million, or 12.9%, as both average volume and yield rose by P33.06 billion

and 57 bps, respectively.

- **Interest expense** of P24.04 billion, decreased P10.87 billion, or 31.1%, on the back of the decreases in both interest expense **on deposits** at P18.99 billion, down P9.89 billion, or 34.2%, and **on bills payable and other borrowings** at P5.06 billion, down P980 million, or 16.2%, due to higher average volume despite lower interest cost.

Other income at P29.66 billion, up P2.97 billion, or 11.1%, higher than the P26.69 billion earned in the same period of 2019. The increase was primarily from the **net gains on disposals of investment securities at amortized cost** at P4.65 billion, up P4.52 billion, or 3,520.2%, as the Bank sold a portion of debt securities portfolio. **Income attributable to insurance operations** also increased P282 million, up 23.1%, to P1.51 billion, due to higher income contribution from the Bank's life and non-life insurance affiliates. On the other hand, **other operating income** at P9.14 billion, decreased P1.13 billion, or 11.0%, due to decline in gain in asset sales and credit card income.

Other expenses at P48.15 billion, decreased P190 million, or 0.4%, due to controlled spending: **Compensation and fringe benefits** at P18.01 billion, was up P636 million, or 3.7%, on increased manpower compensation and Bank contribution to retirement fund;

- **Occupancy and equipment-related expenses** at P14.61 billion, down P129 million, or 0.9%, due lower rent and utilities costs;
- **Other operating expenses** at P15.54 billion, also decreased P697 million, or 4.3%, due from lower costs for advertising and publicity, and miscellaneous expenses.

Impairment losses stood at P28.0 billion, 5.0x more than the P5.56 billion set aside in 2019, due to pre-emptive provisioning on anticipated credit loss.

Provision for income tax at P3.91 billion, lower by P5.45 billion, or 58.2%, relative to the P9.36 billion from last year. **Current taxes** at P10.75 billion, was higher by P775 million, or 7.8%, attributable to the higher taxable income subject to regular corporate income tax. **Deferred taxes** at (P6.84) billion, up 1,003%, on account of the higher provisioning set-up for the year.

Income attributable to non-controlling interest increased P4 million, or 1.6%, due from higher income contribution from the Bank's non-life insurance affiliate.

Comprehensive Income

Total comprehensive income at P18.26 billion, decreased P10.95 billion, or 37.5%, due to decreases in both **net income before minority interest** by P7.14 billion, or 24.6%, and **total other comprehensive income (loss), net of tax effect** by P3.53 billion, to (P3.39) billion. The total comprehensive income was net of the **loss arising from the discontinued operations** of P215 million.

Net change in fair value reserve on FVOCI securities, net of tax effect at P643 million, increased P694 million, on account of higher market valuation of the Bank's investment securities. On the other hand, loss from **remeasurement of defined benefit obligation** increased P1.98 billion, to (P3.38) billion, due to change in financial assumption. **Share in other comprehensive loss of associates** at (P1.24) billion, also increased P1.21 billion, due to the lower market valuation of the life insurance affiliate's investments securities. **Share in other comprehensive income of associates** at P640 million, also decreased P646 million, due lower accumulated fluctuation reserves of the Bank's insurance affiliate. **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P195 million, declined P350 million, or 64.2%, as a result of lower market valuation of the insurance subsidiaries' investment funds. Loss from **currency translation differences** at (P238) million, increased P36 million, or 18.0%, on account of the net effect from cash flow hedging.

Comprehensive income attributable to non-controlling interest decreased P127 million, or 28.7% due to lower market valuation of the insurance's subsidiaries' investments.

2021 vs. 2020

The Bank posted a **net income** of P23.88 billion, increased P2.47 billion, or 11.5% YoY, due to the lower **impairment losses** booked in 2021 versus the accelerated recognition last year in anticipation for higher NPL. However, decline in **total revenues** and slightly higher **operating expenses**, partially tempered the growth.

Net interest income stood at P69.58 billion, down P2.68 billion, or 3.7%, as NIM at 3.30% contracted 19 bps on account of lower asset yields and offset by drop in cost of funds. Modest increase in average assets of 1.5%.

- **Interest income** decreased P11.69, or 12.1%, versus the P96.31 billion from last year. Interest income **on loans and advances** at P72.22 billion, decreased P10.09 billion, or 12.3%, owing to lower average volume and asset yields. Interest income **on financial assets** also lower at P10.43 billion, down 13.4%, due to lower asset yield, despite higher average volume.
- **Interest expense** of P15.03 billion, decreased P9.01 billion, or 37.5%, primarily from the decrease in Interest expense **on deposits** of P8.82 billion, or 46.4%, due to lower interest cost despite higher average volume.

Other income at P27.82 billion, down P1.84 billion, or 6.2%, on significantly lower **trading gain on securities**, down P6.35 billion, or 79.8%, on account of lower realized gains from various sales of financial assets at FVOCI and hold collect debt securities. Partially offset by higher **fees and commissions** at P11.20 billion, up P2.21 billion, or 24.6%, on higher transaction-based service charges. **Other operating income** also increased P1.66 billion, up 18.3%, owing to the increase in miscellaneous income and higher income from credit card business. **Income attributable to insurance operations** at P1.85 billion, up 23.1%, owing to higher income contribution from the Bank's life insurance affiliates. **Income from foreign exchange trading** up 13.6%, due to favorable trading opportunities.

Other expenses were higher at P50.73 billion, up P2.58 billion, or 5.4%, primarily from **occupancy and equipment-related expenses** at P16.01 billion, increased P1.40 billion, or 9.6%, on higher technology spend driven by Bank's continued digitalization initiative.

Impairment losses stood at P13.13 billion, down 53.1%, lower than the P28.0 billion booked in 2020.

Provision for income tax at P9.43 billion, higher by P5.52 billion, compared to the P3.91 billion from last year. **Current taxes** at P8.33 billion, lower by P2.42 billion, or 22.5%, and **deferred taxes** at P1.10 billion, higher by P7.94 billion, brought about by the impact of CIT and DIT rate adjustments from the implementation of CREATE law.

Income attributable to non-controlling interest decreased P12.51 million, or 5.1%, owing to lower income contribution from the Bank's non-life insurance affiliate.

Comprehensive Income

Total comprehensive income at P21.27 billion, up P3.01 billion, or 16.5%, due to the increase in **net income before minority interest** by P2.46 billion, or 11.4%, and decrease in **total other comprehensive loss, net of tax effect** by P546.15 million, or 16.1%.

Net change in fair value reserve on FVOCI securities, net of tax effect at P3.59 billion loss, increased P2.23 billion, on account of lower market valuation of the Bank's investment securities. **Share in other comprehensive loss of associates** at P727.15 million loss, also increased P1.37 billion, due to the lower market valuation of the life insurance affiliate's investments securities. **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P209.04 million loss, increased P403.24 million, as a result of lower market valuation of the insurance subsidiaries' investment funds. On the other hand, gain from **remeasurement of defined benefit obligation** increased P3.99 billion, or 118.0%, due to the change in valuation of the Bank's consolidated subsidiaries' contribution to the retirement fund. **Share in other comprehensive income of associates** at P447.97 million, increased P1.69 billion, due to higher accumulated fluctuation reserves of the Bank's insurance affiliate. Gain from **currency translation differences** at P626.25 million, increased P864.09 million, on account of the higher net effect from cash flow hedging.

Comprehensive income attributable to non-controlling interest decreased P155.10 million, or 49.4%, due to lower market valuation of the insurance's subsidiaries' investments.

Key Performance Indicators

	2019	2020	2021
Return on Equity ¹	11.0%	7.7%	8.4%
Return on Assets ¹	1.4%	1.0%	1.1%
Net Interest Margin ¹	3.3%	3.5%	3.3%
Operating Efficiency Ratio	52.4%	47.2%	52.1%
Capital Adequacy Ratio ²	16.1%	17.1%	16.7%

¹ Using daily average method

² Basel III Framework

The same ratios are also used to evaluate the performance of the Bank's subsidiaries.

Return on equity (ROE), the ratio of net income to average equity, and **Return on assets (ROA)**, the ratio of net income to average assets, were higher at 8.4% and 1.1%, respectively, as a result of the increase in net income of 11.5%.

Net interest margin (NIM), net interest income divided by average interest bearing assets, was lower at 3.3% by 19 basis points than the 3.5% in 2020, as asset yields remained low, partially offset by lower cost of funds.

Operating efficiency (cost to income) ratio, the ratio of operating expenses to income, was higher at 52.1% from 47.2%, driven by lower revenues and higher operating expenses.

Capital adequacy ratio (CAR), the ratio of total qualifying capital to total risk-weighted assets, was lower at 16.7% compared to last year's 17.1%, as the growth in total risk-weighted assets outpaced the growth of the qualifying capital. The CET 1 ratio at 15.8%, was also lower than the 16.2% from the same period last year. Both of the Bank's capital ratios are above the BSP's minimum requirement.

Presented below are the additional information required by BSP Circular No. 1074 issued on January 8, 2020. This information is presented for BSP reporting purposes and is not required in the basic financial statements.

Using simple average method	2020	2021
Return on Equity	7.8%	8.3%
Return on Assets	1.0%	1.0%
Net Interest Margin	3.5%	3.2%

Details of the basic quantitative indicators of financial performance are reflected in Note 32 of the 2021 Audited Financial Statements.

Material Event/s and Uncertainties:

Other than the disclosure enumerated above, the Bank has nothing to report on the following:

- Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.
- Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Bank with unconsolidated entities or other persons created during the reporting period.
- Any material commitments for capital expenditures.
- Any known trends, events or uncertainties that have had or that are reasonably expected to

have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

- f) Any significant elements of income or loss that did not arise from the Bank's continuing operations.
- g) Any seasonal aspects that had a material effect on the financial condition or results of operations.

Market Outlook

The Philippine economy expanded by 5.6% in 2021 after contracting by 9.6% in 2020. Economic activity rebounded amid the easing of restrictions and the improvement in mobility. The availability of vaccines and treatments has contributed to the recovery of consumer confidence.

Household consumption rose by 4.2% in 2021 as e-commerce continued to expand. The continuous inflow of remittances and the decline in unemployment rate have also provided a boost in consumer spending. On the other hand, investment spending continues to lag compared to 2019 level but managed to rebound by 19% in 2021. The private sector has been conservative with its capital expenditures amid the uncertainties of the pandemic and the upcoming elections. Despite this, imports have already exceeded pre-pandemic level given the demand for raw materials especially semiconductors. Exports also posted substantial growth in 2021 amid the global boom in manufacturing.

If the growth momentum is sustained, economic output will likely return to pre-pandemic levels by the third quarter of 2022. A full year growth of 6.5 to 7.5% is expected in 2022 as vaccination hits 70% of the target population and as the economic activities adjust further to alleviate the impact of COVID-19.

Interest Rate Outlook

Inflation was faster in 2021 at 3.9% compared to 2.4% in 2020 (base year 2018) amid supply constraints and improving demand causing the local currency depreciate against the US dollar. Looking ahead, favorable base effects could pull down inflation in the first quarter of 2022. However, average inflation in 2022 is still expected to settle near the 4% target of the BSP due to existing and emerging inflationary pressures. Oil and electricity prices will likely continue to increase given expectations of higher demand and tighter supply in the global markets. Furthermore, global supply chain issues may persist and increase the cost of imported products. The improvement in demand may also exert pressure on consumer prices and may eventually lead to the depreciation of the Peso.

As a result, the BSP may need to adjust its policy rate to avoid the de-anchoring of inflationary expectations as the policy rate has remained below inflation for nearly two years. Aside from this, an adjustment may be needed as a response to the rate hikes of the Federal Reserve. Expectations of tighter dollar liquidity in the coming months might exert pressure on the Peso and the BSP's dollar reserves if the policy rate is kept at 2.0%.

Meanwhile, government borrowing is another factor that could push interest rates higher in 2022. With government revenues still lagging behind expenditures amid the pandemic, the budget deficit will likely remain substantial.

Exchange Rate Outlook

With demand slowly going back to pre-pandemic level, imports will likely exceed exports and remittances in 2022. The increase in Dollar demand due to rising imports may provide support to the Dollar and cause the Peso to weaken. Aside from this, rising interest rates in the US may lead to Dollar outflows that could drive the depreciation of the Peso. Expectations of tighter Dollar supply due to the bond tapering of the Federal Reserve may contribute further to this.

Implications on Business and Strategy

Macroeconomic outlook will significantly impact loan and deposits growth, net interest margins and consequently, revenue performance.

As heightened during the pandemic, the Banking environment, fundamentals and economics are rapidly changing, with shifts in consumer behavior, and the rise of new competitors and tech disruptors.

We continue to focus on the long game, shifting in mindset from concentrating on short term performance towards long term goals. Thus, we have set big strategic aspirations, founded on our analysis of the macro outlook, competitive environment, regulatory landscape, stakeholder concerns, and other relevant factors, serving as our guide in capturing new opportunities and managing risks.

We choose to act now with bold moves supported by meaningful investment commitments to future proof our competitive position and gain market share. This will cement ourselves as a choice investment, attractive to both domestic and offshore investors.

Over the medium term, these key initiatives are what we set out to achieve. All underpinned by our passion for the customer:

1. Establishing ourselves as the undisputed digital leader in banking;
2. Increasing the share of SME and consumer loans in our loan book;
3. Closing the gap in funding leadership;
4. Redefining the new role of branches; and
5. Promoting sustainable banking.

There were approximately 12,071 common shareholders of BPI as of February 28, 2022.

Equity Ownership of Foreigners on Common Shares as of 28 February 2022

	Nationality	Number of Stockholders	Number of Shares	Percent of Holdings
1.	American	37	1,211,191	0.0268%
2.	Australian	2	24,979	0.0005%
3.	Brazilian	1	40	0.0000%
4.	British	3	24,132	0.0005%
5.	Canadian	8	50,771	0.0011%
6.	Cayman Islands	1	390,269,162	8.6474%
7.	Chinese	37	527,660	0.0116%
8.	Danish	1	1,000	0.0000%
9.	Dutch	1	447,245	0.0099%
10.	German	2	446	0.0000%
11.	Hongkong	1	240	0.0000%
12.	Indian	1	10,000	0.0002%
13.	Indonesian	3	182,417	0.0040%
14.	Japanese	1	187	0.0000%
15.	Korean	1	18,480	0.0004%
16.	Non-Filipino (PCD)	2	882,317,883	19.5943%
17.	Others	3	19,274	0.0004%
18.	Singaporean	5	2,659	0.0000%
19.	Spanish	3	244,190	0.0054%
20.	Taiwanese	1	12,500	0.0002%
Total		114	1,275,364,456	28.3027%

Top 20 Stockholders as of February 28, 2022

	Name of Stockholders	Number of Shares Held	Percent of Holdings
1.	Ayala Corporation	1,000,261,934	22.1634%
2.	Liontide Holdings Inc.	904,194,682	20.0348%
3.	PCD Nominee Corporation (Non-Filipino)	884,302,372	19.5940%
4.	PCD Nominee Corporation (Filipino)	789,259,134	17.4881%
5.	AC International Finance Limited	390,269,162	8.6474%
6.	Roman Catholic Archbishop of Manila	327,904,251	7.2656%
7.	Michigan Holdings, Inc.	92,684,989	2.0537%
8.	Mercury Grp. of Companies, Inc	7,653,853	0.1696%
9.	Estate of Vicente M. Warns	7,550,868	0.1673%
10.	BPI - ESPP 2019	5,591,260	0.1239%
11.	BPI Group of Companies Retirement Fund	4,174,243	0.0925%
12.	Xavier P. Loinaz and/or Ma. Teresa J. Loinaz	3,938,203	0.0873%
13.	BPI - ESPP 2018	3,817,820	0.0846%
14.	BPI - ESPP 2017	2,965,550	0.0657%
15.	Hermann Barretto Warns	2,920,000	0.0647%
16.	Bloomngdale Enterprises Inc	2,685,225	0.0595%
17.	Sahara Mgt. & Dev. Corp.	2,535,146	0.0562%
18.	La Filipina Uy Gongco Corporation	2,299,790	0.0510%
19.	Foresight Realty & Development Corporation	1,958,595	0.0434%
20.	Hyland Realty & Dev't. Corp.	1,935,413	0.0429%
Total		4,438,902,490	98.3553%

Discussion of compliance with leading practices on corporate governance

I. Corporate Governance Framework.

We anchor our corporate governance framework on: (i) qualified and competent leadership, (ii) rigorous internal controls, (iii) an effective risk culture and (iv) strong accountability to shareholders. The Bank's corporate governance framework is defined by its Articles of Incorporation, Amended By-Laws and Manual on Corporate Governance, and takes into account the nature, size, complexity, business activities and requirements of the Bank as well as its group operations. Banking practices, guided by BPI's Board and Committee charters, the Manual of Corporate Governance, Code of Business Conduct and Ethics and internal operating manuals, reflect the integrity and ethics that define the Bank's decision-making, conduct and behavior, and are consistent with statutory laws, rules and regulations of the Bangko Sentral ng Pilipinas (BSP), Securities Exchange Commission (SEC), Anti-Money Laundering Council, Philippine Deposit Insurance Corporation, among others.

As a publicly listed company, BPI recognizes that robust corporate governance policies and practices promote a fair and sound market valuation of BPI shares and maintain the confidence of customers and investors alike. BPI strives to be jointly compliant with corporate governance and listed company disclosure requirements and standards of the SEC and the Philippine Stock Exchange. As an issuer in capital markets, the Bank also has a policy of continuous disclosure and transparency and utilizes disclosure mechanisms of the various exchanges in which its capital market issuances are traded. BPI also actively pursues alignment with best practices of counterparts in the region. The Bank strongly supports initiatives to strengthen regional capital market development and integration, especially through adoption of the rigorous benchmarking methodology of the ASEAN Corporate Governance Scorecard. In addition, considering BPI's role in the group as parent and publicly-listed company, the Board maintains an effective, high-level risk management and oversight process across other companies in the group to ensure consistent adoption of or alignment with the aforementioned corporate governance policies and systems.

II. Board Governance

- (a) **Advisory Council.** As part of the Bank's efforts to strengthen stewardship further, the Bank has a three member Advisory Council to the Chairman, created in 2016, composed of senior thought leaders, captains of industry and luminaries in their respective fields, the Advisory Council expands the range of expertise, experience, and collective wisdom available to the Bank.
- (b) **Board of Directors.** Our fifteen-member Board plays a key role in setting our governance standards to meet our stakeholders' expectations. In 2021, Non-Executive Directors (NEDs) comprising a majority or 14 out of the 15, were elected to the Board in April. The only Executive Director (ED) is the President and CEO. The size of our Board is deemed appropriate given the complexity of operations of the Bank and the entire BPI group, our risk appetite the geographical spread of our business, and the significant time demands placed on the Directors. From the initial 6 elected at the April 2021 Annual Stockholders' Meeting, the Board at year-end December 31, 2021, had 5 Independent Directors (IDs).

Chairman and Vice-Chairman. The Board has a Chairman and Vice-Chairman, both of whom are non-executive directors. The Chairman, who is not the CEO of the Bank in the past three years, is separately appointed from the President and CEO. Said positions are currently held by two individuals who are not related to each other and have roles and responsibilities that are also separate and distinct, as detailed in the Manual on Corporate Governance. The Chairman guides the Board in its decision-making process and ensures that the Board operates effectively as a team. The Chairman also forges a very positive and constructive working relationship between the Board and management. With the Chairman at the helm, the Board sets the Bank's strategy and risk appetite, and approves capital and operating plans presented by management for sustainable achievement of strategic objectives. In the absence of the Chairman of the Board, the Vice-Chairman assumes and performs all the powers and duties of the Chairman of the Board.

Lead Independent Director. The Bank's Manual on Corporate Governance provides for the designation of a Lead Independent Director role in the Board. The Board of Directors shall ensure that the Lead Independent Director functions in an environment that allows him to effectively challenge the CEO as circumstances may warrant. The Lead Independent Director

shall also perform a more enhanced function over the other independent directors and shall: (1) lead the independent directors at board of directors meetings in raising queries and pursuing matters; and (2) lead meetings of independent directors, without the presence of the executive directors. In the Organizational Meeting of the Board of Directors following the 2021 Annual Stockholders Meeting, the Board appointed independent member Ignacio R. Bunye as Lead Independent Director.

Diversity and Independence. Our leadership model ensures an appropriate balance of power, accountability and independence in decision-making. As disclosed on the company website, the Bank's Diversity Policy was adopted in 2015 to institute diversity at the board level. In the 2021 Annual Stockholders Meeting, 3 women, including 1 of whom is an independent, were elected, to comprise 20% of the Board. In total, 6 independent directors were elected to the 2021 Board, compliant with the regulatory requirement to have at least one-third (1/3) but not less than two (2) independents as members of the board. However, at year-end December 31, 2021, due to the statutory 9-year term limit for independent directors where 2 independents were reclassified as non-executive directors, the number of independent directors were reduced to 4. Subsequently, with the resignation of Ms. Mercedita S. Nollado in May 2021, Ms. Janet Guat Har Ang was elected to serve during the 2021 to 2022 term, as a new independent director. The resulting five (5) Independent Directors at year-end December 31, 2021 constitute 33%, which is key to fairness and integrity, and allows the board to strike a balance between public, corporate and all stakeholder interests.

- (c) **Board Charter.** The charter of the Board articulates with specificity the governance and oversight responsibilities exercised by the directors and their roles and functions in the Bank. It includes provisions on board composition, Board Committees, and board governance, subject to the Bank's Articles of Incorporation, Amended By-Laws, and applicable laws. It is incorporated in Bank's Manual on Corporate Governance and is reviewed together with the annual review of the Manual. As stated in the Charter, the Board's key areas of focus include:
- Governance – ensuring that corporate responsibility and ethical standards underpin the conduct of BPI's business; developing succession plans for the Board and CEO; establishing the general framework of corporate governance for the Bank;
 - Strategy - reviewing BPI's strategic and business plans; growing the business sensibly and building resilience into the franchise;
 - Risk management – ensuring that effective risk management, compliance and assurance processes undergird our business;
 - Financial performance – monitoring management performance; achieving goals and targets;
 - Sustainability - considering sustainability issues (including environmental and social factors) and including these as part of the Bank's strategy.
- (d) **Board Committees.** To heighten the efficiency of board operations, the Board has established Committees that assist in exercising its authority for oversight of internal control, risk management, and performance monitoring of the Bank. In 2021, the Bank had eight board-level committees: Executive, Risk Management, Audit, Corporate Governance, Personnel and Compensation, Nominations, Retirement and Pension, and Related Party Transactions Committees. Board-level committee memberships were also evaluated and calibrated to improve on the committees' focused oversight and high level engagement with management. Their respective charters stating committee purpose, membership, structure, operations, reporting processes and other information, are disclosed in regulatory reports and posted on the company website as well as are reviewed annually. Annual performance reviews are conducted by all board-level committees.
- (e) **Corporate Secretary.** The Board is assisted in its duties by a Corporate Secretary who is not a member of the Board of Directors and is a senior, strategic-level corporate officer who plays a leading role in the Bank's corporate governance, serving as an adviser to the directors on their responsibilities and obligations. The Board has separate and independent access to the Corporate Secretary. All directors and board committees also have unrestricted access to company records and information in addition to receipt of regular detailed financial and operational reports from senior management. Our Corporate Secretary is suitably trained and experienced in legal, accountancy or company secretarial practices and is professionally qualified for these responsibilities. Our Corporate Secretary also possesses the legal skills of a chief legal officer whose training is complemented by business, organizational, human relations and administrative work skills. Our Corporate Secretary is also Corporate Secretary or Deputy Corporate Secretary of various BPI subsidiaries and affiliates.

- (f) **External Advice.** Considering the increasing complexity of market transactions and rapid rate of change in the regulatory sphere, the Board, if so requested by the Chairman or other directors, can call on external specialists or consultants for advice, briefings or assistance on specialized areas of focus such as accounting standards, related party transactions, capital, tax, listing, mergers and acquisitions, valuation, etc. Management can arrange for the external auditor, management services company or consultants to present to the Board and the Bank.
- (g) **Nominations.** As we are a financial institution imbued with public interest, fit and proper qualifications for membership in our Board of Directors are dictated by our Amended By-Laws, Manual on Corporate Governance, the Revised Corporation Code, and relevant regulations of the Bangko Sentral and the SEC. As a publicly listed company, we also ensure that Board composition and director qualifications also meet pertinent governance regulations, requirements, and standards of the PSE and strive to meet best practice standards of the ASEAN CG Scorecard. The Bank has in place a Board of Directors Succession Plan and also conducts an annual review of the size, composition and structure of the board as well as updates a board skills and expertise matrix for purposes of director recruitment. As disclosed in the Manual on Corporate Governance, candidates for directorship may be recommended by shareholders to the Nominations Committee through the Office of the Corporate Secretary. Among other qualifications, candidates must be fit and proper for the position of a director, taking into consideration integrity/probity, physical/mental fitness, relevant education/financial literacy/training, possession of competencies relevant to the job such as knowledge and experience, skills, diligence and independence of mind and sufficiency of time to carry out responsibilities. Candidates recommended by shareholders are evaluated in the same manner as director candidates identified by any other means. The Committee itself may likewise identify and recommend qualified individuals for nomination and election to the board and may make use of professional search firms or other external sources to search for qualified candidates to the board. Separate qualifications and disqualifications for Independent Directors based on regulations, are enumerated in the Bank's Manual on Corporate Governance. Directors must remain qualified throughout the term. All of the Bank's annual reports contain comprehensive profiles of the Board of Directors which disclose the age, qualifications, date of appointment, relevant experience and directorships both in the BPI group as well as in other companies, listed or otherwise. In compliance with SEC Memo. Cir. No. 11, s2014, the Bank also posts biographical details of the Board of Directors and Senior Management on the company website.
- (h) **Election and Term of Directors.** Board members are elected by BPI stockholders who are entitled to one vote per share at the Bank's Annual Stockholders Meeting. Voting for the election of members of the Board is considered in a poll, by shares of stock, that is, one share entitles the holder to one vote, two shares to two votes. Votes may be cumulated as provided for in the Corporation Code. The fifteen nominees receiving the highest number of votes are declared elected. The Bank's Amended By-Laws state that elections for the Board of Directors will be held yearly during the Annual Stockholders Meeting. Directors are to hold office for a term of one (1) year immediately upon their election and until the next election when their successor shall have been elected and qualified in accordance with the Amended By-Laws and Revised Corporation Code. No meeting of stockholders shall be competent to transact business unless a majority of the outstanding and subscribed capital stock entitled to vote is represented, except to adjourn from day to day or until such time as may be deemed proper. The Rules of Conduct, voting and vote tabulation procedures are explained during the Annual Stockholders Meeting. In its meeting held on February 24, 2021, the Board approved Management's recommendations for BPI to provide the Bank's stockholders with the option to vote in absentia in the ASM. Hence, at the April 22, 2021 ASM, stockholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code. The Office of the Corporate Secretary tabulates all votes received and the Bank's external auditor validates the results. Voting results are likewise disclosed on the various exchanges where BPI's capital market issuances are traded and the company's website as soon as possible after the meeting. The election/appointment of directors/officers must also be confirmed by the Monetary Board of the BSP. Elected/appointed directors/officers must submit required certifications and other documentary proof of qualifications for the confirmation of their election/appointment. The nomination and election processes and their effectiveness, are reviewed annually by the Nomination Committee during its review of the committee charter and its self-assessment, by its members, of committee performance. In adherence to Recommendation 2.6 of the SEC CG Code for PLCs, these nomination and election policies are disclosed in BPI's Manual on Corporate Governance as well as on the company website.

- (i) **Continuing Education.** The Bank ensures that it has in place a formal board and director development program. For new directors, there is a deliberate, systematic and rapid familiarization with the organization and the operations of the board, Articles of Incorporation and Amended By-Laws, Manual of Corporate Governance, Board Charter as well as the Code of Conduct, standards of Conflict of interest and policies such as Insider Trading, Whistleblowing, Anti-Bribery and Anti-Corruption, Data Privacy and Related Party Transactions. In fulfillment of the Corporate Governance Committee's charter responsibilities for the provision of on-boarding/orientation programs for first time directors and new members of the board, the BPI CG Dept., conducted several on-boarding/orientation sessions in 2021 for Directors Cesar V. Purisima, Ramon R. del Rosario, Jr., Janet Guat Har Ang and René G. Bañez. The Bank, through its various units, also provides continuing director education in relation to current developments; these include regulatory initiatives with respect to Data Privacy, Cyber Risk and Cyber Security, the Anti-Money Laundering and Terrorist Financing Prevention Program, Foreign Account Tax Compliance Act, Securities Regulations Code, Sustainability Issues and ESG Reporting, SEC memorandum circulars, and BSP regulations, among others. All of the Bank's directors undergo the requisite corporate governance seminar provided by an SEC or Bangko Sentral-accredited institution. On October 21, 2021, members of the Board, including senior officers of the Bank, attended the Annual CG Training Program conducted by the Institute of Corporate Directors (ICD). Other directors attended the Corporate Governance Training conducted by Risks, Opportunities, Assessment and Management (ROAM) on September 24, 2021 and Corporate Governance Orientation Program conducted by the ICD on November 9 to 10 and December 6 to 7, 2021.
- (j) **Remuneration.** BPI's remuneration decisions for the Board and management are aligned with risk incentives and support sustainable, long-term value creation. Apart from ensuring that Board and management pay appropriately reflects industry conditions and financial performance, the Bank likewise rebalances returns back to shareholders through consistent dividend declaration. Under the Bank's Amended By-Laws, as approved by the shareholders, the Board, as a whole, determines the level of remuneration and/or benefits for directors sufficient to attract and retain directors and compensate them for their time commitments and responsibilities of their role. The Personnel and Compensation Committee recommends to the Board the fees and other compensation for directors, ensuring that compensation fairly remunerates directors for work required in a company of BPI's size and scope. As provided by the Amended By-Laws and pursuant to a Board resolution, each director is entitled to receive fees and other compensation for his services as director. The Board has the sole authority to determine the amount, form, and structure of the fees and other compensation of the directors. In no case shall the total yearly compensation of the Board exceed 1% of the Bank's net income before income tax during the preceding year. Directors receive per diems for each occasion of attendance at meetings of the Board or of a board committee. All fixed or variable remuneration paid to directors may be given as approved by stockholders during the ASM, upon recommendation of the Personnel and Compensation Committee. Other than the usual per diem arrangement for Board and Committee meetings and the aforementioned compensation of Directors, there is no other standard arrangement as regards compensation of directors, directly or indirectly, for any other service provided by the directors for the last completed fiscal year. Directors with executive responsibilities within the BPI group are compensated as full-time officers of the company, not as Non-Executive Directors. No director participates in discussions of the remuneration scheme for himself or herself. Historically, total compensation paid annually to all directors has been significantly less than the cap stipulated by the Bank's Amended By-Laws. The remuneration policy is reviewed annually to ensure that it remains competitive and consistent with the Bank's high performance culture, objectives, long-term outlook, risk assessment, and strategies. This relationship between remuneration and performance aligns remuneration of the Board with the long-term interests of the Bank.
- (k) **Performance Evaluation.** The Board conducts an annual board effectiveness review under the guidance of the Corporate Governance Committee, which ascertains alignment of leadership fundamentals and issues, and validates the Board's appreciation of its roles and responsibilities across four levels: the Board as a body, Board Committees, individual Directors, and President and CEO. Key evaluation criteria are built on the Board's terms of reference and committee charters, and framed around broad leadership fundamentals and best practices. Such an exercise will be conducted in early 2022 to assess the 2021 performance of the Board. BSP Circular 969 states that the annual self-assessment of the Board of Directors may be facilitated by the corporate Governance committee or external facilitators. The SEC Code of Corporate Governance for Publicly-Listed Companies, similarly states in Recommendation 6.1, that the conduct of the annual self-assessment of the Board of Directors is to be supported by an

external facilitator every three years to improve objectivity of the assessment process. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution, or professional organization. In this respect, the first Third-Party Board of Directors Assessment for BPI was successfully concluded with Aon Hewitt Singapore Pte. Ltd.'s (now renamed as Aon Solutions Singapore Pte. Ltd.) in July to August 2020. The third-party assessment received the support of the full Board, which saw the participation of 15 out of 15 directors.

- (l) **Succession Planning.** The Board understands the importance of succession planning and, through its Personnel and Compensation Committee (PerCom), manages the talent pipeline and assembles the right executive and leadership appetency capable of navigating the Bank through strategic, market, technology and regulatory shifts. In consultation with the Board and the President and CEO, either the PerCom evaluates and nominates potential successors to the President and CEO, as well as ensures there is a sufficient pool of qualified internal candidates to fill other senior and leadership positions. The Bank's effective succession planning has ensured leadership continuity within the last two decades, witnessing three President and CEO changes, marked by early planning and mentoring, smooth organizational and operational transitioning and prudent but progressive institutional building at BPI and across the BPI group. We believe that it is also crucial to have a good balance between continuity and fresh perspectives on the Board. In much the same way, our Board is regularly refreshed in a continuing cycle. The Nomination Committee and the Corporate Governance Committee work within a general board succession plan framework, utilizing a Board Skills and Expertise matrix, annual Board size, structure and composition review, Board Diversity Policy with measurable targets as well as the setting of Board succession priorities, to ensure that the Board is able to fulfill its fiduciary duties so that the Bank remains relevant, agile, and anticipatory of future programs and directions. For this purpose, the Nomination Committee also utilizes information from professional search firms or external director databases when possible and maximizes all available information resources to search for qualified candidates.
- (m) **Retirement Policy.** The Bank believes that imposing uniform and fixed limits on director tenure is counter-productive as it may force the arbitrary retirement of valuable directors. It is the Bank's strong view that with age often comes unmatched wisdom and experience, expert business judgment, invaluable industry and community relations and authority, and that the best interests of the Bank are served by its being able to retain directors that make very meaningful contributions to the Board and the organization regardless of age. The Bank, therefore, sets the retirement age for Directors at 80 years of age but which the Board may opt to waive depending on specific conditions. Term limits of Independent Directors are set at a maximum cumulative term of nine (9) years as prescribed in the Manual of Regulations for Banks and SEC Mem.Cir.No. 9, Series of 2011 and No. 4, Series of 2017. Retirement of senior management is done with the requisite succession planning and in accordance with the Bank's policies and implementing guidelines of its retirement plan for all employees, the Bank's Amended By-Laws, Labor Code and the Corporation Code of the Philippines. Currently, the retirement age for employees of the Bank is set at 60 years of age.

III. Risk, Control, and Compliance Oversight and Management Relations

- (n) **Audit.** Based on Internal Audit assurance activities, Internal Audit provides reasonable assurance to the Audit Committee, Board of Directors and Senior Management that the Bank's systems of internal controls, corporate governance, and risk management processes are adequate and generally effective. This unit reports directly to the Board through its Audit Committee. It collaborates with other assurance providers such as the Risk Management Office, Compliance Office, external auditors, and other oversight units. Through this system for the comprehensive monitoring and review of risks and compliance in the institution, the Board ensures that the Bank and all business units proactively manage the risk and compliance exposures impacting the business. The Internal Audit Division is headed by a Chief Audit Executive who is appointed by the Board and reports functionally to the Board of Directors through the Audit Committee and administratively to the President and CEO. The Audit Committee recommends to the Board the appointment of a Bangko Sentral-accredited external auditor for the purpose of preparing or issuing an audit report or related work. The appointment or re-appointment of the Bank's external auditor is subject to the approval and endorsement by the Audit Committee, for subsequent confirmation and approval by the Board of Directors and finally the Stockholders.

- (o) **Risk Management.** In the same way, the Board's Risk Management Committee, with the assistance of management's Risk Management Office (RMO) and its Chief Risk Officer (CRO), reviews and recommends the Bank's enterprise risk and capital management framework to ensure that it conforms not only to the Bank's own rigorous standards, but also to Bangko Sentral directives promoting an effective Internal Capital Adequacy Assessment Process. The Chief Risk Officer is appointed by the Risk Management Committee, with approval and confirmation of the Board. The CRO is responsible for leading the formulation of risk management policies, methodologies, and metrics in alignment with the overall strategy of the Bank, ensuring that risks are prudently and rationally undertaken and within the Bank's risk appetite, as well as commensurate and disciplined to maximize returns on capital. The CRO and the RMO facilitate risk management learning programs and promote best practices on an enterprise-wide basis. The RMC also assesses the annual performance of the Chief Risk Officer and risk management functions taking into account how it carried out its duties and responsibilities.
- (p) **Compliance.** Oversight of the management of the Bank's business risk and implementation of its compliance function is the responsibility of our Board of Directors, through the Audit Committee. At the management level, the compliance function is carried out by the Compliance Office, led by our Chief Compliance Officer (CCO). Designated by the Chairman of the Board, our CCO, is not a member of the Board of Directors and has the rank of at least a Vice President. The CCO's qualifications are subject to the applicable provisions of the Manual of Regulations for Banks, particularly considering fit and proper criteria such as integrity/probity, competence, education, diligence, experience and training. The CCO annually attends corporate governance training.
- (q) **Strategy Process.** The Bank's new vision and mission, strategic objectives, key policies and procedures for management of the company are clearly established and communicated down the line. The Board of Directors creates the framework within which the executive team, under the President and CEO, can lead the business and deliver the agreed strategy. The Board conducts a periodic review of the foregoing and has continuing oversight in its implementation. The management team articulates the agreed strategy in periodic planning exercises and distills business plans in formal budgets. Periodic performance reviews are conducted against budgets and past performance. Management acts in accordance with well-defined operating policies and procedures, and ensures accuracy and transparency of operational and financial reporting to protect the Bank's reputation for integrity and fair dealing. The management team strives to achieve accountability in revenue performance, efficiency in expenditure of resources, and high quality in delivery of services and achievement of customer satisfaction. Management is periodically reviewed and rewarded according to performance relative to innovation, initiatives, assigned targets, and feedback from customers, peers, and Board. The President heads a management team who lead supervise work of the Bank's business units, which includes but is not limited to the Chief Finance Officer, Chief Credit Officer, Chief Customer and Marketing Officer, Chief Human Resources Officer, Chief Chief Risk Officer, Chief Audit Executive, and Chief Compliance Officer who provide focused and strategic, functional leadership and expertise. Management level committees are in place to deal with operational functions from a strategic level and serve as counterpoints to senior and mid-level managers.

IV. Corporate Governance Policies and Practices

- (r) **Manual on Corporate Governance.** The Bank has a Manual on Corporate Governance which documents the framework of policies, rules, systems and processes in the corporation that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders. A certification on the Bank's full compliance with the Manual, signed and issued by the Chief Compliance Officer, is posted on the Corporate Governance section of the company website. The Manual on Corporate Governance, reviewed annually, was last amended in third quarter 2021, and amendments were approved by the Board of Directors on September 15, 2021. When updated or amended, the Manual is resubmitted to the SEC. The Manual is also posted on the company website.
- (s) **Code of Conduct.** BPI has Codes of Business Conduct and Ethics for its directors, officers and employees that provide the key practices and behaviors derived from the BPI Credo and Core Values, that guides what they say and do, in order that the right decisions are taken in performing their respective roles and responsibilities across various functions in the Bank and in handling relationships with all stakeholders. Both Codes of Conduct are disclosed on the company website and accessible internally on the Bank's database.

Employee Code of Business Conduct and Ethics. The Code is applicable to and mandatory for all BPI employees at all levels, including officers, as are the core values embodied in the Bank's Credo. As no code could address every situation an employee may encounter, all employees, including officers, are required to follow both the spirit and the letter of the Code, its policies, and procedures. All BPI officers and employees must abide and fulfill their duty and personal responsibility to read, understand and comply with the Code. All officers and employees undergo annual mandatory training on the Code of Conduct and CG-related policies.

Director's Code of Conduct. BPI has a Code of Conduct for its Board, adopted in September 2017, which applies to and is binding on all directors of the Bank. The Director's Code is intended to provide guidance to directors, whether executive, non-executive or independent, with policies on standards for conduct of the business of the Bank, the protection of its rights and its stakeholders, maintaining BPI's reputation for integrity, and fostering compliance with applicable laws and regulations. The Director's Code, therefore, sets forth policy in several basic areas that commonly require directors to exercise sound and informed judgment, recognize and deal with ethical issues, report possible unethical conduct, and foster a culture of openness, fair dealing, diligence and accountability.

Compliance with the Codes. All employees, including senior officers and directors, acknowledge annually, through a Statement of Affirmation, that they have read and understood the employee Code of Conduct and/or the Director's Code, respectively, as well as the Manual on Corporate Governance, and fully comply and adhere to principles, standards, and policies therein.

- (t) **Conflict of Interest.** BPI does not tolerate those who place their interest above that of our institution, our clients, or our business partners. We have in place standards on conflict-of-interest that elevate the interest of the Bank above that of the personal interests of Directors, officers, and employees. These standards prohibit Directors, officers, and employees from using their position of authority or rank to directly or indirectly derive personal gain or advantage. Our standards on conflict of interest expect all Directors, officers and employees to refrain from any conduct that could be viewed unfavorably by our clients, co-employees, competitors, suppliers, investors, regulators, or the public. The standards also require full cooperation and provision of complete and accurate information from employees during government, regulatory or internal enquiries, investigations and audits. The standards also cover specific conflict-of-interest situations such as receipt of gifts from third parties, respect for trade secrets, and use of non-public information, and use of company funds, assets and information. All officers and employees undergo annual mandatory training on the Code of Conduct and CG-related policies which includes training on the Conflict of Interest standards.
- (u) **Whistleblower Policy.** This policy covers all employees of BPI and all wrongful acts that adversely impact the Bank and its stakeholders. Under the policy, it is the responsibility of all personnel to comply with rules and regulations of the Bank and to report violations or suspected violations in accordance with the policy. Anybody who knowingly aids, abets, or conceals or otherwise deliberately permits the commission of any irregular or fraudulent act directed against the Bank shall be considered as guilty as the principal perpetrators of the fraud or irregularity. Hence, all employees have a duty to cooperate with investigations initiated under the policy. No action will be taken against anyone for reporting such violations in good faith, or participating or assisting in investigations of a suspected violation. Any act of retaliation against a whistleblower is a violation of the Whistleblower Policy and Code of Business Conduct and Ethics. All officers and employees undergo annual mandatory training on the Code of Conduct and the Whistleblower Policy. The Whistleblower Policy is disclosed on the company website and internal database.
- (v) **Related Party Transactions Policy.** This policy guards against internal conflicts of interest between the company and/or its group and their directors, officers and significant shareholders and ensures that transactions such as loans and advances, deposit arrangements, trading of government securities and commercial papers, sale of assets, lease of bank premises, investment advisory/management, service arrangements and advances for operating expenses are made in the normal course of banking activities with terms and conditions that are generally comparable to those offered to non-related parties or to similar transactions in the market. Vetting transactions with related parties is done either by the board-level Related Party Transaction Committee (RPTC) or Management Vetting Committee (MVC), depending on materiality, prior to implementation. The two committees provide guidance and vet on credit and

non-credit related party transactions of significant amounts (P50Mn and above for RPTC and below P50Mn for MVC). Related party transactions are properly disclosed in BPI's audited financial statements, and applicable filings in accordance with relevant rules and issuances of SEC, BSP, etc. In addition, the Bank in compliance with the SEC Memo Cir. No. 10, s2019, considers related party transaction/s, that are either individually, or in aggregate amounting to ten percent (10%) or higher of the Banks total assets based on its latest audited financial statement as Material Related Party Transactions, subject to the rules set on the policy. The policy also ensures that all Material RPTs are entered and conducted in fair and at arm's length terms. The RPT Policy is disclosed on the company website and internal database.

- (w) **Insider Trading Policy.** This policy, in general, prohibits covered persons, i.e., directors, officers, employees of BPI and BPI's subsidiaries, and other parties who are considered to have knowledge, made aware of or have access to inside information or material non-public information, from buying or selling BPI stocks for their own personal account to benefit themselves or others, especially during the blackout trading period. All directors and senior management (SVP and up), Treasurer, Corporate Secretary and Assistant Corporate Secretary, are also required to report to the Compliance Office within ten (10) days from the end of each quarter their trades of shares of BPI stock during such quarter. In compliance with the SEC, all directors and senior management file within three (3) business days the required SEC Form 23A/B. Officers and directors are expected to strictly comply with the Policy and to be knowledgeable of BPI's related policies, standards or internal procedures such as on information barriers, which impact on compliance with the Insider Trading Policy. A breach of the Insider Trading Policy may result in internal disciplinary action and any violation of related securities laws may also subject the Bank and/or the director to civil liability and possibly monetary penalties. All officers and employees undergo annual mandatory training on the Code of Conduct which includes training on the Insider Trading Policy. The Insider Trading Policy is disclosed on the company website and internal database.
- (x) **ABC Policy, Anti-Money Laundering and Financial Crime Policies.** The Bank puts the highest premium on sound, responsible and effective corporate governance and does not tolerate bribery, corruption or improper payments of any kind. It advocates that Directors, officers and employees do not tolerate corruption or any form of bribery nor provide or accept improper inducements in the course of any business dealing. Aligned with the Bank's commitment to act fairly and with integrity in all business dealings and relationships, the Anti-Bribery and Anti-Corruption Policy complements the BPI's financial crime policies/programs such as the Money Laundering and Terrorist Financing Prevention Program and Whistleblower Policy. Guidance on the Bank's Anti-Corruption and Anti-Bribery program is supplemented by the Bank's Standards on Conflict of Interest under Request or Acceptance of Fees, Commissions, Gifts. Monitoring and compliance with the Code of Conduct and related policies are undertaken by departments or units of the Bank such as Human Resources and Corporate Governance, Compliance Division. All officers and employees undergo annual mandatory training on the Code of Conduct which includes training on the ABC Policy. The ABC Policy is disclosed on the company website and internal database.
- (y) **Data Privacy Policy.** BPI has a strong Data Privacy Policy in place, which complies with the requirements of the Data Privacy Act and the National Privacy Commission (NPC). BPI's Data Privacy Policy, posted on the company website and on the internal database, is supported by a comprehensive program utilizing a combination of policies, organizational structure, access controls and technologies designed for risk reduction. The Bank has a Data Privacy Office, headed by a Board-appointed Data Privacy Officer (DPO), a lead senior management officer. The key focus of the DPO is to oversee data privacy compliance and manage data protection risks consistent with Data Privacy Act rules and regulations, issuances by the NPC and other applicable laws. Management has also appointed Compliance Officers for Privacy for major business units of the Bank. All officers and employees undergo annual mandatory training on the Data Privacy Policy.
- (z) **Employee Welfare, Health and Safety.** Having engaged and competent employees is BPI's goal for delivering best-in-class customer experiences and for achieving its vision of being recognized as the most trusted partner and financial advisor. The Bank strives to be an employer of choice among Philippine financial institutions. We have a wide array of training and development programs and activities designed along the Bank's business objectives, aimed at honing the skills and capabilities of our employees in carrying out their daily duties, as well as preparing them to assume higher responsibilities as the next leaders of the organization. The Bank has adopted a compensation policy that it believes is competitive with industry standards in

the Philippines. Regular employees are provided with a comprehensive pay and benefits package, which is reviewed periodically and adjusted to retain current employees and attract new talent. Tied to this is a performance management system that calls for the alignment of individual key results, competencies, and development plans with the Bank's overall business targets and strategy. Officers and employees undergo regular performance evaluations based on their individual accomplishments vis-a-vis their responsibilities, as well as that of the business unit or the Bank. The Bank has an Executive Stock Purchase Plan (ESPP), a major initiative under its long-term incentive program, which aligns management's interest with shareholders and the long-term prospects of the Bank. Moreover, we strive to provide a safe, secure and conducive working environment for our employees, to continually safeguard their health and rights and provide equal opportunity for everyone to realize their fullest potential and make them agents of uplifting change for their communities. (Recommendation 2.9 of the SEC CG Code for PLCs). In 2020 and 2021, with the health, safety and welfare of employees, especially frontliners at the branches, and its customers as its utmost priority, BPI put in motion business continuity plans, specifically a pandemic response plan and protocol for the entire organization, revolving around travel curtailment, remote work (home/remote site) and reduced in-person meetings. It also maximized the use of technology to enable work of directors, officers, and employees to continue. Together with the Ayala Group, the Bank also rolled-out a vaccination program for employees and their dependents. The Bank also as provided financial assistance to employees and coordinated efforts with Local Government Units (LGUs) for the provision of pandemic-related healthcare services.

V. Investor Relations, Continuous Disclosure and Transparency

- (aa) **Investor Relations.** Through its Investor Relations Office, the Bank employs a program of proactive, uniform, appropriate and timely communication and reporting, in the spirit of full disclosure and in compliance with the Securities Regulation Code and Bangko Sentral, SEC and PSE rules, regulations and disclosure guidelines. The Bank provides company presentations in the Annual Stockholders Meeting and conducts analyst and media or press briefings apart from maintaining the relevant disclosures on its website. The Board has a policy of continuous disclosure and transparency and commits at all times to fully disclose all material information about the company for the benefit of the stockholder and other stakeholders. Such information includes earnings results, materially significant acquisition or disposal of assets, board changes, related party transactions which are not in the ordinary course of business, shareholding of directors and major changes to ownership/voting rights, group structures, intra-group relations, ownership data, and beneficial ownership. As a listed company, BPI files structured and unstructured disclosures through the, appropriate Exchange mechanisms for listed companies and submits mandated regulatory reports to the SEC. The Bank also maintains an official company website in accordance with the SEC-prescribed format and template to ensure a comprehensive, cost-efficient, transparent, timely manner of disseminating relevant information to the public. BPI also maintains official company sites on social media-based platforms.
- (bb) **Annual Stockholders Meeting (ASM).** The ASM is held annually and is organized in an easy to reach and cost-efficient venue and location in Metro Manila. The ASM allows shareholders to advise and adopt resolutions on important matters affecting the Bank, such as: ratification of all acts and resolutions of the Board of Directors and Management, approval of the annual report of the President and Bank's statement of condition, amendments to the Articles of Incorporation or By-Laws, election of Board of Directors and external auditor as well as measures to amend the shareholders' equity. In 2021, the 2nd BPI virtual ASM was successfully conducted via a livestream webcast at <http://www.ayalagroupshareholders.com>. Shareholders intending to participate by remote communication were requested to notify the Bank by email to bpi-asm@bpi.com.ph on or before April 12, 2021.

Notice of the ASM. The Notice is sent to shareholders well before the meeting date to allow shareholders to review the meeting's agenda and provide shareholders with sufficient information regarding issues to be decided at the meeting; the Definitive Information Statement, or SEC Form 20-IS is issued in accordance with BPI's Amended By-Laws and SRC 20. In 2021, the Notice, including the DIS, was sent out to stockholders of record by March 30, 2021, 23 days before the ASM.

Voting and Voting Results. All items in the agenda requiring stockholder approval need the affirmative vote of at least a majority of the issued and outstanding voting stock. Stockholders may vote in person or by proxy executed in writing by the stockholder or by a duly authorized attorney-in-fact. In its meeting held on February 24, 2021, the Board approved Management's

recommendations for BPI to provide the Bank's stockholders with the option to vote in absentia. Hence, at the April 22, 2021 ASM, stockholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code. Voting is considered in a poll, by shares of stock, that is, one share entitles the holder to one vote. Cumulative voting as provided for in the Corporation Code may be applied in the election of the Board of Directors and directors are elected individually. The Rules of Conduct, voting and vote tabulation procedures are likewise explained during the meeting. The Office of the Corporate Secretary tabulates all votes received and the Bank's external auditor validates the results. Voting results are disclosed on PSE EDGE and company's website.

Shareholder Participation. BPI proactively encourages the full participation of all shareholders, including institutional shareholders, at the ASM each year. Shareholders are encouraged to ask questions at the ASM to ensure accountability and identification with the Board of Directors' and Management's strategy and goals for the business of BPI.

Minutes of the Annual Stockholders' Meeting. The Minutes of the ASM includes all information pertinent to the meeting and is promptly disclosed on the company website within the period mandated by the SEC. In this respect, minutes of the 2021 ASM were posted on the company website within five (5) calendar days from the date of the ASM.

- (cc) **Annual and Quarterly Reports.** The Bank's Annual, Quarterly, and Current Reports are its primary disclosure mechanisms used to impart knowledge about the Bank to all its stakeholders in an informative, structured, and cost-effective manner. The Annual and Quarterly accountability reports effectively detail its performance during the period under review and put that performance in context of the objectives of the Bank, its strategies and future direction. The Current Reports similarly provide timely updates on significant corporate actions undertaken by the Bank. The Annual, Quarterly, and Current Reports are regularly submitted to the SEC pursuant to Section 17 of the SRC, which also prescribes format and content. These Reports are also disclosed on the websites of the various Exchanges, as previously mentioned. These may also be viewed at www.bpi.com.ph.

VI. Sustainability, Stakeholder Engagement and ESG Reporting

- (dd) **Sustainability and Stakeholder Engagement.** The Bank operates on a sustainability framework of shared values which emphasizes importance of all stakeholders and how their interests are integrated into the business of BPI. In this regard, the Bank established a Sustainability Agenda Policy and Sustainability Council Charter in 2021. The Sustainability Council was likewise convened, during the year while Executive Vice President and Chief Financial Officer Maria Theresa Marcial Javier was also formally appointed as Chief Sustainability Officer of BPI. Stakeholder engagement takes on various forms and is carried out through a range of information, communication and consultative activities and disclosures. For employees: learning and development programs; long-term, merit-based performance incentive mechanisms such as executive stock purchase plans and regular subscription plans. For communities: extending credit and financial services to underserved and unbanked sectors; improving financial literacy initiatives and factoring ESG dimensions into its business and risk models and loan products and services. For clients: financial wellness, financial inclusion and sustainable development investments. For suppliers: a supplier policy based on the principle of transparency - equal opportunity for qualified suppliers and contractors while ensuring a properly managed supply chain from the point-of-view of sustainability and good governance. For creditors: counterparties are protected by fairness, accountability and transparency; policies and procedures are in place safeguarding creditor's rights as required by the BSP.
- (ee) **Environmental, Social and Governance Reporting.** BPI considers the most appropriate way to report non-financial information to ensure that its ESG reporting provides internal and external stakeholders with the non-financial information needed to understand the context that the Bank operates in today. ESG reporting may be through a stand-alone sustainability report, an integrated annual report, and company website. It has adopted a globally-recognized standard/framework, G4 Framework by the Global Reporting Initiative, for its ESG reporting.

VII. Corporate Governance Awards and Recognition

ACGS Asset Class PLC and ICD Golden Arrow Award. In 2021, BPI garnered the ASEAN Asset Class PLC Award, ranking among the top listed firms across the six participating countries,

namely Indonesia, Malaysia, Singapore, Thailand, Vietnam, and the Philippines. In 2021, BPI was also a recipient of the ICD's Golden Arrow Award as a Top Performing Company in the domestic assessment of the ACGS.

SEC FORM 17-A (Annual Report)

Upon the written request of the stockholders, the Corporation undertakes to furnish said stockholder with a copy of SEC Form 17-A free of charge. Any written request for a copy of SEC Form 17-A should be addressed to:

Office of the Corporate Secretary
Bank of the Philippine Islands
Ayala North Exchange Tower 1,
6796 Ayala Avenue cor. Salcedo St.,
Legaspi Village, Makati City

ANNEX “A-2”

2022 ANNUAL STOCKHOLDERS’ MEETING OF BANK OF THE PHILIPPINE ISLANDS (THE “MEETING”)

REQUIREMENTS AND PROCEDURE FOR ELECTRONIC VOTING IN ABSENTIA AND PARTICIPATION BY REMOTE COMMUNICATION

Electronic voting *in absentia* and participation by remote communication shall be allowed only through complete registration and successful validation in the Voting *in Absentia* & Shareholder (VIASH) System.

I. ELECTRONIC VOTING IN ABSENTIA

1. Stockholders as of March 11, 2022 (“Stockholders”) have the option of electronic voting *in absentia* on the matters in the Agenda, after complete registration and successful validation in the VIASH System. Stockholders with email addresses on record shall be sent an e-mail with a link to the VIASH System. To register in the VIASH System, Stockholders shall simply follow the instructions sent in the e-mail. The registration for the VIASH System will be open until April 18, 2022.
2. Stockholders who have successfully registered themselves on the VIASH System in 2021 need not register again this year and may use their existing credentials (username and password) to log-in to the system.
3. Otherwise, Stockholders may access the link <http://www.ayalagroupshareholders.com/> to create an account and register in the VIASH System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 4 below.
4. All registered accounts shall be subject to the validation process set forth. The deadline for registration to vote *in absentia* or via an absentee ballot is until April 18, 2022.
5. The following are needed for registration:
 - 5.1 For individual Stockholders –
 - 5.1.1 A recent photo of the Stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 5.1.2 A scanned-copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
 - 5.1.3 A valid and active e-mail address;
 - 5.1.4 A valid and active contact number;
 - 5.2 For Stockholders with joint accounts –

A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PDF format). The file size should be no larger than 5MB;
 - 5.3 For Stockholders under Broker accounts –
 - 5.3.1 A broker’s certification on the Stockholder’s number of shareholdings (in JPG or PDF format). The file size should be no larger than 5MB;

- 5.3.2 A recent photo of the stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 5.3.3 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
 - 5.3.4 A valid and active e-mail address;
 - 5.3.5 A valid and active contact number;
- 5.4 For corporate Stockholders –
- 5.4.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format). The file size should be no larger than 5MB;
 - 5.4.2 A recent photo of the Stockholder's representative, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 5.4.3 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PDF format). The file-size should be no larger than 5MB;
 - 5.4.4 A valid and active e-mail address of the Stockholder's representative;
 - 5.4.5 A valid and active contact number of the Stockholder's representative.

Important Notes:

- Stockholders who are also stockholders as of record date of the other publicly listed corporations in the Ayala group need only to register one account in the VIASH System. Stockholders who successfully registered themselves on the VIASH System in 2021 need not register again this year and may use their existing credentials (username and password) to log-in to the system. The same log-in details are to be used to log-in to the system for other companies in the Ayala group. The digital absentee ballot for each corporation shall be separately accessed from the Stockholder's Dashboard in the VIASH System and votes shall be cast per corporation.
 - Considering the prevailing extraordinary circumstances in relation to COVID-19, the Company shall allow electronic signature for the required documents, as applicable. Notarization requirement shall also be dispensed with at this time. However, the Company reserves the right to request additional information, and original signed and notarized copies of these documents at a later time.
 - Incomplete or inconsistent information may result in an unsuccessful registration. As a result, Stockholders will not be allowed access to vote electronically in absentia, but may still vote through the Chairman of the Meeting as proxy, by submitting a duly accomplished proxy form, until April 18, 2022.
6. The validation process in the VIASH System will be concluded by the Corporation no later than three (3) business days from the date of the Stockholder's complete registration. The Stockholder's dashboard in the VIASH System will indicate the status of registration.
- Once validated, the Stockholder will receive an e-mail confirmation on their successful registration. Registered Stockholders have until the end of the Meeting to cast their votes *in absentia*.
7. All agenda items indicated in the Notice of the Meeting will be set out in the digital absentee ballot in the VIASH System and the registered Stockholder may vote as follows:
- 7.1 For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.
 - 7.2 For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

Once voting on the agenda items is finished, the registered Stockholder can proceed to submit the accomplished ballot by clicking the 'Submit' button. The VIASH System will prompt the Stockholder to confirm the submission of the ballot. The votes cast *in absentia* will have equal effect as votes cast by proxy.

After the ballot has been submitted, Stockholders may no longer change their votes except by submitting a duly accomplished proxy form within the set deadline.

8. The Office of the Corporate Secretary will tabulate all votes cast *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

II. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders as of March 11, 2022 ("Stockholders") are required to register in the VIASH System to participate in the Meeting on April 28, 2022 by remote communication. A Meeting livestreaming access button will be available in the Stockholder's dashboard in the VIASH System on the date set for the Meeting as indicated in the Corporation's Notice of the Meeting.
2. The procedure and requirements for registration in the VIASH System are found in the Electronic Voting *in Absentia* section in this Annex. The deadline for registration to participate by remote communication is on or before April 18, 2022.
3. In addition to their registration in the VIASH System, Stockholders are requested to notify the Company by e-mail to bpi-asm@bpi.com.ph by April 18, 2022 of their intention to participate in the Meeting by remote communication.
4. Only the Stockholders who have notified the Company of their intention to participate in the Meeting by remote communication, together with the Stockholders who voted *in absentia* and by proxy, will be included in the determination of quorum at the Meeting.
5. Stockholders participating by remote communication may vote anytime until the end of the Meeting using the digital ballot in the VIASH System.
6. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to bpi-asm@bpi.com.ph.
7. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to bpi-asm@bpi.com.ph.

For any clarifications, please contact our Stock Transfer Office through bpi-asm@bpi.com.ph.

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

ATTY. ANGELA PILAR B. MARAMAG

Contact Person

8246-5902

Company Telephone Number

1 2 3 1

Month **Day**

Fiscal Year

**Certificate of
Independent Director**

FORM TYPE

0	4
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2	8
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22

Month **Day**
Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

□

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

[illegible]

Document I.D.

Cashier

Cashier

STAMPS

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MA. DOLORES B. YUVIENCO**, Filipino, of legal age and a resident of 50 Domingo Poblete St., BF Executive Village, Las Piñas City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Bank of the Philippine Islands and have been its independent director since 14 April 2016;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations);

Company/ Organization	Position/Relationship	Period of Service
BPI Asset Management and Trust Corporation	Independent Director	2019 - Present
First Consolidated Bank (Bohol)	Independent Director	2018 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Bank of the Philippine Islands, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances;
4. I am related to the following director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code (i.e. other than spouse, parent, child, brother, sister and the spouse of such child, brother or sister):

Name of Director/Officer/ Substantial Stockholder	Company	Nature of Relationship
Diosdado B. Barin (Officer)	Bank of the Philippine Islands	Nephew

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances;
7. I shall inform the Corporate Secretary of Bank of the Philippine Islands of any changes in the abovementioned information within five days from its occurrence.

[Signature page follows]

Done, this _____ day MAR 16 2022, at CITY OF MAKATI.

Ma. Dolores B. Yuvienco
MA. DOLORES B. YUVIENCO
Affiant

SUBSCRIBED AND SWORN to before me this MAR 16 2022 at CITY OF MAKATI; Affiant, MS. MA. DOLORES B. YUVIENCO, who is personally known to me and to me known to be the same person who executed the foregoing instrument and who exhibited to me her Passport with No. _____ issued at _____ on _____ and valid until _____.

Doc. No. 205;
Page No. 62;
Book No. IX;
Series of 2022.

[Signature]
ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBF No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8652511 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

ATTY. ANGELA PILAR B. MARAMAG

Contact Person

8246-5902**Company Telephone Number**

1 2 3 1

Month **Day**
Fiscal Year

**Certificate of
Independent Director**

FORM TYPE

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22

Month **Day**
Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

□

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

[illegible]

Document I.D.

Cashier

Cashier

STAMPS

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, IGNACIO R. BUNYE, Filipino, of legal age, and a resident of 101 Dr. Alfredo M. Bunye St. Alabang, City of Muntinlupa, Metro Manila, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS and have been its independent director since 14 April 2016;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
BPI Capital Corporation	Independent Director	2019 – Present
BPI Direct Banko, Inc., A Savings Bank	Independent Director	2018 – Present
BPI Asset Management and Trust Corporation	Independent Director	2017 – Present
TDF Holdings, Inc.	Chairman of the Board and President	2016 – Present
	Chairman of the Board	1997 - Present
Philippine Air Force	Reserve Lieutenant Colonel (Appointive)	1998 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;
4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code;
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;
7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this MAR 16 2022 at CITY OF MAKATI


IGNACIO R. BUNYE
Affiant

SUBSCRIBED AND SWORN to before me this MAR 16 2022 at
CITY OF MAKATI; affiant IGNACIO R. BUNYE personally appeared before me and exhibited to me
his Passport No. _____ issued at _____, Philippines on _____ valid

Doc. No. 706;
Page No. 67;
Book No. 12;
Series of 2022.


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8852511 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

ATTY. ANGELA PILAR B. MARAMAG

Contact Person8246-5902

Company Telephone Number

1 2 3 1

Month **Day**

Fiscal Year

**Certificate of
Independent Director**

FORM TYPE

0	4	
2	8	22

Month **Day**
Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

□

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

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Document I.D.

Cashier

Cashier

STAMPS

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, CESAR V. PURISIMA, Filipino, of legal age, and a resident of 1567 Cypress Street Dasmariñas Makati City, Metro Manila, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Listed Companies		
AIA Group Limited	Independent Director	2017- Present
ABS-CBN Corporation	Member , Board of Advisors	2020 - Present
Ayala Land, Inc.	Independent Director	2018 - Present
Bank of the Philippine Islands	Independent Director	2021 - Present
BPI Capital Corporation	Independent Director	2021 - Present
Jollibee Foods Corporation	Independent Director	2020 - Present
Sumitomo Mitsui Banking Corporation	Member, Global Advisory Council	2018 - Present
Universal Robina Corporation	Independent Director	2018 - Present
Non Listed Companies		
Asian Institute of Management	Executive-in-Residence	2016 - Present
De La Salle University	Member, Board of Trustee	2017 – Present
International School Manila	Member, Board of Trustee	2017 - Present
Ikhlas Capital Singapore Pte.Ltd	Founding Partner/Director	2019 - Present
Milken Institute	Asia Fellow	2016 - Present
Singapore Management University	Member, International Advisory Council (Phils.)	2017 – Present
Unistar Credit and Finance Corporation	Independent Non-Executive Director	2019 - Present
World Wildlife Fund - Philippines	Board of Trustee	2019 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;
4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code;
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

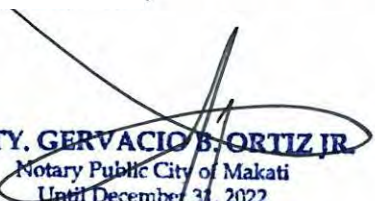
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;
7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this MAR 16 2022 at CITY OF MAKATI.


CESAR V. PURISIMA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 16 2022 at CITY OF MAKATI,
affiant CESAR V. PURISMA personally appeared before me and exhibited to me his Passport with No. _____
issued at _____ on _____ valid until _____.

Doc. No. 903;
Page No. 62;
Book No. IX;
Series of 2022.


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLÉ Compliance No. V1-0024312
Appointment No. M-62-(2021-2022)
PTR No. 885254 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

ATTY. ANGELA PILAR B. MARAMAG

Contact Person8246-5902

Company Telephone Number

1	2	3	1
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Month **Day**

Fiscal Year

**Certificate of
Independent Director**

FORM TYPE

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2	8
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22

Month **Day**
Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

□

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

LCU

[illegible]

Document I.D.

Cashier

Cashier

STAMPS

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, ELI M. REMOLONA, JR., Filipino, of legal age, and a resident of 33-10-3 Sri Penaga Condominium, Jalan Medang Serai, Kuala Lumpur, Malaysia, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS and have been its independent director since 25 April 2019;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
BPI/MS Insurance Corporation	Independent Director	2020 - Present
Asia School of Business	Professor of Finance and Director of Central Banking	2019 - Present
Hong Kong Academy of Finance	Member, HKIMR Council of Advisers for Applied Research	2019 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;
4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code;
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;
7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature page follows]

Done, this MAR 16 2022 at CITY OF MAKATI.


ELI M. REMOLONA, JR.
Affiant

SUBSCRIBED AND SWORN to before me this MAR 16 2022 at
CITY OF MAKATI; affiant ELI M. REMOLONA, JR. personally appeared before me and exhibited
to me his Passport with No. _____ issued at _____ on _____ valid until _____

Doc. No. 304;
Page No. 62;
Book No. 12;
Series of 2022.


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8852511 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

ATTY. ANGELA PILAR B. MARAMAG

Contact Person

8246-5902

Company Telephone Number

1	2	3	1
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Month Day
Fiscal Year

Certificate of
Independent Director

FORM TYPE

0	4	2	8	22
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Month Day
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

--

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, JANET GUAT HAR ANG, Singaporean, of legal age, and a resident of 53 MacKerrow Road, Singapore 358620, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
SPH Ltd	Non-Executive Director/ Independent Director	2014 To Present
Sistic.Com Pte Ltd	Non-Executive Director and Chairman	2019 To Present
RGE Group Pte Ltd	Senior Advisor	2021 To Present
International Women's Forum (Singapore) Chapter	Member	2002 To Present
Singapore Computer Society	Fellow	2012 To Present
Singapore Computer Society	Member	1995 To Present
Singapore Polytechnic	Board Member	2020 To Present
Singapore Polytechnic	Chairman, Board of Governors	2020 To Present
Home Team Science & Technology Agency, Singapore	Board Member	2019 To Present
Singapore Business Federation Foundation	Deputy Chairman & Board Member	2019 To Present
The Esplanade Company Ltd (TECL), Singapore	Board Member/ Independent Director	2019 To Present
Caritas Singapore Agape Fund	Chairman of the Board of Trustees	2019 To Present
Institute of Systems Science, National Univ. of Singapore	Chairman of the Board	2016 To Present
Institute of Systems Science, National Univ. Of Singapore	Member of the Board of Management	2012 To Present
Council of Board Diversity, Singapore	Council Member	2019 To Present
Singapore Business Federation (SBF)	Council Member	2016 To Present
National University of Singapore	Member of Alumni Advisory Board	2012 To Present
Ministry of Foreign Affairs	Non-Resident Ambassador to the Holy See	2020 To Present
Parliament of Singapore	Nominated Member of Parliament	2021 To Present
Cenacle Mission (Singapore) Ltd.	Independent Director	2015 To Present
Singapore Institute of Directors	Fellow	2021 To Present
Tanoto Foundation	Independent Director	2022 To Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of the BANK OF THE PHILIPPINE ISLANDS, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director/officer/substantial shareholder of the covered company and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code;
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances;
7. I shall inform the Corporate Secretary of the BANK OF THE PHILIPPINE ISLANDS of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this MARCH 16th at 2022.



JANET GUAT HAR ANG
Affiant

SUBSCRIBED AND SWORN to before me this MAR 21 2022 at
MAKATI CITY; affiant JANET GUAT HAR ANG personally appeared before me and exhibited
to me her Passport with No. _____ issued at _____ on _____
valid until _____.

Doc. No. 13;
Page No. 64;
Book No. α;
Series of 2022.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8852511 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

JP

ANNEX “A-3(a)”

ATTENDANCE AT BOARD COMMITTEE MEETINGS IN 2021

Committee	Name	Attendance/ Meetings ¹
Executive Committee	Jaime Augusto Zobel de Ayala	29/35
	Fernando Zobel de Ayala	31/35
	Jose Teodoro K. Limcaoco	35/35
	Rene G. Bañez ⁴	14/14
	Cezar P. Consing	35/35
	Aurelio R. Montinola III	31/35
	Antonio Jose U. Periquet	35/35
	Rebecca G. Fernando ⁷	20/21
Audit Committee	Maria Dolores B. Yuvienco	17/17
	Octavio V. Espiritu	15/17 ²
	Cesar V. Purisima ⁶	10/10 ²
	Romeo L. Bernardo ⁵	7/7
Risk Management Committee	Eli M. Remolona, Jr.	14/14 ²
	Janet Guat Har Ang ³	9/9 ²
	Cezar P. Consing ⁶	9/9 ²
	Octavio V. Espiritu	12/13
	Cesar V. Purisima ⁶	8/8
	Aurelio R. Montinola III ⁵	4/5 ²
Corporate Governance Committee	Cesar V. Purisima ⁶	3/3
	Ignacio R. Bunye	4/4
	Ramon R. Del Rosario, Jr. ⁶	3/3
	Maria Dolores B. Yuvienco ⁵	1/1
	Mercedita S. Nollado ⁸	1/1
Nomination Committee	Cesar V. Purisima ⁶	2/2
	Jaime Augusto Zobel de Ayala	4/4
	Fernando Zobel de Ayala	4/4
	Antonio Jose U. Periquet	4/4
	Ramon R. Del Rosario, Jr. ⁵	2/2
Personnel and Compensation Committee	Fernando Zobel de Ayala	12/12
	Ignacio R. Bunye	12/12
	Aurelio R. Montinola III	11/12
	Antonio Jose U. Periquet	12/12
	Maria Dolores B. Yuvienco	12/12
Related Party Transactions Committee	Ignacio R. Bunye	12/12
	Rene G. Bañez ⁴	4/4
	Maria Dolores B. Yuvienco	12/12
	Rebecca G. Fernando ⁷	7/8
Retirement Pension Committee	Aurelio R. Montinola III ³	4/4
	Rene G. Bañez ⁴	3/3
	Ramon R. Del Rosario, Jr. ⁶	4/4
	Rebecca G. Fernando ⁷	2/2
	Mercedita S. Nollado ⁸	1/1
	Antonio Jose U. Periquet ⁵	1/1

¹For the period of 01 January to 31 December 2021

²Includes BPI Joint AuditCom & RMCom Meeting

³Committee member effective May 19, 2021

⁴Committee member effective August 18, 2021

⁵Committee member until April 21, 2021

⁶Committee member effective April 22, 2021

⁷Committee member until August 17, 2021

⁸Committee member until May 18, 2021

ANNEX “A-3(b)”

TOTAL COMPENSATION FOR EACH DIRECTOR FOR 2021

Director*	Total
Jaime Augusto Zobel De Ayala	6,240,000.00
Fernando Zobel de Ayala	6,590,000.00
Jose Teodoro K. Limcaoco**	1,880,000.00
Janet Guat Har Ang***	3,760,000.00
René G. Bañez****	2,870,000.00
Romeo L. Bernardo	5,490,000.00
Ignacio R. Bunye	6,090,000.00
Cezar P. Consing*****	5,040,000.00
Octavio V. Espiritu	5,990,000.00
Aurelio R. Montinola III	6,750,000.00
Antonio Jose U. Periquet*****	6,740,000.00
Cesar V. Purisima *****	5,930,000.00
Eli M. Remolona, Jr.	5,670,000.00
Ramon R. Del Rosario, Jr.	5,450,000.00
Maria Dolores B. Yuienco	6,510,000.00

* Directors for the term 2021-2022, as of December 2021

** Non-Executive Director until 22 April 2021

*** Elected Director on 19 May 2021

****Elected Director on 18 August 2021

*****Non-Executive Director from 22 April 2021

***** Director until 16 December 2021

*****Elected Director on 20 January 2021

ANNEX “A-3(c)”

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS
BANK OF THE PHILIPPINE ISLANDS
Conducted virtually via <http://www.ayalagroupshareholders.com/>
April 22, 2021

(For approval at the 2022 Annual Meeting of Stockholders)

The Annual Meeting of Stockholders of the Bank of the Philippine Islands (BPI or the Bank) was conducted virtually via <http://www.ayalagroupshareholders.com/> on April 22, 2021 at 9:00 in the morning, in view of the restrictions to address the COVID-19 pandemic

I. Call to Order

The Chairman of the Board of Directors, Mr. Jaime Augusto Zobel de Ayala, presided over and called the meeting to order at 9:00 A.M. The Corporate Secretary, Ms. Angela B. Maramag, recorded the minutes of the meeting. The Chairman welcomed the stockholders who have joined the live webcast of the proceedings and thanked the shareholders who were participating in the meeting through the Bank’s voting in absentia system or their appointment of the Chairman as proxy. The Chairman introduced each of the presenters, namely: Cezar Consing (President and CEO), Jose Teodoro Limcaoco (member of the Board and incoming President), Antonio Jose Periquet (Chair of the Nomination Committee), Maria Dolores Yuvienco (Chair of the Audit Committee), Angela Maramag (Corporate Secretary) and Maria Consuelo Lukban (Head of Corporate Strategy and Investor Relations, and Sustainability). He also acknowledged Ramon L. Jocson (Chief Operating Officer), Maria Theresa M. Javier (Chief Finance Officer), the other members of the Board, including Cesar Purisima, who joined the Board in January, the members of the Bank’s Advisory Council – Chief Justice Panganiban, Del Lazaro, and Oscar Reyes - and other officers who joined the meeting through the live webcast.

II. Certification of Notice of Meeting and Determination of Quorum

The Corporate Secretary reported to the Chairman and informed the assembly that the Notice of the Annual Stockholders’ Meeting and the Definitive Information Statement were sent to the stockholders of record as of March 5, 2021 in three ways: first, by email to all stockholders with e-mail addresses on record, second, by posting on the Bank’s website and third, by disclosure in the Philippine Stock Exchange. In addition, the Notice was published in the Philippine Daily Inquirer and Manila Bulletin, in both print and online formats, on March 31 and April 1, 2021.

The Chairman then asked if there was a quorum at the meeting to transact all the matters in the agenda. The Corporate Secretary reported that there were present at the meeting, in person and by proxy, stockholders owning/representing 3,485,246,728 shares or 77.23% of the 4,513,103,261 total issued and outstanding common shares of the capital stock of BPI entitled to vote and be voted at the meeting. Thereupon, the Chairman declared that a quorum was present and that the meeting was duly convened. The mode of attendance of the stockholders deemed present and their respective percentages of the outstanding shares are set forth below:

Mode of Attendance	% of Total Shares Outstanding
Appointment of the Chairman as proxy	77.1894%
Voting in absentia	0.0251%
Remote communication	0.0109%

Additionally, there were 601 viewers of the live webcast of the meeting.

III. **Rules of Conduct and Procedures**

The Chairman explained that although the Bank is holding the meeting in a virtual format because of government regulations that prevent the holding of in-person meetings, it strived to provide the shareholders the opportunity to participate in the meeting to the same extent possible as in an in-person meeting. The Chairman then asked the Corporate Secretary to share the rules of conduct and voting procedures of the meeting.

The Corporate Secretary explained that the rules of conduct and voting procedures are set forth in the Definitive Information Statement and in the Explanation of Agenda Items, which is a part of the Notice of the Annual Stockholders' meeting. The Corporate Secretary highlighted the following points:

1. The agenda for this meeting covers a range of matters requiring stockholders' vote and was included in the Notice sent to stockholders for this meeting. Stockholders were also given an opportunity to propose matters for inclusion in the agenda, pursuant to applicable laws and regulations.
2. Stockholders who registered under the electronic Voting in Absentia & Shareholder (VIASH) system or who notified the Company by email to bpi-asm@bpi.com.ph of their intention to participate in this meeting by remote communication may send their questions or comments to the same email address.
3. The Head of Corporate Strategy, Investor Relations, and Sustainability, will read the questions or comments received by email before 9:30 a.m. during the Q and A period, which will take place after other matters, under item 9 of the agenda. Management will reply to questions and comments not taken up during the meeting by email.
4. As indicated on the ballot for the voting of stockholders, there are 7 resolutions proposed for adoption by the stockholders at this meeting. Each proposed resolution will be shown on the screen as the same is being taken up.
5. Stockholders could cast their votes on these proposed resolutions and in the election of directors through the VIASH system. The polls will remain open until the end of this meeting for stockholders who had successfully registered to cast their votes electronically using the system.
6. Stockholders have the option to appoint the Chairman as proxy. The Corporate Secretary reported that the votes cast, as of April 13, 2021, after the proxy validation process, were from stockholders owning 3,484,769,411 voting shares representing 77.21% of the total outstanding voting shares.

IV. **Approval of the Minutes of the Annual Stockholders' Meeting on April 23, 2020**

The Chairman then proceeded to the next order of business which was the approval of the minutes of the annual meeting of stockholders held on April 23, 2020. An electronic copy of the minutes was made available in the Bank's website.

The Corporate Secretary presented the resolution, as proposed by management, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

RESOLUTION NO. ASM-2021-01

RESOLVED, that the minutes of the Annual Stockholders' Meeting held on April 23, 2020 be, and are hereby, approved as recorded.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	3,484,769,860	-	1
% of Voting Shares Present	99.99%	0.00%	0.00%

V. **Approval of Annual Report and Audited Financial Statements as of December 31, 2020**

The Chairman proceeded to the next item in the agenda which was the Annual Report, consisting of the Message from the Chairman, an audio-visual presentation, and the message from the Chief Executive Officer and President.

Message of the Chairman

The Chairman welcomed fellow shareholders, business partners, clients and employees to the Annual Stockholders Meeting. He then gave his message on the broader markets and the Bank's financial performance, as follows:

"The words of Charles Dickens, written over 160 years ago, aptly describe what 2020 was like for our country and your bank.

"It was the best of times, it was the worst of times . . . it was the spring of hope, it was the winter of despair." --- Charles Dickens, A Tale of Two Cities

In January, Taal volcano erupted causing massive destruction to the nearby provinces. By the second quarter, the Covid-19 pandemic forced the government to institute broad and strict lockdowns, which only began to ease towards the fourth quarter. The year also saw a series of strong earthquakes, with many centered in Mindanao. And as 2020 came to a close, two typhoons wreaked havoc in many areas of the country.

The Covid-19 pandemic and the government's response to it largely determined how the Philippine economy performed in 2020. As the lockdowns were stricter and more encompassing than elsewhere, mobility scores were amongst the lowest in the region.

At the same time, the government's fiscal response to the pandemic was lower as a percentage of GDP than most countries, reflecting a focus on maintaining, successfully for now, the country's investment grade credit ratings and, separately, concerns about sizable leakages in the distribution of cash aid to the neediest Filipinos.

The combination of low mobility and a conservative fiscal response more than offset the BSP's very aggressive monetary response, the highlights of which were a reduction of reserve requirements and policy rates by 200 bps, from 14% to 12% and from 4% to 2%, respectively, over the course of the year, which translated into additional liquidity equal to 10% of GDP.

Thus, GDP for the year declined by 9.5%, the worst on record; the unemployment rate surged from 4.6% to 17.6% before settling at 8.7%; and average full year inflation rose from 2.5% to 2.6% due to supply-side factors. The combination of a 2.6% inflation rate and a 2% BSP policy rate has produced negative real interest rates, the continuation of which is detrimental to long-term investment, the earnings of banks and the economy at large.

With import demand low, the Philippine peso strengthened by 5.4% relative to the U.S. dollar, and dollar reserves ballooned to \$110 billion, equivalent to almost 12 months of imports.

The banking industry, which is a levered bet on the economy, was at the epicenter of this economic maelstrom. After almost a decade of double-digit loan growth, 2020 saw loans contracting by 2.8%, a reflection of a very sharp drop in loan demand and a deterioration of loan quality, as non-performing loans as a percentage of total loans grew from 2.1% in 2019 to 3.7% in 2020.

In addition, the loan moratoriums provided by Bayanihan Acts I and II delayed the recognition of non-performing loans and made more difficult the assessment of loan quality, while the imposition by the BSP of an interest rate cap on credit card loans caused banks to reduce credit to riskier customers. As a result of these factors, banks increased loan loss provisions by an average factor of 4.0x. In fact, in 2020, for the very first time, the banking industry's total loan loss provisions exceeded its total profits. The banks funded a portion of the increase in loan loss provisions with trading gains, as the declining interest rate environment increased the value of the securities on banks' books. But the sheer magnitude of loan loss provisions meant that industry profitability, as measured by return on equity, dropped from 10.5% in 2019 to 6.6% in 2020.

More telling has been the drop in the market capitalization of banks. The PSE index declined by 8.6% in 2020, with the banking sector, which declined in value 21.1%, by far the most negatively impacted. Fortunately, Philippine banks are better capitalized today, in terms of the percentage of book equity to total assets, than at almost any other time in modern history, a result of numerous equity capital raisings over the last decade in response to more stringent capital requirements. Hence, the viability of the country's major banks remains unquestioned.

Our employees' ability to stand by their posts combined with our growing digital capabilities allowed us to increase revenues by 10.5% to hit P101.9 billion, an all-time high. Net interest income grew by 10.2% on the back of a 14 basis points increase in net interest margins offsetting a 4.6% decrease in net loans. Non-interest income also grew by 11.1% as a 65.2% increase in trading income offset a 5.0% decrease in fees and commissions.

With operating expenses about flat, pre-provision operating profits increased by 22.4%.

However, with the lockdowns affecting the ability of business and consumer borrowers to service their loans, we thought it prudent to take P28 billion in loan loss provisions, a fivefold increase, and hike our coverage for non-performing loans - - which had grown from P24.8 billion to P38.8 billion - - from 102.1% to 115.2%. At year-end, our non-performing loans represented 2.7% of our total loan book, considerably lower than the industry average and indicative of the bank's credit discipline.

Nonetheless, the hefty increase in provisions reduced net income by 25.7% to P21.4 billion from P28.8 billion in the previous year.

Before I pass the floor on to our President and CEO, Bong Consing, to deliver his report, I would like to say a few words about Bong as he marks his transition out of his responsibilities as CEO. Many of you might not know that Bong originally joined BPI in 1981 (coincidentally, the same year I started with Ayala) as a management trainee and rose quickly to become, in 1985, the youngest Assistant Vice President in the Bank's history. He went on to pursue a career as a global investment banker at JP Morgan, where he rose to senior leadership positions. He also spent some time as a senior partner in a global investment firm. We are fortunate that he accepted our invitation to return and accept the position of President and CEO, which he has held for these last eight years. All in all, Bong has served 12 years as an employee and executive and, in addition, has provided 19 years of service as a member of the BPI board, which he first joined in 1995. All of us are delighted that he will now remain on the Board and in its Executive Committee in a continuing governance role.

I would also like to acknowledge that Bong represented the banking industry, with great effectiveness, as the head of 2 leading financial consortium institutions, and the respected Bankers Association of the Philippines, for these last two years.

Bong will deliver his own report next, which will speak for itself, but, on behalf of the Board, let me say how delighted we have been Bong, to have you steer the bank during this last year of economic stress in our country. You have kept BPI safe and relevant, over-weighted the needs of the customers (big and small), in a challenging time, supported our employees and provided leadership for the industry – all while delivering solid results for the many investors who have allocated capital to the Bank.

Bong, let me thank you on behalf of the whole board for your 8 years of exemplary leadership. I still remember the day, back in 2013, when you were officially elected CEO at the stockholders' meeting and became, coincidentally, the 13th President and CEO of BPI. In so doing you have become an integral part of the fabric of BPI's proud heritage of 170 years as a major contributor to our country's economic development. You have now left your own mark and legacy which will always be remembered and acknowledged as part of BPI's history.

Let me also congratulate and welcome Mr. TG Limcaoco, who will be nominated to succeed Mr. Consing at the organizational meeting of the Board immediately following this stockholder meeting. Mr. Limcaoco is no stranger to BPI. He has served on the BPI Board since February 2019 and is a member of the Executive Committee. Prior to this, he has had senior leadership roles which include the Presidencies of BPI Capital and BPI Family Savings Bank, as well as other senior responsibilities for consumer lending and our insurance business. Highly respected throughout his long career in a variety of finance roles, we are delighted to be welcoming him back to the highest leadership role in BPI."

The report of the Chairman was followed by an audio-visual presentation of the Bank.

The Chairman then turned over to the President to discuss the Bank's operational performance and its strategic initiatives.

Report of the President

The President delivered his report on the Bank's performance and its strategic initiatives, as follows:

"To our shareholders, business partners, and clients, welcome to our annual gathering.

Ironically, what was a very challenging year presented BPI the opportunity to re-assert its position as a banking industry leader and a trusted Philippine institution. After working with regulatory authorities to ensure that banks would be allowed to operate during the lockdown, the Bank's business continuity plans immediately kicked in, ensuring that critical banking products and services, including the availability of cash and payments transfers, would be readily available. When the lockdowns were most severe, on average almost all of the bank's ATMs and CAMs, and at least half of the branches, were up and running; and head office units were staffed at approximately 50%. While the number of employees that worked from home was significant, the availability of mobility tools meant that productivity was maintained, if not enhanced.

The Bank spent over half a billion pesos to ensure that our employees could be transported to and from work, that their workplaces were clean and configured for social distancing, that they were provided with appropriate allowances for working under extraordinary circumstances, that they tested for Covid-19, and that they received adequate treatment if

infected. These measures paid off. While about half of our employees do front-line work, only about 3.5% of all of the Bank's employees caught Covid, with the number of those requiring hospitalization a very small percentage of those infected. Our contact tracing measures revealed that the vast majority of infections were a result of community transmission, and not incurred at work.

The Bank's many years of investment in technology, and digitalization in particular, became readily apparent to our customers and the market in 2020, as the lockdowns forced customers to transact via their mobile phones or their laptops. Prior to the lockdowns, transactions executed via the bank's electronic channels (mobile, laptop, ATM, CAM) accounted for 85.2% of all transactions. At the height of the lockdowns, this percentage grew to 95.1%. Today, with the lockdowns eased, this percentage is holding at 92.3%. While branch transactions still account for the bulk of the value of all of the bank's transactions, we believe that the percentage of branch transactions to total transactions will not return to pre-Covid levels. In fact, during the lockdowns, we saw thousands of customers enrolling in our digital channels every week. Today, 52% of all of our customers are digitally enabled, with more than half of them classified as active users. Having executed almost 1.8 billion in online transactions in 2020, BPI is an acknowledged leader in digital banking. The bank's finance app ranks number 5 on App Store and number 6 on Google Play. In Instapay, the bank ranks number 2 in receiving transactions and number 3 in both sending transactions; and 12.6% of Instapay users are BPI customers. We are using our digital platform to work with dozens of open banking partners - - the likes of GCash, Lazada, Paymaya - - to become a key focal point of financial intermediation in the Philippines. According to the media intelligence firm Isentia, BPI is the most mentioned Philippine bank in social media.

The bank's balance sheet grew by 1.3%, the slowest in over a decade, as a larger securities book offset the decline in loans. Deposits grew by 1.2%, with a 16.6% growth in current and savings account deposits offsetting a 33.2% drop in time deposits, the latter the result of a drive to reduce the bank's funding costs. The bank issued P70.7 billion in bonds during the year, including P21.5 billion in CARE bonds, the proceeds of which are earmarked for the important SME segment. However, borrowings as a percentage of total liabilities were at a conservative 7.8%. With profits growing faster than risk assets, the bank's already strong capital position was further bolstered, with the capital adequacy ratio growing from 16.1% to 17.1%.

Amongst our many lines of business, a few had particularly strong showings in 2020. Our asset management and mutual funds businesses saw their assets under management growing by 16.8% and 95.6%, respectively, the latter helped partly by the acquisition of P67 billion in AUM from a competitor earlier in the year.

Our mortgage lending business grew by 6.6%, and our microfinance lending business, already the second largest in the country, grew by 6.9%.

Our investment banking unit was the leading debt and equity underwriter in the country, and its underwriting fees grew by 66% on the back of 30 transactions.

BPI is one of only two Philippine companies rated BBB+ by the rating agency Standard & Poor's. The credit rating, which is equal to that of the Philippine government, was again confirmed during the year. The BSP continues to give the bank very high marks for its capital position, asset quality, management, earnings, liquidity and low sensitivity to market risk. And the Bank's various ESG (or environment, social, governance) scores would place it first or second among Philippine banks.

BPI is the only large bank whose shares outperformed the Philippine stock exchange index in 2020, and we remain the country's second largest bank by market capitalization.

In October, the prestigious international financial publication Euromoney, named BPI as the "Best Bank in the Philippines". Euromoney cited the bank's multi-year digital transformation journey and the success of our investment banking unit. Euromoney ran a quote that "BPI is a port in a storm—and right now, we are in a storm." Indeed, ours is a Bank built to withstand crises. We had a good year in what was a very bad year.

Looking forward, we have to continue to take steps that will future-proof the bank.

In January 2021, we announced the plan to merge BPI Family Savings Bank, our wholly-owned thrift bank, into BPI. The merger, which is subject to regulatory approvals, will provide scale that will be beneficial for customers and employees, with the merger synergies adding value to BPI shareholders.

The merger between BPI and BPI Family Savings Bank is just one of the steps that we will take to future-proof the bank.

Other key initiatives will include:

1. Establishing ourselves as the undisputed leader in digital banking;
2. Increasing the share of SME and consumer loans in our loan book;
3. Closing the gap in funding leadership;
4. Using branches as sales points more than service points; and
5. Promoting sustainable banking

Ours is a 170-year old institution determined to grow, thrive and contribute to nation-building for a long, long time by making the right strategic decisions. We are ready today, ready tomorrow.

The opportunity to have led this august institution, and its dedicated people, for the last eight years has been an incredible honor. For a career banker like myself, the role has also been a very special gift – one that I strove to deserve every working day, and one that I will always be grateful for."

After the President's report, the Chairman requested the Corporate Secretary to present the approval of the resolution as shown on the screen.

RESOLUTION NO. ASM-2021-02

RESOLVED, that the Annual Report of the Bank be, and is hereby noted, and the audited financial statements of the Bank as of December 31, 2020, as audited by the Bank's external auditor Isla Lipana & Co., be, and are hereby approved.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	3,479,735,872	2,566,787	2,467,202
% of Voting Shares Present	99.84%	0.07%	0.07%

VI. Ratification of the Acts of the Board of Directors and Officers

The next item in the agenda was the ratification and approval of all the acts of the Bank's Board of Directors and officers since the annual stockholders' meeting on April 23, 2020 until April 22, 2021.

The Corporate Secretary stated that the Board of Directors and Management seek ratification of all the acts and resolutions of the Board, Executive Committee, and other Board Committees which were adopted from April 23, 2020 to April 22, 2021. These acts and resolutions include the election of officers and members of the various Board Committees, contracts and transactions entered into by the Bank, credit/loan transactions, including to related parties, projects and investments, treasury matters, manpower related decisions/ approvals, corporate governance-related actions, and matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange.

Stockholders' ratification was also sought for the acts of the Bank's officers to implement the resolutions of the Board or its Committees, or made in the conduct of business.

The Corporate Secretary reported the resolution, as proposed by Management, and as approved by the stockholders based on the following voting results:

RESOLUTION NO. ASM-2021-03

RESOLVED, that the acts and resolutions, from April 23, 2020 to April 22, 2021 (the "Period"), of the Board of Directors (the "Board") and the Executive Committee and other Board committees, and the acts, during the Period, of the officers of the Bank performed pursuant to the resolutions of the Board and its committees as well as pursuant to the By-laws of the Bank, be, and are hereby approved, ratified and confirmed.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	3,479,183,400	308,392	5,278,069
% of Voting Shares Present	99.83%	0.01%	0.15%

VII. Election of the Board of Directors

The next item in the agenda was the election of fifteen (15) members of the Board of Directors for the ensuing year.

At the request of the Chairman, Antonio Jose U. Periquet, Chairman of the Nomination Committee, reported that in accordance with the Bank's By-Laws and Manual of Corporate Governance, and subject to compliance with applicable rules, the following stockholders were duly nominated for election as members of the Board of Directors of BPI for the year 2021-2022:

- (1) Mr. Jaime Augusto Zobel de Ayala
- (2) Mr. Fernando Zobel de Ayala
- (3) Mr. Romeo L. Bernardo
- (4) Ignacio R. Bunye
- (5) Cezar P. Consing
- (6) Ramon R. del Rosario, Jr.
- (7) Octavio V. Espiritu
- (8) Rebecca G. Fernando
- (9) Jose Teodoro K. Limcaoco

- (10) Aurelio R. Montinola III
- (11) Mercedita S. Nollado
- (12) Antonio Jose U. Periquet
- (13) Cesar V. Purisima
- (14) Eli M. Remolona, Jr.
- (15) Maria Dolores B. Yuvienco

The Corporate Secretary then reported the results of the election. Based on the partial tabulation of votes, each of the fifteen (15) nominees for directors has garnered at least 3,285,477,213 votes. Given this, it was certified that each nominee has received enough votes for election to the Board and that the Resolution to this effect had been approved.

RESOLUTION NO. ASM-2021-04

RESOLVED, to elect the following as directors of the Bank to serve as such beginning today until their successors are elected and qualified:

Jaime Augusto Zobel de Ayala
Fernando Zobel de Ayala
Romeo L. Bernardo
Ignacio R. Bunye*
Cezar P. Consing
Ramon R. del Rosario, Jr.
Octavio V. Espiritu*
Rebecca G. Fernando
Jose Teodoro K. Limcaoco
Aurelio R. Montinola III
Mercedita S. Nollado
Antonio Jose U. Periquet*
Cesar V. Purisima*
Eli M. Remolona, Jr.*
Maria Dolores B. Yuvienco*

*Nominated as Independent Director, subject to compliance with applicable legal and regulatory requirements

The votes received by the nominees are as follows:

Directors	Voted in Favor	Voted Against	Abstained
1. Mr. Jaime Augusto Zobel de Ayala	3,358,946,454	54,101,931	71,721,476
2. Mr. Fernando Zobel de Ayala	3,285,477,663	54,122,068	145,170,130
3. Mr. Romeo L. Bernardo	3,378,426,821	57,234,835	49,108,205
4. Mr. Ignacio R. Bunye	3,474,264,228	4,230,315	6,275,318
5. Mr. Cezar P. Consing	3,421,790,936	31,031,313	31,947,612
6. Ramon R. del Rosario, Jr.	3,446,237,931	4,780,315	33,751,615
7. Mr. Octavio V. Espiritu	3,344,590,502	35,633,105	104,546,254
8. Ms. Rebecca G. Fernando	3,445,422,544	32,065,219	7,282,098
9. Mr. Jose Teodoro K. Limcaoco	3,421,930,713	54,101,931	8,737,217
10. Mr. Aurelio R. Montinola III	3,405,084,537	54,101,931	25,583,393
11. Ms. Mercedita S. Nollado	3,445,265,681	32,222,082	7,282,098
12. Mr. Antonio Jose U. Periquet	3,323,518,493	35,415,922	125,835,446
13. Cesar V. Purisima	3,446,566,279	4,751,049	33,452,533
14. Mr. Eli M. Remolona, Jr.	3,482,977,361	-	1,792,500

Directors	Voted in Favor	Voted Against	Abstained
15. Ms. Maria Dolores B. Yuvienco	3,478,494,543	-	6,275,318

VIII. Election of External Auditors and Fixing of their Remuneration

The next item in the agenda was the election of BPI's External Auditors.

The Chairman requested Ms. Maria Dolores B. Yuvienco, Chairman of the Audit Committee, to explain the item. Ms. Yuvienco informed the stockholders that the Audit Committee evaluated the performance of the Bank's current auditor, Isla Lipana & Co., during the past year and said that the Committee is satisfied with their performance. Thus, the Audit Committee and the Board of Directors have agreed to endorse to the stockholders for their approval, the re-election of Isla Lipana & Co. as the External Auditors of BPI and its major subsidiaries and affiliates for the present fiscal year 2021 for an audit fee of Twenty One Million Ten Thousand Pesos (PHP 21,010,000.00).

The Corporate Secretary presented the resolution for the re-election of the Bank's external auditor and the voting results, as follows:

RESOLUTION NO. ASM-2021-05

RESOLVED, that the re-election of Isla Lipana & Co. as the external auditor of BPI and its major subsidiaries and affiliates for the year 2021 for an audit fee of PHP 21.01 Mn be, and is hereby, approved.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	3,475,655,290	7,301,133	1,813,438
% of Voting Shares Present	99.72%	0.21%	0.05%

IX. Merger of BFSB into BPI, Increase in Authorized Capital Stock and Amendment of Article VII of the Bank's Articles of Incorporation

The next item in the agenda was the approval of the merger of BPI Family Savings Bank, Inc. into Bank of the Philippine Islands.

The Corporate Secretary stated that proposed for approval by the shareholders is the merger between the Bank and BPI Family Savings Bank, Inc., in accordance with the terms and conditions in the Plan of Merger. The merger was approved by the respective Board of Directors of BPI and BPI Family on January 20, 2021, and the Plan of Merger subsequently approved on February 24, 2021. BPI Family shall merge with and into BPI, with BPI as the surviving corporation of the merger. The proposed merger transaction will help realize the following objectives: (1) rationalization of the branch network in light of ongoing digitalization, (2) alignment with BPI group strategy, and (3) improved operational efficiency.

The Corporate Secretary then presented the resolution, as proposed by management, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

RESOLUTION NO. ASM-2021-06

RESOLVED, that the merger between the Bank and BPI Family Savings Bank, Inc. ("BFSBI") in accordance with the terms and

conditions set forth in the Plan of Merger be approved, and for this purpose, the Bank's President and/or the Bank's Chief Finance Officer be, as they are hereby, authorized and empowered to do any and all acts, for and on behalf of the Bank for the purpose of implementing the aforementioned merger, upon such terms and conditions as they may deem beneficial to the Bank; and in connection with the foregoing: (a) to sign, execute, and deliver the aforementioned Plan of Merger and such other related documents, agreements and instruments, including but not limited to the Articles of Merger; (b) to act for and on behalf of the Bank, and designate such persons who will represent and act for and on behalf of the Bank, before the Securities and Exchange Commission (the "SEC"), the Bureau of Internal Revenue (the "BIR"), the Bangko Sentral ng Pilipinas (the "BSP"), Philippine Deposit Insurance Corporation ("PDIC"), the Philippine Competition Commission ("PCC"), the Philippine Stock Exchange ("PSE") and any other relevant regulatory agencies; and (c) to perform such other duties as may be incidental or related to the foregoing.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	3,482,168,596	140	2,601,125
% of Voting Shares Present	99.91%	0.00%	0.07%
% of Total Outstanding Shares	77.16%	0.00%	0.06%

The next item for approval was the increase in authorized capital stock, in relation to the proposed merger, and corresponding amendment of the Bank's Articles of Incorporation.

The Corporate Secretary explained that in relation to the proposed merger of BPI Family Savings Bank to the Bank, it is proposed to increase the Bank's authorized capital stock, particularly the common stock, by 100 million shares, or from the current level of 4.9 billion shares to 5 billion shares, with a par value of Ten Pesos (P10.00) per share, and the amendment of Article Seventh of the Bank's Amended Articles of Incorporation to reflect the foregoing increase in authorized capital stock. The additional common shares will be subject to the same rights and privileges as the existing common shares. In accordance with the provisions of the Revised Corporation Code, there will be no pre-emptive rights for the common shares to be issued pursuant to the merger with BPI Family Savings Bank. Such shares will remain as treasury shares until such time as they are re-issued.

The Corporate Secretary reported the resolution, as proposed by Management, and as approved by the stockholders based on the following voting results:

RESOLUTION NO. ASM-2021-07

RESOLVED, that the Bank increase its authorized capital stock by One Billion Pesos (P1,000,000,000.00) by: (i) increasing the authorized Common Stock of the Bank from Forty Nine Billion Pesos (P49,000,000,000.00) divided into Four Billion Nine Hundred Million (4,900,000,000) Common Shares at Ten Pesos (P10.00) per share to Fifty Billion Pesos (P50,000,000,000.00) divided into Five Billion (5,000,000,000) Common Shares at Ten Pesos (P10.00) per share; and (ii) maintaining the authorized Preferred Stock of the Bank at Six Hundred Million Pesos (P600,000,000.00) divided into Sixty Million (60,000,000) Preferred "A" Shares at Ten Pesos (P10.00) per share;

RESOLVED, FURTHER, that Article SEVENTH of the Bank's Amended Articles of Incorporation be amended to read as follows:

FROM:

"SEVENTH. - That the Capital Stock of the Corporation is Forty Nine Billion Six Hundred Million Pesos (P49,600,000,000.00) divided into:

- Common Stock consisting of Four Billion Nine Hundred Million (4,900,000,000) shares with a par value of Ten Pesos (P10.00) per share, not more than one and one half percent (1 ½%) of which is set aside for an Executive Stock Option Plan and another one and one half percent (1 ½%) for a Stock Purchase Plan for Employees and Officers of BPI and its Subsidiaries, over which shares the stockholders shall have no pre-emptive rights; and*
- Preferred Stock consisting of Sixty Million (P60,000,000) Preferred "A" shares with a par value of Ten Pesos (P10.00) per share.*

Xxx."

TO:

"SEVENTH. - That the Capital Stock of the Corporation is Fifty Billion Six Hundred Million Pesos (P50,600,000,000.00) divided into:

- Common Stock consisting of Five Billion (5,000,000,000) shares with a par value of Ten Pesos (P10.00) per share, not more than one and one half percent (1 ½%) of which is set aside for an Executive Stock Option Plan and another one and one half percent (1 ½%) for a Stock Purchase Plan for Employees and Officers of BPI and its Subsidiaries, over which shares the stockholders shall have no pre-emptive rights; and*
- Preferred Stock consisting of Sixty Million (60,000,000) Preferred "A" shares with a par value of Ten Pesos (P10.00) per share.*

Xxx."

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	3,153,734,957	140	331,034,764
% of Voting Shares Present	90.49%	0.00%	9.50%
% of Total Outstanding Shares	69.88%	0.00%	7.33%

The Corporate Secretary further stated that with stockholders representing at least two-thirds of the total outstanding shares having voted for the said merger, the increase in authorized capital stock and corresponding amendment to the Bank's Articles of Incorporation, the Resolutions have been approved.

X. **Consideration of Such Other Business as May Properly Come Before the Meeting**

After confirming with the Corporate Secretary that there were no other matters that require consideration by the stockholders, the Chairman requested Ms. Lukban, the Head of Corporate Strategy, Investor Relations and Sustainability to read aloud the questions and comments together with the names of the stockholders who sent them.

Ms. Eliza May Taco, a stockholder, mentioned that COVID-19 has changed the business landscape for everyone. She then asked if COVID-19 has changed the strategy of the Bank. Mr. Consing replied that COVID-19 has reinforced the Bank's digitalization initiatives. He recognized the importance to double down on digitalization and that this will move from payments/remittances to higher value products like loans. With digitalization, our branches will become more advisory/sales centers, although they will maintain their service capabilities. And obviously COVID-19 has made banks change their work arrangements – work from home or work from anywhere is now a feature of our strategy.

Mr. Jose Victor Montenegro, a stockholder, asked what the rationale is behind the BPI and BPI Family Savings Bank (BFSB) merger. He also asked what benefits can be expected from this, why only now, and is BPI Direct Banko included in the merger. Mr. Consing replied that in view of the merger, customers will be able to transact in more branches; each branch will be able to offer full suite of products/services. Employees will have more job options and career opportunities – job rotations, cross-postings. Shareholders will see the benefit of added value. Significant revenue and cost synergies produced by having unified channels – both physical and digital – and a completely unified workforce. On timing, Mr. Consing explained that now is where they have seen a reduction in the reserve requirement differential between commercial banks and thrift banks. And at this point, the digitalization platform is held by having a common platform across all BPI banks. And to the last point, whether this will include BPI Direct Banko, Mr. Consing responded that Banko will not be included and will remain a separate entity.

Mr. Jericho Dee, a stockholder, inquired on the role of banks in the country's economic recovery. The Chairman replied that financial institutions, including BPI, have been part and parcel on the development cycle of any country and certainly the Philippines, where BPI has played a major role for 170 years. As GDP grows, banks are a key component of that process. Bank lending will spur growth and be part and parcel of growth when the economy springs like it has. Banks will always be a key growth component of any economic model and certainly the Philippines. BPI has participated in infrastructure lending and has been very involved in the sustainability initiatives (green energy), SMEs, microfinance, and household financing (mortgage, auto, credit cards). He said that these are all part and parcel of an economy that grows. The Chairman concluded that the Bank will be part and parcel of the country's economic recovery and will play these various roles, including many others – investment bank, asset management and hoped that those GNP and GDP numbers come back to where they were before.

Ms. Lady Janelle Monsanto asked what the Bank's commitments are or immediate initiatives in addressing Sustainability. She also asked if BPI will still finance new coal plants in the Philippines. Mr. Consing stated that at the outset, in terms of ESG ratings, BPI is among the top rated banks in the country. BPI contributes initiatives to 14 of the 17 UN Sustainable Development Goals, ranging from No Poverty to Gender Equality to Climate Action. In 2020, BPI has set up a Sustainability Office and updated its Sustainability Strategy, with a focus on Responsible Banking and Responsible Operations. This year, each of the Bank's businesses has ESG targets, and the achievement of these targets will be integrated into the performance appraisal process. As for coal financing, Mr. Consing said that it is the Bank's intent to achieve "zero coal" in line with the Paris Agreement target of 2037 for non-OECD Asia. He added that they believe that they will be able to half the amount of the Bank's outstanding coal loans by the end of 2026.

Mr. Ishmael Sam Canua, a stockholder, mentioned that the central bank governor pushes to certify the amendment of Bank Secrecy Law as urgent and also the amendments of PDIC charter to raise the deposit insurance from P500K to P1Mn. Also, there are some proposals to amend the economic provisions in the 1987 constitution, including the 60/40 equity (foreign ownership). There are some bills that have already passed into law, the CREATE and FIST Laws. He asked, "What is the response of the bank to these amendments and proposals?" On the Bank Secrecy Law, Mr. Consing said that the Bank is completely supportive of this, the amendment will put the Bank in line with international standards, and will make it less of a target for money laundering. On amendments to PDIC, the Bank is supportive with it falling under the ambit of the BSP. However, he said that what they are studying now is if it makes sense to increase the insurance limit from half a million to a million pesos, as 97% of all bank depositors are already fully insured under the current limit. On the 60/40 equity, Mr. Consing said that this is constitutional and for some industries, this makes a lot of sense. As for the CREATE law, this is GDP positive, it is expansionary and the Bank is also supportive of that. As for the FIST law, Mr. Consing said that this will make it easier for banks to transfer non-performing assets to third parties, which they think will be good for the banking system, it will free up capital, and create impetus for more lending.

XI. Adjournment

The Chairman, on behalf of BPI's Board of Directors, expressed immense gratitude to Mr. Xavier P. Loinaz, who for health reasons stepped down from the board in October of last year:

"Xavier was President and CEO of BPI for 22 years, from 1982-2004. He guided the bank throughout some of the most tumultuous times in Philippine history, book-ended by the country's debt crisis in the early 1980s and the Asian Financial crisis in the late 1990s. Despite the difficult external environment, Xavier's leadership tenure was marked by innovation and growth. BPI introduced ATMs in the early 1980s, the first Philippine bank to do so, and launched internet banking in 1999. Xavier also presided over some of the most significant acquisitions undertaken by BPI, including Family Bank in the mid-80s, Citytrust in the mid-90s and Far East Bank at the turn of the century. These acquisitions solidified BPI's leadership position in the banking industry. On a related note, Xavier's acquisition of life and property and casualty insurance companies marked the beginning of bancassurance in the Philippines.

Xavier left a legacy of steady and disciplined approach to the management of risks. This approach has continued to serve the bank well.

After Xavier retired as CEO, he continued to serve the bank as a Board Director, most recently as Chair of our Audit Committee. Xavier served on BPI's board for 40 years.

Xavier was instrumental in the creation of the modern BPI. We thank him for his vision, passion and leadership and wish him the very best."

There being no other comments or questions from the stockholders and no other matters to discuss, the meeting was adjourned. The Chairman reminded that stockholders may raise any issues, clarifications, and concerns regarding the conduct of the meeting by sending an email to bpi-asm@bpi.com.ph.

The Chairman again thanked everyone who joined the meeting.

PREPARED BY:

ATTESTED BY:

ANGELA B. MARAMAG
Corporate Secretary and Secretary
of the Meeting

JAIME AUGUSTO ZOBEL DE AYALA
Chairman of the Board and Chairman
of the Meeting

ANNEX A				
Attendance of Stockholders				
	Stockholder	Type of Shares	No. of Shares	Appointee/Beneficial Owner
1	DEUTSCHE BANK AG MANILA BRANCH		272,059,076	Chairman of the Meeting
2	HSBC10 ACCOUNT - MNL CNC NOM 21/0296		208,168,375	Chairman of the Meeting
3	HSBC20 ACCOUNT - MNL CNC NOM 21/0297		27,906,704	Chairman of the Meeting
4	STANDARD CHARTERED BANK		64,590,076	Chairman of the Meeting
5	CITIBANK, N.A. MANILA		175,634,922	Chairman of the Meeting
6	AYALA CORPORATION		1,000,261,934	Chairman of the Meeting
7	MICHIGAN HOLDINGS, INC.		92,684,989	Chairman of the Meeting
8	AC INTERNATIONAL FINANCE, LTD.		390,269,162	Chairman of the Meeting
9	LIONTIDE HOLDINGS, INC.		904,194,682	Chairman of the Meeting
10	ROMAN CATHOLIC ARCHBISHOP OF MANILA		328,433,639	Chairman of the Meeting
11	BPI-ESPP 2019		5,758,830	Chairman of the Meeting
12	BPI-ESPP 2018		3,985,340	Chairman of the Meeting
13	BPI-ESPP 2017		3,096,100	Chairman of the Meeting
14	BPI-ESPP 2016		1,715,090	Chairman of the Meeting
15	BPI-ESPP 2015		348,389	Chairman of the Meeting
16	BPI-ESPP 2014		68,150	Chairman of the Meeting
17	BPI-ESPP 2013		40,022	Chairman of the Meeting
18	BPI STOCK PURCHASE PLAN 2001		29,238	Chairman of the Meeting
19	BPI EMPLOYEES SPP 1997		14,386	Chairman of the Meeting
20	BPI GROUP OF COMPANIES RET. FUND		4,174,243	Chairman of the Meeting
21	GARROBO, ALICE VERGARA		52	Chairman of the Meeting
22	REYES, ANGELICA RODRIGUEZ		922	Chairman of the Meeting
23	VICTOR H. BOCALING		199,272	Chairman of the Meeting
24	EDGARDO I. BERNARDO		673	Chairman of the Meeting
25	ELI C. CAPAPAS		268	Chairman of the Meeting
26	MA. CRISTINA CARMINA B. GREGORIO		700	Chairman of the Meeting
	Sub-Total (Proxy)		3,483,635,234	
27	BPI SECURITIES CORPORATION		140	Alvin V. David
28	COL FINANCIAL GROUP, INC.		10	ANTHONY GILBERT L. ANTIQUIERA
29	DANIEL GABRIEL M. MONTECILLO		10	-
30	FIRST METRO SECURITIES BROKERAGE CORP.		180	Anna Dominique AD. Cudia
31	FIRST METRO SECURITIES BROKERAGE CORP.		1	Ishmael Sam D. Canua
32	SOLOMON HERMOSURA		109	-
33	BERNARDO, ROMEO LOPEZ		12	
34	BUNYE, IGNACIO RIVERA		10	
35	CONSING, CEZAR PERALTA		172	
36	DEL ROSARIO, RAMON R.		2,287	
37	ESPIRITU, OCTAVIO VICTOR REYES		1,062,453	
38	FERNANDO, REBECCA GUANCO		18	
39	LIMCAOCO, JOSE TEODORO KATIGBAK		10	
40	MONTINOLA, AURELIO III REYES		49,520	
41	NOLLEDO, MERCEDITA SANTIAGO		120	
42	PERIQUET, ANTONIO JOSE UY		10	
43	PURISIMA, CESAR V.		10	
44	REMOLONA, ELI M. JR.		10	

ANNEX A				
Attendance of Stockholders				
	Stockholder	Type of Shares	No. of Shares	Appointee/Beneficial Owner
45	YUVIENCO, DOLORES BORDADOR		110	
46	ZOBEL DE AYALA, JAIME AUGUSTO		283	
47	ZOBEL DE AYALA, FERNANDO		120	
48	JAVIER, MARIA THERESA MARCIAL		19,022	
49	JOCSON, RAMON LOCSIN		10	
	Sub-Total (Present/Voted in Person)		1,134,627	
50	ASIS, MA. CRISTINA		6,404	
51	GARCIA, MARIA PAZ		5,520	
52	GALVEZ, MARWIN		1,656	
53	SANTAMARIA, MARY CATHERINE ELIZABETH		5,520	
54	GAYARES, MARITA SOCORRO		5,520	
55	MARQUEZ, PILAR BERNADETTE		12,000	
56	AMY BELEN R. DIO		25,184	
57	MARIE ANTOINETTE SALES CORTEZ		3,033	
58	BERNADETTE BATAC OCAMPO		1,500	
59	CARLO CARMELO S GATUSLAO		27	
60	CARMENCITA BILOG GOZAR		12,132	
61	CATHERINE Y. FERANIL		3,312	
62	CRISTINA JAVELLANA SY		537	
63	ELISA MITRA SILVA		23,663	
64	ERICSON H. BARROQUILLO		20	
65	IRENE G. ANG		268	
66	JANETTE BAGASAO TAGUBA		4,756	
67	JO ANN BUENO EALA		17,275	
68	JOSE BENJAMIN AUGUSTO P. AQUINO JR.		1,656	
69	JOSEPHINE B. FERRER		22,462	
70	LOURDES SUZANNE SEBASTIAN CAMPOS		3,312	
71	LUIS ANTONIO P. ZIALCITA		172	
72	MA CRISTINA L. SAN DIEGO		10,670	
73	MARI MARGARET Z. CATALAN		1,550	
74	MA CRISTINA ABELLA BASILIO		3,312	
75	MARIA ANA M. LUNA		9,444	
76	MARIA TERESA ANNA K. LIM		10,155	
77	MARIBETH G. SEGUI		4,812	
78	MARY JANE YOUNG LAQUINDANUM		7,761	
79	MAYA B. SAMPANG		1,550	
80	MYRA LIZA D. CATINDIG		2,254	
81	RHODA A. SORIANO		1,656	
82	RHODORA ADELAIDA C. PAGULAYAN		7,487	
83	KRISTINE JOY V. SANTOYO		750	
84	ANNA CHRISTINA U. DEL FIERRO		3,732	
85	VILMA LORENZO ROXAS		4,085	
86	ADELBERT A. LEGASTO		113,797	
87	ANGEL E. SANTOS		5,221	
88	ARTEMIO V. PANGANIBAN		11	
89	CESAR A. TEJADA		8	
90	GERARDO C. ABLAZA JR		193	
91	OSCAR S. REYES		1,076	
92	SIMON ROCES PATERNO		10	
93	ARLENE D. MERCADO		1,656	

ANNEX A				
Attendance of Stockholders				
	Stockholder	Type of Shares	No. of Shares	Appointee/Beneficial Owner
94	CARLA JASMIN S. GAMBOA		220	
95	CHRISTINE MARIE R. TOLEDO		450	
96	MA. DANA PATRICIA P. SOLIDUM		250	
97	EDGAR CUBACUB HASEGAWA		1,356	
98	ELVIRA V. MAYO		40,319	
99	FREIDA LISA B. PESTIO		1,336	
100	GRACE PACITA ALIGA SAULOG		11,642	
101	JONATHAN VALBUENA TRINIDAD		1,656	
102	JULIUS J. SANVICTORES		30	
103	LEONCIO A. SONG JR.		1,500	
104	MARIA ISABEL RAMOS PEREY		932	
105	MA. LUISA L. CRUZ		25,150	
106	MA. CARMINA A. YMSON		220	
107	MA. KATHLEEN S. AQUINO		950	
108	MARIA ANGELIQUE M. RUALO		570	
109	MA. CRISTINA G. LIWANAG		20	
110	MARIA CRISTINA REYES PENARANDA		990	
111	MARIA EMELIE R. MASCARINAS		3,100	
112	MARIBETH A. RAYMUNDO		1,659	
113	MARK CHAN YANG		7,991	
114	MICHAEL D. CALLEJA		37,829	
115	MICHELLE EDNA M. CASTILLO		1,628	
116	MONA CHU TANLIM		1,036	
117	PAULO R. ESMAQUEL		70	
118	JOHN CHRISTOPHER V. CLAVESILLAS		220	
119	VALERIE MARY ANNE C. ABLAN		958	
120	VIVIAN QUE AZCONA		10	
121	VIVIAN DOMINGO MONTES		1,656	
	Sub-Total (Remote Communication)		490,867	
	Total		3,485,260,728	

ANNEX “A-4”

PROPOSED AMENDMENTS TO THE BY-LAWS

Article No. and Heading	As Amended
Article I - Head Office and Branches	The Head Office of the Bank shall be located at BPI Building, 6768 Ayala Avenue corner Paseo de Roxas, Barangay San Lorenzo, Makati City, Philippines.
Article IV - Stockholders' Meeting	The annual meeting of stockholders shall be held in Metro Manila on the last Friday of March of each year or on such other date as may be determined by the Board of Directors. Special meeting of stockholders may be held at any time upon call by the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon resolution of the Board of Directors. <u>The holding of a special meeting, upon the proposal of a stockholder, shall be subject to the approval of the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon the resolution of the Board of Directors,</u> in accordance with the provisions of the Corporation Law. <u>The Corporation may opt to hold fully virtual annual or special stockholders' meetings, subject to applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. The virtual annual or special stockholders' meetings shall be conducted in such a way that the stockholder experience shall be, to every extent possible, similar to a physical meeting. In any such instance, if stockholders holding at least ten percent (10%) of the outstanding capital stock ask for a physical meeting, the Corporation shall conduct a physical meeting unless prevented by applicable laws, rules and regulations.</u> <u>A separate announcement of the holding of a virtual annual or special stockholders' meeting shall be made ahead of the sending out of the Notice of Meeting. Stockholders' request for a physical meeting shall be made within two (2) weeks from said announcement of the holding of a virtual annual or special stockholders' meeting.</u> <u>Regular or special meeting of stockholders shall be called by written notice. The Notice shall be served to all stockholders by electronic transmission. For annual meetings, the notice shall be sent at least twenty-one (21) days prior to the date of the meeting while for special meetings, at least one (1) week before scheduled date of meeting. The notice shall be deemed to have been given at the time when it has been electronically transmitted through any of the means mentioned herein. In addition, and within the same period of time, notice of the meeting shall be published in newspaper of general circulation in Greater Manila. In case of a special meeting, the notice shall include, in addition to the date, hour and place of assembly, a statement of the matters to be taken up therein. (as amended on March 16, 2011)</u> <u>The Notice of annual or special meeting shall contain, in addition to the date, hour and place of meeting, a statement on the matters to be transacted at the meeting, and such other matters as required by applicable laws and regulations. No business other than that specified in the notice shall be transacted at such meeting. Any stockholder may propose any other matter for inclusion in the agenda of the annual meeting, subject to reasonable guidelines issued by the Board which are consistent with applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. The Notice shall also set the date, time and place of the validation of proxies and the procedures to be followed when a stockholder elects to participate and vote through remote communication or in absentia.</u> <u>The Corporation shall also provide information or documents to all stockholders by electronic transmission. The information or documents shall be deemed delivered</u>

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	<u>upon the transfer or posting by electronic means.</u> <u>As used herein, electronic transmission means the delivery or transfer of documents, data or information by electronic mail to the electronic address of the stockholders registered in the books of the Corporation, posting in the Philippine Stock Exchange, posting in the Corporation's website (in the subsections for stockholders' meetings or disclosures of the Governance section), or such other recognized means of electronic transfer of data or information.</u> <u>The Corporation shall require all stockholders to provide a valid electronic address for them to receive notices and other information or documents from the Corporation.</u> <u>Stockholders preferring to receive physical copies of the notice, information or documents shall make a written request to the Corporation. Upon receipt of the request, the Corporation shall send the notice, information and documents by personal service.</u> <u>Notice to any meeting may be waived, expressly or impliedly, including through a stockholder's attendance at a meeting unless the stockholder's presence is for the express purpose of contending that the meeting is not lawfully convened.</u> A holder of at least one (1) share of stock of the Bank shall have the right to be present <u>and to participate</u> and to vote, in every stockholders' meeting, either in person, <u>through remote communication, in absentia, or by proxy, subject to compliance with the applicable rules and regulations issued by the Securities and Exchange Commission from time to time;</u> Provided that if the stockholder is represented by proxy, the stockholder shall be limited to a single proxy at any one time but he may name alternate proxies. A proxy may be made in favor only of a person who is sui juris, and to be acceptable, for the purpose of the Bank, the signature of the stockholder executing it must be attested by two (2) subscribing witnesses. The proxy shall be filed with the Secretary of the Bank at least ten (10) days before the meeting, and shall be valid until revoked. At all stockholders' meeting, voting shall be by shares and not "per capita". <u>Except in cases where the applicable law requires a greater number, the owners of a majority of the shares issued and outstanding, participating either in person, by proxy, through remote communication or <i>in absentia</i>, electronically or otherwise, shall, constitute a quorum for the transaction of business at any meeting of the stockholders, including for the election of directors.</u> xxx xxx <u>In the election of members of the Board of Directors, the fifteen (15) nominees receiving the highest number of votes shall be declared elected, subject to compliance with applicable laws and regulations on the composition of the Board of Directors, including the election of independent directors.</u>
Article V – Board of Directors	xxx <u>Two-thirds (2/3) of the members of the Board of Directors shall constitute a quorum at any meeting for the transaction of corporate business, and every decision of a majority of the quorum duly assembled as a board shall be valid as a corporate act, unless otherwise provided in these By-Laws, and except for the election of officers, which shall require the majority vote of all directors.</u> <u>Participation of directors, including voting, at board meetings can be in person, through remote communication, such as but not limited to teleconferencing and video conferencing as long as the director who is taking part in said meetings can actively participate in the deliberations on matters taken up therein, subject, however, to compliance by each director with the minimum requirements for</u>

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	<u>physical attendance in meetings as may be required by relevant regulations.</u> <u>Board-level committees shall meet as prescribed in their respective charters. Participation of committee members may likewise be in person or through modern technologies: Provided, That the attendance and participation of members in committee meetings shall be considered in the assessment of continuing fitness and propriety of each director as member of board-level committees and the board of directors.</u>
Article VI – Powers and Duties of the Board of Directors	xxx 4. To act on all application for loans, discounts and other advances of credit, and for the purpose of bills of exchange not drawn under duly accredited letters of credit, by acting on each application as submitted or through the fixing of annual lines of credit,
Article VII - Executive Committee	At its first meeting after the annual meeting of the stockholders, the Board of Directors shall appoint an Executive Committee (Excom) which shall be a part of the permanent organization of the Bank, and which shall, in the interim between meetings of the Board of Directors, possess and exercise all the powers of that body in the <u>oversight</u> and direction of the affairs of the Bank. xxx 2. To exercise the power of the Board in the <u>oversight</u> and direction of the affairs of the Bank subject to the limits provided by law and these By-Laws.
Article VII-B - Audit Committee	At its first meeting after the annual meeting of stockholders, the Board of Directors shall appoint an Audit Committee which shall be part of the permanent organization of the Bank. The Audit Committee shall be composed of at least three (3) Directors <u>who are all Non-Executive Directors, majority of whom shall be Independent Directors including the Chairperson, preferably with accounting, auditing or related financial management expertise or experience commensurate with the size, complexity of operations and risk profile of the Bank. The Chief Executive Officer, Chief Financial Officer and/or Treasurer, or officers holding equivalent positions shall not be appointed as members of the Audit Committee. The selection and appointment of the Audit Committee members, including its Chairperson shall rest with the Board in accordance with existing rules and regulations. Provided, That the Chairperson of the Audit Committee shall not be the Chairperson of the Board of Directors or of any other board-level committees. The Audit Committee chairperson shall be elected by the Board of Directors and vacancies in the Audit Committee shall also be filled by the Board of Directors. The Audit Committee shall review the reports submitted by the Internal and External auditors including audit reports done and performed by the BSP and shall make the necessary recommendations, comments or instructions to Management as it may deem fit.</u>
Article XI - <u>Manual on Corporate Governance</u>	<u>To aid the Board of Directors in the promotion of and adherence to the principles of good governance, the Board shall adopt a Manual of Corporate Governance as well as board and board-level committee charters, which may be amended from time to time as may be deemed fit by the Board. Such Manual of Corporate Governance and board and board-level committee charters, and any amendments thereto, shall be supplementary to these By-laws.</u>
Article XII - Certificates of Stock	In case any stock certificate is lost, stolen, or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 732 of the <u>Revised</u> Corporation Code.
Article XIV - Surplus	The Bank shall, before the declaration of any dividend comply with all the rules and regulations or conditions imposed or prescribed by the BSP. <u>Cash dividend payouts may be done through electronic means such as direct bank transfer, transfer to an electronic wallet account and the like as may be decided by</u>

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	<u>the Board of Directors. The Corporation shall request stockholders to provide the account details, mobile numbers, or QR Codes, where the dividend payout may be transferred or remitted to. Stockholders for whom account details, mobile numbers, or QR Codes are unavailable shall receive their dividend payout by check, as customary.</u>