

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

DEFINITIVE INFORMATION STATEMENT

FORM TYPE

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2	2
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21

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

11/11/2011

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

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 22, 2021 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 23, 2020
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. Approval of the following –
 - a. Merger of BPI Family Savings Bank, Inc. into the Bank of the Philippine Islands
 - b. Increase in Authorized Capital Stock and Corresponding Amendment of Article VII of the Bank's Articles of Incorporation
9. Consideration of Such Other Business as May Properly Come Before the Meeting
10. Adjournment

Stockholders of record as of March 5, 2021 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 12, 2021. Validation of proxies is set for April 13, 2021 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 12, 2021. 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 23, 2021 to April 21, 2021.

Makati City, March 17, 2021

FOR THE BOARD OF DIRECTORS

(Sgd.) ANGELA PILAR B. MARAMAG
Corporate Secretary

EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDERS' MEETING – APRIL 22, 2021

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 5, 2021, 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 external 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 23, 2020

The minutes of the meeting held on April 23, 2020 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, 2020

The audited financial statements (AFS) as of December 31, 2020 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. Cesar P. Consing, will deliver their report to the stockholders on the highlights of BPI's performance in 2020 and the outlook for 2021. 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 23, 2020 until April 22, 2021, 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 5, 2021. 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. Approval of the following –

a. Merger of BPI Family Savings Bank, Inc. into the Bank of the Philippine Islands

The proposed merger of BPI Family Savings Bank, Inc. into Bank of the Philippine Islands approved by the respective Board of Directors on January 20, 2021 will be presented to the stockholders for approval.

b. Increase in Authorized Capital Stock and Corresponding Amendment of Article VII of the Bank's Articles of Incorporation

In relation to the merger, the proposed increase in authorized capital stock, particularly the common stock, from 4.9 billion shares to 5.0 billion shares, and corresponding amendment of Article VII of the Bank's Articles of Incorporation approved by the Board of Directors on February 24, 2021 will be presented to the stockholders for approval.

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
2021 Annual Stockholders Meeting
April 22, 2021

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 22, 2021 and at any of the adjournments thereof for the purpose of acting on the following matters:

- | | |
|--|---|
| 1. Approval of minutes of previous meeting.
☐ Yes ☐ No ☐ Abstain | 5. Election of Isla Lipana & Co. as independent auditors and fixing of their remuneration.
☐ Yes ☐ No ☐ Abstain |
| 2. Approval of annual report.
☐ Yes ☐ No ☐ Abstain | 6. Approval of the following – |
| 3. Ratification of the acts of the Board of Directors and Officers.
☐ Yes ☐ No ☐ Abstain | a. Merger of BPI Family Savings Bank, Inc. into the Bank of the Philippine Islands
☐ Yes ☐ No ☐ Abstain |
| 4. Election of Directors

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

☐ Withhold authority to vote for all nominees listed above.

☐ Withhold authority to vote for the nominees listed below:

_____ | b. Increase in Authorized Capital Stock and Corresponding Amendment of Article VII of the Bank's Articles of Incorporation
☐ Yes ☐ No ☐ Abstain

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 |
- _____
PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER /
AUTHORIZED SIGNATORY

DATE

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE **APRIL 12, 2021**, 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: **April 22, 2021, 9:00 a.m., will be conducted virtually via <http://www.ayalagroupshareholders.com/>**
 Online web address/URL
 For participation by remote communication: **<http://www.ayalagroupshareholders.com/>**
 For voting in absentia: **<http://www.ayalagroupshareholders.com/>**
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **March 29, 2021**
10. **In case of Proxy Solicitations:**
 Name of Person Filing the Statement/Solicitor: **Not Applicable**
 Address and Telephone No.: **Not Applicable**
11. 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, 2021)
<u>Common Shares</u>	<u>4,513,103,261</u>
12. 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 22, 2021**
 Time: **9:00 a.m.**
 Place: **will be conducted virtually**

Online web address/URL

For participation by remote communication:

<http://www.ayalagroupshareholders.com/>

For voting in absentia:

<http://www.ayalagroupshareholders.com/>

Registrants' Mailing Address: **Ayala North Exchange Tower 1, 6796 Ayala Avenue cor. Salcedo St., Legaspi Village Makati City, Metro Manila 1229**

- (b) Approximate date on which the information statement is first to be sent or given to security holders: **March 29, 2021**

**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.

At its regular meeting on January 20, 2021, the Board approved, subject to approval by the Bangko Sentral ng Pilipinas and other appropriate regulatory agencies, Management's recommendation to merge BPI Family Savings Bank, Inc. ("BFSB") into the Bank of the Philippine Islands ("BPI" or the "Bank"). BFSB is a wholly-owned subsidiary of BPI. BFSB's Board of Directors likewise approved the merger of BFSB into the Bank on the same date. The proposed merger will be submitted for approval during the stockholders' meeting and requires approval by stockholders representing at least 2/3 of the outstanding capital stock.

The appraisal right may be exercised by any shareholder who shall have voted against the proposed merger, by making a written demand on the Bank within thirty (30) days after the date on which the vote was taken for payment of the fair market value of such shareholder's shares. The failure to make demand within such period shall be deemed a waiver of the appraisal right. If the proposed merger is implemented or effected, the Bank shall pay the dissenting shareholder, upon surrender of the certificate(s) representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

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 or 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** Common Shares
 Number of Shares Outstanding as of February 28, 2021: 4,513,103,261
 Number of Votes Entitled: One (1) vote per share

(b) **Record Date**

Stockholders of record as of March 05, 2021 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 24, 2021 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, 2021

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 Corporation ¹ - 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	926,468,816	20.5284%
				746,516,521	16.5410%
				1,672,985,337	37.0694%

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 1,672,985,337 common shares registered in the name of PCD, 379,139,695 shares or 8.4009% and 465,309,887 shares or 10.3102% are for the accounts of Deutsche Bank Manila and The Hongkong and Shanghai Banking Corporation, respectively.

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	Ayala Corporation ² 33 rd Floor Ayala Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City Stockholder	Ayala Corporation ³	Filipino	1,000,261,934	22.1635%
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	20.0349%
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	8.6475%
Common	Roman Catholic Archbishop of Manila 121 Arzobispo St., Intramuros Manila Stockholder	Roman Catholic Archbishop of Manila ⁷	Filipino	327,904,251	7.2656%

ii. Security Ownership of Directors and Management as of February 28, 2021

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	Cezar P. Consing	Director & President	2,809,099	Direct	Filipino	0.062%
Common	Romeo L. Bernardo	Director	12	Direct	Filipino	0.000%
Common	Ignacio R. Bunye	Director	133,452	Direct	Filipino	0.003%
Common	Ramon R. del Rosario, Jr.	Director	2,287	Direct	Filipino	0.000%
Common	Octavio V. Espiritu	Director	1,225,110	Direct	Filipino	0.027%
Common	Rebecca G. Fernando	Director	20	Direct	Filipino	0.000%
Common	Jose Teodoro K. Limcaoco	Director	11,416	Direct/Indirect	Filipino	0.000%
Common	Aurelio R. Montinola III	Director	1,794,863	Direct	Filipino	0.040%
Common	Mercedita S. Nollado	Director	59,502	Direct	Filipino	0.001%
Common	Antonio Jose U. Periquet	Director	25,221	Direct	Filipino	0.001%
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	277,994	Direct	Filipino	0.006%
Common	Ramon L. Jocson	EVP & COO	63,783	Direct	Filipino	0.000%
Common	Marie Josephine M. Ocampo	EVP	286,692	Direct	Filipino	0.006%
Common	Juan Carlos L. Syquia	EVP	1,982	Direct	Filipino	0.000%
Aggregate Shareholdings of Directors & Officers as a Group			6,796,031			0.151%

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

² Mermac, Inc. owns 47.2774% of common shares and 56.7314% of total voting shares, while Mitsubishi Corporation owns 6.0202% of common shares and 6.9273% 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.

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.

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, 2020 are summarized below:

Consolidated

2020			
	Transactions	Outstanding Balances	Terms and Conditions
	(In Millions of Pesos)		
Loans and Advances from:			These are loans and advances granted to related parties that are generally secured with interest rates ranging from 2.32% to 9.87% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 5 days to 15 years.
Subsidiaries	131	189	
Associates	159	509	
Ayala Group	16,624	76,509	
Other related parties	23,424	24,160	
	40,338	101,367	
Deposits from:			These are demand, savings and time deposits bearing the following average interest rates: Demand – 0.13% to 0.26% Savings – 0.25% to 0.61% Time – 1.91% to 3.65%
Subsidiaries	(1,804)	7,942	
Associates	(626)	1,277	
Ayala Group	5,463	18,750	
Key management personnel	(454)	783	
	2,579	28,752	

A more detailed discussion on related party transactions can be found in Note 25 of the 2020 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 2020 is as follows:

Name	No. of Meetings Attended/Held	Percent Present
Jaime Augusto Zobel de Ayala	15/15	100%
Fernando Zobel de Ayala	15/15	100%
Cezar P. Consing	15/15	100%
Gerardo C. Ablaza, Jr.*	3/3	100%
Romeo L. Bernardo	14/15	93%
Ignacio R. Bunye	15/15	100%
Octavio V. Espiritu	15/15	100%
Rebecca G. Fernando	15/15	100%
Jose Teodoro K. Limcaoco	15/15	100%
Xavier P. Loinaz**	10/10	100%
Aurelio R. Montinola III	14/15	93%
Mercedita S. Nollado	15/15	100%
Antonio Jose U. Periquet	15/15	100%
Eli M. Remolona, Jr.	15/15	100%
Ramon R. Del Rosario, Jr.***	12/12	100%
Maria Dolores B. Yuvienco	15/15	100%

*Board member until 22 April 2020

**Resigned as a Board Member effective 21 October 2020

***Elected as Board member effective 23 April 2020

(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		
Cezar P. Consing	M							
Romeo L. Bernardo				M*****				
Ignacio R. Bunye*		C****				M		C
Ramon R. del Rosario			M					
Octavio V. Espiritu**				M	C			
Rebecca G. Fernando	M						M	M
Jose Teodoro K. Limcaoco	M							
Xavier P. Loinaz***			M	C				
Aurelio R. Montinola III	M				M	M		
Mercedita S. Nollado		M					C	
Antonio Jose U. Periquet*	M		C			M	M	
Eli M. Remolona, Jr.*					M			
Maria Dolores B. Yuvienco*		M*****		C****		M		M

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

* Independent Director

** Lead Independent Director

*** Resigned effective as of 21 October 2020

****Chairman effective 21 October 2020

*****Chairman until 20 October 2020

*****Member from 21 October 2020

(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 16, 2020, which resolution was disclosed and reported to PSE and SEC, all nominations for election of Directors for the term 2021-2022 were required to be submitted to the Corporate Secretary not later than March 05, 2021.

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. Ms. Rebecca G. Fernando 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. In connection with the nomination of Mr. Octavio V. Espiritu and Mr. Antonio Jose U. Periquet as independent directors, beyond the maximum cumulative term for Independent Directors, reckoned from 2012, the Bank's Board endorsed the extension of their term of service as independent directors, to allow the Bank to draw on their leadership roles, experience and expertise, especially in light of the COVID-19 pandemic, and significant developments at the Bank including the proposed merger of BPI Family Savings Bank, Inc. into the Bank.

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 2021-2022 as approved by the Nomination Committee:

i. Current Board of Directors

Name	Age (as of 2021 ASM)	Citizenship
1. Jaime Augusto Zobel de Ayala	62	Filipino
2. Fernando Zobel de Ayala	61	Filipino
3. Cezar P. Consing	61	Filipino
4. Romeo L. Bernardo	66	Filipino
5. Ignacio R. Bunye (Independent Director)	76	Filipino
6. Ramon R. del Rosario	76	Filipino
7. Octavio V. Espiritu (Independent Director)	77	Filipino
8. Rebecca G. Fernando	72	Filipino
9. Jose Teodoro K. Limcaoco	59	Filipino
10. Aurelio R. Montinola III	69	Filipino
11. Mercedita S. Nollado	80	Filipino
12. Antonio Jose U. Periquet (Independent Director)	60	Filipino
13. Cesar V. Purisima (Independent Director)	61	Filipino
14. Eli M. Remolona, Jr. (Independent Director)	68	Filipino
15. Maria Dolores B. Yuvienco (Independent Director)	73	Filipino

ii. Nominees for Election to the Board of Directors for the Term 2021-2022

Name	Age (as of 2021 ASM)	Citizenship
1. Jaime Augusto Zobel de Ayala	62	Filipino
2. Fernando Zobel de Ayala	61	Filipino
3. Cezar P. Consing	61	Filipino
4. Romeo L. Bernardo	66	Filipino
5. Ignacio R. Bunye (Independent Director)	76	Filipino
6. Ramon R. del Rosario, Jr.	76	Filipino
7. Octavio V. Espiritu (Independent Director)	77	Filipino
8. Rebecca G. Fernando	72	Filipino
9. Jose Teodoro K. Limcaoco	59	Filipino
10. Aurelio R. Montinola III	69	Filipino
11. Mercedita S. Nollado	80	Filipino
12. Antonio Jose U. Periquet (Independent Director)	60	Filipino
13. Cesar V. Purisima (Independent Director)	61	Filipino
14. Eli M. Remolona, Jr. (Independent Director)	68	Filipino
15. Maria Dolores B. Yuvienco (Independent Director)	73	Filipino

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

The Key Executive Officers (As of 2021 ASM)			
Name	Rank/Title	Age	Citizenship
1. Cezar P. Consing	President & CEO	61	Filipino
2. Maria Theresa M. Javier	EVP & CFO	50	Filipino
3. Ramon L. Jocson	EVP & COO	61	Filipino
4. Juan Carlos L. Syquia	EVP	54	Filipino
5. Marie Josephine M. Ocampo	EVP	59	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 2020 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	2019		
		Salary	Bonuses	Fees and Other Compensation
Cezar P. Consing	President & CEO			
Maria Theresa M. Javier	EVP & CFO			
Ramon L. Jocson	EVP & COO			
Antonio V. Paner	EVP & Treasurer			
Juan Carlos L. Syquia	EVP			
All above-named Officers as a group		160,300,573	82,552,300	
All other unnamed Officers as a group		8,722,777,830	1,010,488,922	
All Directors				69,630,000*

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	
All Directors				83,939,863*

Names arranged By Rank/ By Surname	Position	2021 Estimates		
		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		151,168,246	86,007,700	
All other unnamed Officers as a group		9,060,788,425	1,037,313,500	
All Directors				99,280,000*

*includes P27M, P27M, P35M for the years 2019, 2020 and 2021 respectively representing per diem of Directors at P70K per Board meeting and P30K per Committee meetings attended.

(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."

For 2020, the Board of Directors' fees and other compensation amounted to P83.939M, which was equivalent to less than 1% of the Bank's net income before tax.

(c) Standard Arrangement

Other than the usual per diem arrangement for Board and Board Committee meetings and the abovementioned fees and compensation of Directors, there is no Standard 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 2020 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, as of 21 October 2020, is chaired by Ms. Maria Dolores B. Yuvienco (Independent Director), with the following members: Mr. Romeo L. Bernardo and Mr. Octavio V. Espiritu (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.

- (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
2018 paid in 2019 PFRS Validation	₱13.915 M ₱ 5.500 M	₱ 2.535 M
2019 paid in 2020 Bond Offerings	₱18.210 M ₱ 1.250 M	₱ 3.559 M ₱203.161 K
Approved for 2020 (not yet paid)	₱18.340 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 provided for in Article VII 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**

At its meeting on February 24, 2021, in relation to the proposed merger of BPI Family Savings Bank, Inc. to the Bank, the Board approved the increase in 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. There will be no pre-emptive rights for the additional common shares to be issued pursuant to the merger. The determination of the number of BPI common shares that will be issued pursuant to the merger in exchange for such assets and liabilities of BFSB is set out in Article II of the attached Plan of Merger. After approval by the stockholders, the manner by which the proposed increase in authorized capital stock will be implemented, will be duly disclosed to the stockholders and to the Commission in accordance with applicable disclosure requirements.

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, 2020, are attached hereto as Annexes "A-1" and "B".

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

- a. Name, address and telephone number of the principal executive office

The name, address, and telephone number of the principal executive office shall be that of Registrant, Bank of the Philippine Islands ("BPI"), as provided under page 2 of this Information Statement.

- b. A brief description of the general nature of the business conducted by the other person

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.

- c. Summary of the material features on the proposed merger transactions

The merger was approved by the respective Board of Directors of BPI and BFSB on 20 January 2021, subject to the approval of shareholders, and the approval of merger regulators including the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC). The Plan of Merger, subsequently approved by the Board of Directors on 24 February 2021, is attached as Annex "C" of this Information Statement. BFSB shall merge with BPI and BPI as the surviving corporation of the merger shall continue its corporate existence under the laws of the Republic of the Philippines. The separate existence of BFSB shall terminate on the effective date of the merger which shall be the latter of (1) SEC issuance of the Certificate of Merger or (2) 01 January 2022. Prior to the merger, BPI and BFSB shall conduct their respective business substantially as previously conducted.

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.

BPI shall issue shares pursuant to the merger, based on the Net Asset Value of BFSB as of 31 December 2020, divided by the share price of BPI as of 29 December 2020.

Refer to "Exhibit 1 – Accounting Treatment of the Transaction".

- d. A brief statement as to dividends on arrears or defaults in principal or interest in respect of any security of the registrant or of such other person and as to the effect of the transaction thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action

There are no dividends in arrears accruing to the stockholders of BPI and BFSB.

- e. In comparative columnar form, on a historical and, if material, a pro forma basis, the following information for the registrant and the other person for the last two fiscal years

	BPI Conso		BPI Parent		BFB	
In Millions	2019	2020	2019	2020	2019	2020
Total Revenues	92,262	101,923	77,569	88,335	11,681	13,490
Income from continuing operations	28,803	21,409	26,218	24,611	4,071	2,361
Long term debt	150,837	151,947	126,529	140,348	9,510	9,545

**BPI Conso includes BPI Parent, BFSB and other subsidiaries of BPI*

- f. In comparative columnar form, on a historical and, if material, a pro forma basis, the following information for the registrant and the other person for the last two fiscal years

	BPI Conso		BPI Parent		BFB	
	2019	2020	2019	2020	2019	2020
Book value per share	59.8	62.0	48.0	51.2	3,423.9	3,304.3
Cash dividends declared per share	0.9	0.9	0.9	0.9	300	300
Earnings per share	6.39	4.74	5.82	5.45	407.13	236.13

**BPI Conso includes BPI Parent, BFSB and other subsidiaries of BPI*

- g. A statement as of whether any regulatory requirement must be complied with or approval must be obtained in connection with the transaction and, if so, the status of such compliance or approval

The merger transaction shall be presented for approval of BPI stockholders during its Annual Shareholders Meeting in April 2021. Thereafter, BPI shall seek approval from the BSP, PDIC, and the SEC.

- h. If a report, opinion or appraisal materially relating to the transaction has been received from an outside party, and such report, opinion or appraisal is referred to in the proxy statement, furnish the following information:

There are no reports, opinions or appraisals related to the merger that have been received from an outside party as of to date, however, BPI has engaged an independent third party consultant, FTI Consulting Philippines Inc. (FTI Consulting), to render a fairness opinion and valuation services with respect to BFSB and the number of BPI shares to be issued in relation to the merger transaction.

FTI Consulting is a corporate finance advisory firm that offers a wide array of services including valuation, transaction advisory, and mergers and acquisitions. With its stable of experienced corporate finance professionals, FTI has the requisite independence, resources, and skills to properly undertake this engagement.

FTI Consulting is accredited by the Philippine Stock Exchange ("PSE") for purposes of issuing fairness opinions and valuation reports of listed companies and prospective initial listing applicants of the PSE in accordance with the PSE Memorandum on Guidelines for Fairness Opinions and Valuation Reports (No. 2011-0104). FTI Consulting is also accredited by the SEC as a Professional Services Organization ("PSO") in accordance with SEC Memorandum Circular No. 2, Series of 2014.

FTI Consulting was selected based on the qualifications of the principals, the company's record in issuing fairness opinions and valuation reports, and accreditation with the PSE and the SEC.

There are no material relationship between the outside party or its affiliates and the issuer which existed during the past 2 years or is mutually understood to be contemplated and any compensation received or to be received as a result of such.

FTI valuation process is in progress and is expected to submit the report before the BPI annual stockholders meeting.

- i. A description of any past, present or proposed material contract, arrangement, understanding, relationship, negotiation or transaction during the past two fiscal years between the other person or its affiliates and the registrant or its affiliates such as those concerning a merger, consolidation or acquisition; a tender offer or other acquisition of securities; an election of directors; or a sale or other transfer of a material amount of assets.

None.

- j. As to each class of securities of the registrant or of the other person which is trading on an exchange or with respect to which a market otherwise exists, state the high and

low sale prices as of the date, which shall be specified, preceding public announcement of the proposed transaction, or if no such public announcement was made, as of the date, which shall be specified, preceding the day the agreement or resolution with respect to the action was made.

Date of public announcement of the merger: 20 January 2021

BPI Share Price, as of closing of 20 January 2021: Php83.20

Past 12 months, highest closing price: Php88.60

Past 12 months, lowest closing price: Php51.40

Average past 12 months, closing price: Php71.63

BFSB Share Price: Not listed

- k. A statement as to whether or not representatives of the principal accountants for the current year and for the most recently completed fiscal year:
- i. are expected to be present at the security holders' meeting;
 - ii. will have the opportunity to make a statement if they desire to do so; and
 - iii. are expected to be available to respond to appropriate questions

Representatives of Isla Lipana and Co., external auditors of both BPI and BFSB are expected to be present in the shareholders' meeting and will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

- l. Furnish the information specified below for the registrant (BPI) and for the other person (BFSB):

- i. Information required by Part 1, paragraphs (A), (B), and (C) of "Annex C "

For BPI, refer to "Annex A-1 - Description of Business" of this Information Statement.

For BFSB, refer to "Exhibit 2 - PART I".

- ii. Information required by Part II, paragraph (A) of "Annex C", market price of and dividends on the registrants' common equity and related stockholder matters

For BPI, refer to "Annex A-1 – Market Information and Dividends" of this Information Statement

For BFSB, refer to "Exhibit 2 - PART II".

- iii. Financial statements meeting the requirements of SRC Rule 68.

For BPI, refer to "Annex B - BPI Audited Financial Statements".

For BFSB, refer to "Exhibit 3 - BFSB Audited Financial Statements".

- iv. Information required by Part III, paragraphs (A) and (B) of "Annex C"

For BPI, refer to "Annex A-1 – Management Discussion and Analysis of Financial Condition and Results of Operations" of this Information Statement.

For BFSB, refer to "Exhibit 2 - PART III".

- v. Information required by Part IV, paragraph (A) of "Annex C", directors, executive officers, promoters

For BPI, refer to "Part 1 – Control and Compensation Information" of this Information Statement.

For BFSB, refer to "Exhibit 2 - PART IV".

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 23, 2020, containing:
- (i) Approval of Minutes of Annual Stockholders' Meeting on April 25, 2019 per the following resolution:

Resolution No. ASM-2020-01

RESOLVED, that the minutes of the annual meeting of Stockholders of the Bank of the Philippine Islands held on 25 April 2019, be and, are hereby, approved as recorded.

- (ii) Approval of Annual Report and the Bank's Audited Financial Statements as of 31 December 2019 incorporated in the Annual Report.

Resolution No. ASM-2020-02

RESOLVED, that the Annual Report of the Bank be noted, and the 2019 Audited Financial Statements incorporated in the said Annual Report be, and are hereby approved.

- (iii) Election of Board of Directors per the following resolution:

Resolution No. ASM-2020-03

RESOLVED, that there being only 15 nominees for the 15 Board seats, votes be cast in favor of the said nominees and that they be declared elected as members of the Board of Directors of BPI for the year 2020-2021 and until their successors are duly elected and qualified.

- (iv) Election of External Auditors and Fixing of their Remuneration per the following resolution:

Resolution No. ASM-2020-04

RESOLVED, that the re-election of Isla Lipana & Co. as the External Auditors of BPI and its major subsidiaries and affiliates for the current fiscal year for a fee of P18.34 Million be, and is hereby, approved.

- (b) Approval of the Annual Report and the Bank's Audited Financial Statements as of December 31, 2020 containing the performance of the Bank and its financial condition.

The Audited Financial Statements as of December 31, 2020 will be presented for approval of the stockholders.

(c) **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 2021-2022 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.

(d) **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 2021, 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

The proposal to increase the Bank's authorized capital stock and amendment to Article VII of its Articles of Incorporation will be submitted to the stockholders for approval.

Upon approval by the stockholders, the Amended Articles of Incorporation of the Bank will reflect the following underscored changes:

"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;

Preferred Stock consisting of Sixty Million (60,000,000) Preferred "A" shares with a par value of Ten Pesos (P10.00) per share."

The amendment to the articles of incorporation – increase in authorized capital is related to the proposed merger of BPI Family Savings Bank, Inc. to Bank of the Philippine Islands.

Item 18. Other Proposed Action

(a) **Merger of BPI Family Savings Bank, Inc. into the Bank of the Philippine Islands**

The proposed merger/Plan of Merger of BPI Family Savings Bank, Inc. into Bank of the Philippine Islands will be presented to the stockholders for approval.

(b) **Increase in Authorized Capital Stock and Amendment of Article VII of the Bank's Articles of Incorporation**

The proposed increase in authorized capital stock and corresponding amendment of Article VII of the Bank's Articles of Incorporation will be presented to the stockholders for approval.

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 increase in authorized capital stock and amendment of Article VII of the Articles of Incorporation, and merger of BPI Family Savings Bank, Inc. into BPI 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 external auditor. In light of the Regulations (as defined in Item 19(c), 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 12, 2021, 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 17th day of March 2021.

BANK OF THE PHILIPPINE ISLANDS

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

THE NOMINEES TO THE BPI BOARD OF DIRECTORS FOR THE TERM 2021-2022

- 1. JAIME AUGUSTO ZOBEL DE AYALA**, Filipino, 62 years old, 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 Chairman of the Bank’s Executive Committee and member of the Nomination Committee. Mr. Zobel served as Vice-Chairman from 1995 to March 2004.

Mr. Zobel serves in Board of the following Philippine Stock Exchange (PSE) – listed companies, namely: Chairman and Chief Executive Officer of Ayala Corporation, Chairman of Globe Telecom, Inc. and Integrated Micro-Electronics, Inc., and Vice-Chairman of Ayala Land, Inc., Manila Water Company, Inc. and AC Energy Corporation (formerly AC Energy Philippines, Inc.). He is also the Chairman of Ayala Retirement Fund Holdings, Inc., AC Industrial Technology Holdings, Inc., AC Ventures Holdings Corp., AC Infrastructure Holdings Corporation and Asiacom Philippines, Inc.; Co-Chairman of Ayala Foundation, Inc. and Ayala Group Club, Inc.; Director of Alabang Commercial Corporation, Ayala International Pte. Ltd., 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 member of various international and local business and socio-civic organizations, including the JP Morgan International Council, JP Morgan Asia Pacific Council and Mitsubishi Corporation International Advisory Council. He sits on the board of the Singapore Management University and on various advisory boards of Harvard University, including the Global Advisory Council, HBS Board of Dean’s Advisors, and HBS Asia-Pacific Advisory Board, which he chairs. He is Chairman Emeritus of the Asia Business Council, a member of the Global Board of Adviser of the Council on Foreign Relations, and Co-Vice Chairman of the Makati Business Club, Chairman of Endeavor Philippines, and a board member 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, 61 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 BPI Foundation, Inc.

Mr. Zobel is the President and Chief Operating Officer of Ayala Corporation, Chairman of Ayala Land, Inc., and AC Energy Philippines, Inc. He is a Director of Globe Telecom, Inc. and 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, Inc., Ayala Healthcare Holdings, Inc., Automobile Central Enterprise, Inc., Alabang Commercial Corporation, Accendo Commercial Corp. and Hero Foundation, Inc.; Co- Chairman of Ayala Foundation, Inc. and Ayala Group Club, 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., Honda Cars Philippines, Inc., Isuzu Philippines Corporation, Altaraza Development, Corporation and 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, member of the World Presidents' Organization and Chief Executives Organization; Chairman of Habitat for Humanity International's Asia-Pacific Capital Campaign Steering Committee; Member of the Board of Trustees of Caritas Manila, Pilipinas Shell Foundation, and the National Museum; and Member of the Tate Museum Asia-Pacific Acquisitions Committee, 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. **CEZAR P. CONSING**, Filipino, 61 years old, has been since 2013 President and Chief Executive Officer of Bank of the Philippine Islands (BPI), and a Senior Managing Director of Ayala Corporation. He has served on BPI's board of directors for 19 years (1995 - 2000, 2004 - 2007, 2010 - present). He serves as chairman of BPI's thrift bank, investment bank, UK bank, and property and casualty insurance subsidiaries, and vice chairman of its foundation; and is also a board director of BPI's life insurance and asset management subsidiaries. Mr. Consing is a member of BPI's executive committee, and is chairman of its management and credit committees. He is also a board director of Ayala Corporation, BPI's controlling shareholder.

Mr. Consing serves as President and board director of Bancnet, Inc., a banking industry consortium institution where BPI is a minority shareholder. He is chairman and president of the Bankers Association of the Philippines and is chairman of Philippine Dealing System Holdings Corporation and its three operating subsidiaries.

Outside his association with BPI and the Ayala Group, Mr. Consing serves on the boards of four private companies: The Rohatyn Group, Scream Technologies, FILGIFTS.com and Endeavor Philippines. He has also served as an independent board director of four publicly-listed companies: Jollibee Foods Corporation (2010 – present), CIMB Group Holdings (2006 – 2013), First Gen Corporation (2005 – 2013), and National Reinsurance Corporation (2014 – 2019), where he also served as Chairman (2018 – 2019). Mr. Consing has been a member of the Trilateral Commission, the global discussion group, since 2014. He has also served on the board of the Hong Kong based Asian Youth Orchestra. He is a board director of the US-Philippines Society and the Philippine-American Educational Foundation, and a trustee of the College of St. Benilde and the Manila Golf Club Foundation.

Mr. Consing first worked for BPI from 1981 - 1985. He worked for J.P. Morgan & Co., based in Hong Kong and Singapore, from 1985 – 2004. He rose to co-head or head the firm's investment banking business in Asia Pacific from 1997 - 2004, the last five years as President of J.P. Morgan Securities (Asia Pacific) Ltd. As a senior Managing Director of J.P. Morgan, 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 was a partner at The Rohatyn Group, an alternative investment firm that focuses on the emerging markets, 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 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.

4. **ROMEO L. BERNARDO**, Filipino, 66 years old, has served as a member of the Board of Directors of BPI since February 1998 and a member of the Audit Committee since October 2020.

Mr. Bernardo serves as an Independent Director of the following PSE-listed companies: Aboitiz Power Corporation, 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 Dept 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.

5. **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 the Corporate Governance Committee. 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).

Mr. Bunye is a member of the Philippine Integrated Bar. 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. Significant awards and recognition received by Mr. Bunye include the Asian Institute of Management Honor and Prestige Award, the Bangko Sentral Service ExcelMedal, the Gran Oden de Isabela Catolica, and the Order of Lakandula (rank of Bayani).

6. **RAMON R. DEL ROSARIO, JR.**, Filipino, 76, was elected as Director of Bank of the Philippine Islands (BPI) in April 2020 and a member of the Nomination Committee. 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, 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.

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. He has managed Phinma since 2002 and brings with him a wealth of experience in leading a diversified conglomerate.

7. **OCTAVIO V. ESPIRITU**, Filipino, 77 years old, has been a member of the Board of Directors of BPI since April 2000 and an Independent Director since April 2003. He is the Chairman of the Bank's Risk Management Committee and a member of the Audit Committee. He was appointed Lead Independent Director in April 2019.

Mr. Espiritu is an Independent Director of International Container Terminal Services, Inc., a PSE-listed company, a member of the Board of Directors of Philippine Dealing System Holdings Corporation and Subsidiaries, Philippine Stratbase Consultancy, Inc., Pueblo de Oro Golf & Country Club, and The Country Club, Inc.

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.

8. **REBECCA G. FERNANDO**, Filipino, 72 years old, served as Director of BPI from 1995 to 2007. She was again re-elected Director of BPI in 2009 up to the present. Ms. Fernando is a member of the following Committees in BPI: Executive Committee, Related Party Transaction Committee and Retirement/Pension Committee. She is also a member of the Board of Directors of BPI Capital Corporation, BPI Family Savings Bank, Inc. and BPI Asset Management and Trust Corporation.

Ms. Fernando is the Financial Consultant and Member of the Finance Boards of The Roman Catholic Archbishop of Manila and of The Roman Catholic Archbishop of Antipolo.

She graduated with a BSBA degree major in accounting from the University of the Philippines in 1970. She took further studies for an MBA at the University of the Philippines and attended an Executive Program on Transnational Business at the Pacific Asian Management Institute at the University of Hawaii. She is a Certified Public Accountant.

9. **JOSE TEODORO K. LIMCAOCO**, Filipino, 59 years old, was elected as Director of BPI in February 2019 and is a member of Executive Committee. 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 is currently a Senior Managing Director and the Chief Finance Officer, Chief Risk Officer, Chief Sustainability Officer and Finance Group Head of Ayala Corporation, a Director of Globe Telecom, Inc., and Integrated Micro-Electronics, Inc. and an Independent Director of SSI Group, Inc., all PSE-listed companies. He is the Chairman of AC Energy International, Inc. (formerly Presage Corporation), Darong Agricultural and Development Corporation and Zapfam Inc. He is the President and CEO of AC Ventures Holding Corp., AYC Finance Limited, AC International Finance Limited. He is the Vice Chairman of Lagdigan Land Corporation. He is the President of Liontide Holdings, Inc. and of Philwater Holdings Company, Inc. He is a Director of Ayala Hotels, Inc., AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.), Ayala Healthcare Holdings, Inc., AC Infrastructure Holdings Corporation, Ayala Aviation Corporation, Asiacom Philippines, Inc., Ayala Group Legal, Michigan Holdings, Inc., AC Industrial Technology Holdings, Inc., A.C.S.T Business Holdings, Inc., Bestfull Holdings Limited, Purefoods International Limited, AYC Holdings Limited, AG Holdings Limited, Fine State Group Limited, AG Region Pte. Ltd., Ayala International Holdings Limited, Ayala International Pte. Ltd., Strong Group Limited, Total Jade Group Limited, VIP

Infrastructure Holdings Pte. Ltd., AI North America, Inc., LICA Management Inc., and Just For Kids, Inc. He is the Treasurer of Ayala Retirement Fund Holdings, Inc.

Mr. Limcaoco joined Ayala Corporation as a Managing Director in 1998. Prior to his appointment as CFO in April 2015, he held various responsibilities including 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 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.

- 10. AURELIO R. MONTINOLA III**, Filipino, 69 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 a member of the Bank's Executive, Risk Management 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 Family Savings Bank, Inc., BPI/MS Insurance Corporation, and BPI Direct Banko, Inc., A Savings Bank.

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 the Roosevelt Colleges, Inc., East Asia Computer Center Inc., and Amon Trading Corporation. He is also a member of the Board of Trustees of BPI Foundation Inc. and Philippine Business for Education Inc. where he sits as Vice-Chairman. He is now President of the Management Association of the Philippines.

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.

- 11. MERCEDITA S. NOLLEDO**, Filipino, 80 years old, has been a member of the Board of Directors of BPI since November 1991. She is the Chairman of the Bank's Retirement & Pension Committee and a member of the Corporate Governance Committee. Ms. Nollado is also a Director of BPI Investment Management, Inc., where she sits as Chairman; a member of the Board of BPI Family Savings Bank, Inc, and a member of its Corporate Governance Committee.

Ms. Nollado is a Non-Executive Director of Xurpas, Inc. and an Independent Director of D&L Industries, Inc., both PSE-listed companies. She serves as Director of the following companies: Ayala Land Commercial REIT, Inc., Michigan Holdings, Inc., and Anvaya Cove Beach and Nature Club, Inc.

She is a member of the Board of Trustees of Ayala Foundation, Inc. and BPI Foundation, Inc. as well as Vice-President of Sonoma Properties, Inc. She was a member of the Board of Directors of Ayala Corporation from 2004 until September 2010.

Ms. Nollado graduated with the degree of Bachelor of Science in Business Administration major in Accounting (Magna Cum Laude) from the University of the Philippines in 1960 and placed second at the Certified Public Accountant Licensure Board Examination administered in the same year. In 1965, she obtained her Bachelor of Laws degree (Cum Laude) also from the University of the Philippines where she also placed second at the Bar Examination held in the same year.

12. **ANTONIO JOSE U. PERIQUET**, Filipino, 60 years old, has been an **Independent Director** of BPI since April 2012. He is a member of the Bank's Executive, Personnel & Compensation, and Retirement & Pension Committees, and is Chairman of its Nomination Committee. He is also the Chairman of BPI Asset Management and Trust Corporation and also serves as an Independent Director of BPI Capital Corporation and BPI Family Savings Bank, Inc.

Mr. Periquet is an Independent Director of the following PSE-listed companies: ABS-CBN Corporation, Ayala Corporation, DMCI Holdings, Inc., Max's Group of Companies, The Philippine Seven Corporation and Semirara Mining and Power Corporation. He is also an Independent Director of Albizia ASEAN Tenggara Fund, Chairman of the Campden Hill Group, Inc. and Pacific Main Holdings. He is a trustee of Lyceum University of the Philippines and a member of the Dean's Global Advisory Council at the University of Virginia's Darden School of Business.

Mr. Periquet holds an AB Economics degree from the Ateneo de Manila University, a Master of Science degree in Economics from Oxford University and an MBA from the University of Virginia.

13. **CESAR V. PURISIMA**, Filipino, 61 years old, was elected as Independent Director of BPI in January 2021. 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, and a member of Singapore Management University's International Advisory Council in the Philippines. 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, on-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 SGC & 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, 68 years old, has been an Independent Director of BPI since April 2019 and a member 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.

Mr. Remolona has taught at Columbia University, New York University, Williams College and the School of Economics of the University of the Philippines. He 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, 73 years old, was elected as Director of BPI in April 2014 and as **Independent Director** in April 2016. Mrs. Yuvienco served as member of the Audit Committee until October 2020 when she was designated as Chairman to replace Director Xavier P. Loinaz who resigned from the Board. She has been a member of the Related Party Transactions Committee since April 2019 and the Personnel and Compensation since April 2020. She is also a member of the Corporate Governance of the Bank. In July 2019, Mrs. Yuvienco was elected as Independent Director of BPI Asset Management and Trust Corporation, Chairman of the AMTC Corporate Governance Committee and member of the AMTC Risk Oversight Committee.

She has served as Independent Director of First Consolidated Bank (Thrift Bank), and chosen to chair 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 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 Advanced Corporate Governance/Sustainability Summit on November 2020 to comply with the continuing educational/training required by the Securities Exchange Commission (SEC) and the Anti-Money Laundering/Counter Terrorist Financing on September 2020 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 FEBRUARY 28, 2021

1. **CEZAR P. CONSING**
President & Chief Executive Officer

2. **MARIA THERESA MARCIAL JAVIER**
Executive Vice President/CFO

Ms. Marcial, Filipino, 50 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, BPI Asset Management and Trust Corporation, 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, 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 26 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

Filipino, 61 years old, Mr. Jocson is currently an EVP and the COO 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, Corporate Affairs and Communications and Client Experience Center. He chairs the Bank's IT Steering Committee and is a member of the Bank's Management 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 GM of IBM Global Services, ASEAN and South Asia. He was then appointed as Vice President and GM 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 GM 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 VP & GM of Integrated

Technology Services for Asia Pacific in 2010. In 2013, he was appointed as VP & GM 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

Filipino, 59 years old, Ms. Ocampo 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

Filipino, 54 years old; Head of Corporate Banking. Mr. Syquia's responsibilities include managing the Corporate Banking Relationship Management, Corporate Credit Products, Transaction Services (Cash Management and Trade), Remittance and Fund Transfer, Investment Banking and Equity Brokerage. He is also a director of BPI's joint venture company, Global Payments Asia-Pacific Philippines Incorporated. 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 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. 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

The 169-year-old Bank of the Philippine Islands (“BPI”) is the first bank in the Philippines and Southeast Asia, and licensed by the Bangko Sentral ng Pilipinas (“BSP”) to provide universal banking services. The Bank is among the highest in the industry in terms of total assets, equity capital, and market capitalization, and has a significant share of total banking system deposits, loans, and investment assets under management. It is recognized as one of the country’s top providers of the following services: asset management, cross-border remittances, life and non-life bancassurance, as well as asset finance and leasing. BPI also has a significant capital markets presence, particularly in fixed income and equities underwriting, distribution and brokerage. It is a significant provider of foreign exchange to both retail and corporate clients. The Bank also has the country’s second largest branch network and operates the second largest ATM network. It is a leader and innovator in the use of digital channels, and is a major provider of financial services through online and mobile banking.

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 1984. In January 2021, the Bank announced BPI’s merger with BFSB, with BPI as the surviving entity, subject to regulatory and stakeholder approvals;
- (2) BPI Capital Corp. (“BPI Cap”) is an investment house focused on corporate finance and the underwriting, distribution, and trading of debt and equity securities. 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 February 2000 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”) is a deposit taking company in Hong Kong. Originally established in August 1974, it provides deposit services as well as client-directed sourcing services for international investments;
- (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”) commenced operations in the United Kingdom in May 2007 as a bank registered in England and Wales. It is a UK-licensed bank authorized by the Prudential Regulation Authority (PRA), and regulated by the PRA and the Financial Conduct Authority (FCA). It started its operations offering retail deposit products and money services, servicing retail customers, primarily targeting the Filipino community;
- (7) BPI Century Tokyo Lease & Finance Corp. (“BPI CTL”) is a non-bank financial institution (“NFI”) that provides financing services pursuant to the Financing Company Act. BPI CTL is a joint venture with Tokyo Century Corporation (“TCC”), who purchased a 49% stake in 2014. BPI CTL wholly owns BPI Century Tokyo Rental Corp., which offers operating leases. In November 2020, the Bank announced that TCC has decided to acquire an additional 2% of the issued shares of BPI CTL, which will increase their equity stake to 51%;
- (8) 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;
- (9) 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 was established after a Certificate of Authority to Operate was issued by the BSP on December 29, 2016 and it started operations on February 1, 2017;

- (10) BPI Investment Management Inc. (“BIMI”) is a wholly owned subsidiary of the Bank and serves as the Bank’s manager and investment advisor to the ALFM mutual funds, which comprise a number of open-end investment companies registered with, and regulated by, the Securities and Exchange Commission (SEC). BIMI is also responsible for formulating and executing the funds’ investment strategies. Effective January 29, 2020, BIMI assumed the management and distribution of nine mutual funds previously managed by PhilAm Asset Management, Inc. (“PAMI”). BIMI and PAMI first announced the agreement to transfer the management of the funds on November 20, 2019.

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, 2018		
1st Quarter.....	P 120.98	106.10
2nd Quarter.....	111.84	86.00
3rd Quarter.....	101.00	79.50
4th Quarter.....	94.95	79.50
Year Ended December 31, 2019		
1st Quarter.....	P 95.00	83.90
2nd Quarter.....	85.65	77.30
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

The high and low prices of BPI at the Philippine Stock Exchange on February 26, 2021 were P89.00 and P83.50, respectively, with a closing price of P89.00.

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, 2018, 2019, and 2020 are as follows:

Date Declared	Date of Payment	Amount of Dividends	
		Per Share	Total (in Million Pesos)
June 20, 2018	July 25, 2018	0.90	4,052

Date Declared	Date of Payment	Amount of Dividends	
		Per Share	Total (in Million Pesos)
December 19, 2018	January 29, 2019	0.90	4,052
May 15, 2019	June 19, 2019	0.90	4,056
November 20, 2019	December 27, 2019	0.90	4,057
May 20, 2020	June 26, 2020	0.90	4,062
October 21, 2020	November 26, 2020	0.90	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 2020 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 (2018-2020) are shown below:

In Million Pesos	2017	2018	2019	2020	CAGR
Assets	1,903,905	2,085,228	2,205,030	2,233,443	5.5%
Deposits	1,562,200	1,585,746	1,695,343	1,716,177	3.2%
Loans (Net)	1,202,338	1,354,896	1,475,336	1,407,413	5.4%
Capital		248,521	269,577	279,835	15.7%

The compounded annual growth rate (CAGR) of the Bank's asset levels from 2018 to 2020 was 5.5%, driven by the 5.4% increase in loans. Deposits likewise increased over the same period by 3.2%. Capital grew 15.7%, boosted by the May 2018 Stock Rights Offer and increasing annual profits, net of cash dividend payments.

2018

Total resources reached P2.09 trillion, P181.3 billion, or 9.5% higher than last year's P1.90 trillion. **Total deposits** grew P23.5 billion, or 1.5% to P1.59 trillion, on the back of savings and demand deposit growth of P23.0 billion, or 2.7%, and P4.0 billion or 1.6%, respectively. **Other borrowed funds** increased by P83.4 billion, or 99.8% largely due to the 2018 dollar and peso bond issuances. **Deferred credits and other liabilities** increased by P3.1 billion, or 7.9% due to higher accounts payable obligations. **Due to Bangko Sentral ng Pilipinas and other banks** increased by P2.8 billion or 227.5% due to higher obligations to BSP. **Accrued taxes, interest and other expenses** rose by P1.9 billion or 27.3% on higher accrual of year end taxes and interest payable. **Derivative Financial Liabilities** declined by P0.9 billion, or 18.7% due to lower market valuation of certain derivative products.

Capital funds amounted to P248.5 billion, P67.8 billion, or 37.5% higher than last year's P180.7 billion. **Share capital and share premium** contributed to the capital growth by P5.6 billion, or 14.3% and P44.4 billion, or 149.2%, respectively, due to the May 2018 Stock Rights Offer. **Surplus** also increased P11.0 billion, or 9.5% due to higher accumulated profits net of cash dividends for the period. **Reserves** likewise increased by P3.8 billion, or 1,150.0% representing appropriation of general loan loss provisions in excess of PFRS9 loan loss provisions under BSP Circ. 1011. **Accumulated other comprehensive loss** also decreased by P2.9 billion, or 57.2% due to transition to PFRS 9.

On the asset side, **loans and advances** increased P152.6 billion, or 12.7% driven by higher loan demand from corporate and credit card loans. **Interbank loans receivable and securities purchased under agreements to resell** amounted to P34.3 billion, an increase of P15.7 billion, or 84.7% on account of higher volume of RRP placements and interbank term loans. **Financial assets at fair value through OCI** likewise increased P13.9 billion, or 59.6% on higher deployment activities post-EMTN, peso bond issuance and liquidity assets build up towards year-end. **Cash and other**

cash items grew P8.4 billion, or 23.9% on account of higher cash requirement for the period as compared to year-end 2017. **Trading securities** increased by P7.4 billion, or 138.0%, due to market view of declining rates. **Other resources, net** amounted to P22.1 billion, P6.3 billion, or 40.2% on account of higher miscellaneous assets. **Bank premises, furniture, fixtures and equipment, net** increased by P1.2 billion, or 7.9% due to land and building premises, renovations and leasehold improvements. **Deferred income tax assets, net** grew P444 million, or 5.5% on account of the impairment losses setup for the period.

On the other hand, **Assets held for sale** decreased by P215 million, or 6.0%, due to higher sell down of foreclosed properties. **Investments in subsidiaries and associates, net** declined P727 million, or 11.4% on account of the decrease in the Bank's share in the net income from BPI-Philam. **Derivative financial assets** decreased by P0.9 billion, or 19.0%, due to lower fair value on certain derivative positions. **Due from other banks**, declined by P1.9 billion, or 13.4%, on lower working balances and placements maintained with foreign correspondent banks. **Due from Bangko Sentral ng Pilipinas (BSP)** likewise decreased by P30.0 billion, or 11.7% due to cut in reserve requirements.

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.

Asset Quality

The Bank's loan portfolio mix is broken down into large corporates at 76.7%, small and medium enterprises (SMEs) at 4.6%, and consumer at 18.7%, compared to last year's 76.6%, 4.9%, and 18.5%, respectively.

Allowance for Impairment of P28.0 billion was up by P22.44 billion from last year's P5.56 billion. NPL ratio stood at 2.68%, compared to 1.66% in 2019. The Bank's NPL ratio was below the preliminary industry ratio of 3.70% as of December 2020.

Details of the loan portfolio and asset quality are reflected in the 2020 Audited Financial Statements Note 10 and Note 26.1.3.1, respectively.

Funding and Liquidity

Customer deposits account for 88% of BPI's total funding, while 8% is attributable to other borrowings. The Bank's liquidity ratios (Liquidity Coverage Ratio and Net Stable Funding Ratio) are also at record-highs, comfortably above the regulatory minimum of 100%.

Despite the lockdowns in 2020, there was strong demand from the debt capital market which lead to the successful completion of the Bank's three bond issuances, all denominated in peso, including the

country's first social bonds, as follows:

- 2 years P15.3 billion Bonds 4.2423% issued on January 13, 2020;
- 1.5 years P33.89 billion Bonds 4.05% issued on March 27, 2020; and
- 1.75 years P21.5 billion Bonds 3.05% issued on August 7, 2020, also known as COVID Action Response ("CARE") Bonds, issued under the Bank's Sustainable Funding Framework and its proceeds earmarked to finance micro and small and medium enterprises.

The Bank's CASA Ratio was 79.6%, while the Loan-to-Deposit Ratio was 82.0%.

For further details on the Bank's deposits, borrowings, and liquidity, refer to the 2020 Audited Financial Statements Notes 15, 16, and 26.3.1, respectively.

Results of Operations

In Million Pesos	2017	2018	2019	CAGR
Net Interest Income	48,039	55,843	65,945	15.9%
Non-Interest Income	22,981	22,681	28,389	5.5%
Impairment Losses	3,795	4,923	5,822	6.6%
Operating Expenses	38,533	43,602	50,077	12.7%
Net Income	22,416	23,078	28,803	9.3%

2018 vs. 2017. For the year 2018, the Bank earned a **net income** of P23.1 billion, representing a P661.3 million, or 3.0% increase relative to P22.4 billion earned in 2017. This increase was driven by the P7.5 billion growth in revenues, which was partly tempered by the increase in operating expenses and impairment losses by P5.1 billion, or 13.2%, and P1.1 billion, or 29.7%, respectively.

Net interest income of P55.8 billion increased 16.2% from last year's P48.0 billion on the back of P158.0 billion average asset base expansion.

- **Interest income** increased P14.3 billion, or 21.8%, to P80.2 billion from previous year's P65.8 billion. Interest income **on loans and advances** increased by P14.8 billion, or 27.1%, as both the loan average volume and yield rose by P173.9 billion, and 48 bps, respectively. Interest income **on financial assets** grew P430 million also due to the increase in average volume and yield of P11.6 billion and 34 bps, respectively. On the other hand, interest income **on deposits with BSP and other banks** declined by P876 million, or 42.8%, due to decline in both average volume and yield by P41.5 million, and 37 bps, respectively.
- **Interest expense** of P24.3 billion increased P6.5 billion, or 36.7%, from last year's P17.8 billion. Interest expense **on deposits** increased P4.9 billion or 29.3% as both the average deposit base and cost grew by P67.5 billion and 18 bps, respectively. Interest expense **on bills payable and other borrowings** also increased P1.7 billion, or 144.4%, due to higher volume and cost attributable to the new bond issuances in 2018.

Other income at P22.7 billion, was lower by P300 million, or 1.3%, from P23.0 billion last year. The drop in other income was accounted for by the P264 million, or 22.1%, decline in **trading gain on securities** due to market volatility. **Income attributable to insurance operations** also decreased by the P190 million, or 13.5%, due to the life insurance subsidiary's lower investment income arising from mark-to-market losses and the non-life business' higher claims expenses. On the positive, **fees and commissions** increased by P572 million, or 6.9%, on increased service charges.

Other expenses at P43.6 billion, increased P5.1 billion, or 13.2% from last year's P38.5 billion. **Other operating expenses** increased P1.8 billion, or 13.9%, on product-related insurance premiums, rewards and other selling expenses, third party fees and commissions, and transaction related costs. **Occupancy and equipment-related expenses** grew by P1.8 billion, or 15.9% owing to increase in rental, depreciation and amortization costs, and significant spending on IT-related services. **Compensation and fringe benefits** also increased to P15.3 billion, up by P1.4 billion, or 10.2% on account of BanKo's manpower expansion for its new offices.

Impairment losses stood at P4.9 billion, P1.1 billion, or 29.7% higher than the previous year, due to increased loan loss provisioning.

Provision for income tax at P6.7 billion, up P714 million, or a 12.0% increase from P6.0 billion last year. **Current taxes** rose by P986 million, or 15.4%, due to higher core intermediation fees subject to

regular corporate income tax. **Deferred taxes** increased P272 million, or 58.8% on account of the impairment losses set up for the year, and accounts with timing difference.

Income attributable to non-controlling interest decreased P68 million, or 21.4%, on account of lower income from the Bank's non-life insurance and leasing subsidiaries.

Comprehensive Income

Total comprehensive income was at P21.9 billion, P529 million, or 2.4% lower than last year's P22.4 billion as **other comprehensive income** declined P1.3 billion, overshadowing the increase in **net income before minority interest** of P593 million.

Net change in fair value reserve on FVOCI securities, net of tax effect decreased P1.5 billion or 210.8% on account of lower market valuation of the Bank's investment securities. **Currency translation differences** likewise decreased by P152 million, or 120.3% due to the general weakening of the Philippine peso. **Fair value reserve on investments of insurance subsidiaries**, also decreased by P596 million, or 303.8%, as a result of lower market valuation of the insurance subsidiaries' investment funds. **Share in other comprehensive loss of associates** decreased P1.0 billion, or 408.2% due to the downward market valuation of the investments of the bancassurance affiliates. These decreases were partly tempered by the P885 million, or 324.6% increase in **actuarial gains (losses) on defined benefit plan, net of tax effect** as impacted by the change in financial assumption; and the P1.1 billion, or 212.7% increase in **share in other comprehensive gain (loss) of associates** due to the remeasurement/fair valuation of BPI-Philam's liabilities, property, and equipment.

Comprehensive income attributable to non-controlling interest decreased P150 million, or 48.0% due to lower market valuation of the insurance's subsidiaries' investments.

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.

2020 vs. 2019

In Million Pesos	2018 (restated)	2019 (restated)	2020	CAGR
Net Interest Income	55,617	65,575	72,264	14.6%
Non-Interest Income	21,003	26,687	29,659	8.9%
Impairment Losses	4,719	5,562	28,000	94.7%
Operating Expenses	42,085	48,344	48,154	7.7%
Net Income	23,078	28,803	21,409	-1.5%

The Bank's compounded annual net income in the last three years declined -1.5%, as the growth in pre-provision operating income was offset by the acceleration in impairment losses, due to the pre-emptive provisioning in anticipation of higher non-performing loans as a result of the COVID-19 pandemic. Net interest income and non-interest income increased by 14.6% and 8.9%, respectively, but were tempered by the higher operating expenses, which also increased in the last three years by 7.7%.

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 to lower rent and utilities costs;
- **Other operating expenses** at P15.54 billion, also decreased P697 million, or 4.3%, due to 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 to 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.

Key Performance Indicators

	2018	2019	2020
Return on Equity (%) ¹	10.2	11.0	7.7
Return on Assets (%) ¹	1.2	1.4	1.0
Net Interest Margin (%) ¹	3.1	3.3	3.5
Operating Efficiency Ratio (%)	54.9	52.4	47.2
Capital Adequacy Ratio (%) ²	16.1	16.1	17.1

¹ Using daily average method

² Basel III Framework

The Bank's capital ratios for the last three years showed a robust capital position with sufficient loss-absorption buffer for any potential adverse scenario. Profitability metrics have also been consistent but reflect the impact of this year's elevated provisioning. Notwithstanding the decline in operating expenses due to limited business activity brought about by the pandemic in 2020, the Bank's strong cost discipline is evident in the improving efficiency ratio trend. 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 lower at 7.7% and 1.0%, respectively, as a result of the decline in net income of 25.7%

Net interest margin (NIM), net interest income divided by average interest bearing assets, at 3.5% was higher by 14 basis points than the 3.3% in 2019 on lower cost of funds.

Operating efficiency (cost to income) ratio, the ratio of operating expenses to income, improved to 47.2% from 52.4%, as the growth in revenues of 10.5% outpaced the increase in operating expense.

Capital adequacy ratio (CAR), the ratio of total qualifying capital to total risk-weighted assets, was at 17.1%, higher versus the prior year's 16.1%, as qualifying capital grew and risk-weighted assets declined. The CET 1 ratio at 16.2%, was also higher than the 15.2% 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:	2019	2020
Return on Equity (%)	11.1	7.8
Return on Assets (%)	1.3	1.0
Net Interest Margin (%)	3.3	3.4

Details of the basic quantitative indicators of financial performance are reflected in Note 31 of the 2020 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.

- d) Any material commitments for capital expenditures.
- e) 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.

Future Prospects

The COVID-19 pandemic, which compelled the Philippines to impose restrictions on mobility, has resulted to a 9.5% economic contraction in 2020. The last time the GDP shrank by this much was more than 30 years ago, during the 1980s debt moratorium.

With the economy slowly reopening, local demand will most likely improve although a full recovery is not expected in 2021. The lack of foot traffic in malls and other public areas continues to dampen the demand for goods and services that involve human contact, while the decline in household income amid the pandemic has forced consumers to tighten their belts. However, e-commerce and the widespread use of delivery services are expected to cushion the decline in consumer spending.

The availability of a vaccine in the second half of 2021 may accelerate the recovery of the economy. We are expecting a 6.8% growth rate in 2021, coming from a low base in 2020. We also note that uncertainties still remain and may possibly pull down growth this year. A second wave of infection could overwhelm the health system and force the government to implement stricter restrictions, similar to the experience of other countries. In addition, government underspending may prevent the economy from building the needed infrastructure that can fast track its recovery.

Philippines COVID-19 Stimulus Response

The national government has implemented stimulus measures to support the economy. Stimulus measures aside from support on the healthcare system have included direct distribution of cash and goods to the general public, short term tax and social security relief.

The government's fiscal response has been quite modest with on-budget spending increasing by 11.3% in 2020, lower than 2019's full-year growth of 11.4%. Despite this, the country's budget deficit expanded from 3% in 2019 to around 7.6% of GDP in 2020 as collections of the Bureau of Internal Revenue and the Bureau of Customs fell sharply.

The BSP, on the other hand, has been implementing more forceful measures to cushion the economy's contraction. It has reduced its policy rate by 200 bps from 4.00% to 2.00% and its reserve requirement ratio by 200 bps from 14% to 12%. These have been one of the most aggressive monetary policy responses among the major ASEAN economies in 2020. The BSP has also implemented unprecedented measures including purchase of government securities and easing of regulatory requirements on banks. These aggressive actions have been made possible by the stable inflation environment, which settled at average of 2.6% in 2020.

Inflation and Interest Rates

Looking ahead, the Bank sees upside risks that could keep inflation above 4% in the coming months. The distribution of vaccines may lift global demand and push oil prices higher. However, even at current levels, price of oil is expected to register a 200% year-on-year increase in the second quarter given the low base from last year. In addition, supply constraints especially in the meat sector will likely continue for the remainder of the year as the swine industry may take some time to address the impact of the African Swine Fever. Inflation risk along with the steepening of the US Treasury yield curve and additional borrowing from the government may exert upward pressure on interest rates.

Exchange Rate

The Peso has been the strongest currency in Asia in 2020. The huge decline in the demand for US dollar as a result of the drop in imports and international travel has supported the local currency. Due to weak US dollar demand, the BSP has also been able to build up its Gross International reserves to a record high of US\$110 billion as of December 2020.

With the economy slowly reopening, the Bank expects imports to recover in the coming months in line with the expected improvement in local demand. Hence, demand for US dollar may pick up and the exchange rate may move closer to PHP49 to a US dollar. Risk to this outlook includes public sector spending remaining below target, especially in infrastructure. With businesses still struggling, the lack of fiscal support and public construction may stall the recovery and dampen the demand for capital goods.

Implications on Business and Strategy

Main insights from 2020 are that:

- Banking is under threat from multiple fronts - pressure on NIMs, pressure on fees, NPLs rising, credit cost rising, intensified competition, regulatory challenges, and
- Transformation is critical – the world is changing, the consumer is changing, and COVID-19 accelerated trends that are already underway, such as digital being a major transformation catalyst.

We navigated through the unprecedented times brought about by the pandemic by initially focusing on safety and survival, and moved to ensuring operational resilience. BPI implemented various modifications to physical operations which ensured business continuity and safety of both our employees and customers.

For the near-term, we will position for recovery by:

- Reallocating resources for future growth,
- Realigning our various asset portfolios,
- Boosting productivity to improve cost efficiency, and
- Transforming the organization.

In line with this, our strategic imperatives will continue to focus on five key areas.

1. **Growing our high margin businesses** – SMEs, Consumer, and Microfinance – despite taking a pause this year to focus on asset quality preservation given weak market demand.
2. **Strengthening our funding franchise**, where our diversified mix of deposits and debt ensure ample liquidity and optimized cost of funds for the Bank.
3. **Executing our five-point digital strategy founded on these pillars:**
 - **Mobile first omni-channel experience** to allow customers to open bank accounts in any branch and have all other subsequent transactions take place digitally.
 - **Shape the customer experience** through tailor-fit service platforms to suit their needs based on data analytics and insights. Such is the case for our clients using Bizlink, an all-in-one digital platform which houses multiple products and services that extend beyond traditional cash management.
 - **High tech, high touch** by allowing customers to conduct self-service transactions, branch operations can focus on specialized customer services.
 - **Open banking** to be a key focal point of financial intermediation by serving customers in as many ways as possible by partnering with various fintech providers who offer services like e-wallets and funds transfer.
 - **Industry class infra** that is secure, reliable, and private, underpinned by the upgrade of our core banking systems. Our mission is to guarantee the security of our clients' financial assets while championing the education of clients on cybersecurity.
4. **Deepening our client relationships** in the new normal while improving risk-adjust returns. We have solidified our foothold in the corporate space by helping Philippine conglomerates, large corporates, and multinational companies grow their businesses, manage their operations, and mitigate risks
5. **Rationalizing our distribution channels to achieve further cost efficiency.**

Our distribution strategy transformation involves the re-balancing of our traditional and digital channels. The operational limitations brought about by the lockdowns, strengthened our view to continue to rationalize, consolidate, and optimize our branch network. For our digital channels, we have embarked on accelerating the growth of BPI as “the Everyday Bank”, through our open banking ecosystem and regular launches of new platform functionalities.

Sustainability

Globally there is a trend towards ESG, particularly on climate change which is a top priority for key stakeholders. The growing demand for ESG-aligned products, with investors wanting to hear more on ESG from banks, has spurred the issuance of ESG-related regulations such as BSP Circular 1085: Sustainable Finance Framework and SEC Memorandum Circular No. 4, Series of 2019: Sustainability Reporting Guidelines for Publicly-Listed Companies.

In 2020, we established the Board-approved BPI Sustainability Agenda which will guide the Bank on the integration of sustainability principles in the corporate governance and risk management frameworks, as well as in the strategic objectives and operations. We recognize the importance of integrating sustainability principles in order to create long-term value for our stakeholders and to positively contribute to an equitable society and healthy environment. Our Sustainability Agenda is guided by the provisions of BSP Circular 1085.

Our sustainability objectives are embodied in our updated Sustainability Strategy Framework (Strategy) with the pillars of Responsible Banking and Responsible Operations. The Bank believes that Responsible Banking is the key to creating long-term value for all our stakeholders. The Strategy supports BPI's vision of Building a Better Philippines, and focuses on key ESG areas where the Bank can have the most impact.

There were approximately 12,280 common shareholders of BPI as of February 28, 2021.

Equity Ownership of Foreigners on Common Shares as of 28 February 2021

	Nationality	Number of Stockholders	Number of Shares	Percent of Holdings
1.	American	36	1,205,191	0.0267%
2.	Australian	1	3,369	0.0000%
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	36	508,290	0.0112%
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.	Non-Filipino (PCD)	2	926,484,327	20.5287%
16.	Others	3	19,274	0.0004%
17.	Singaporean	4	2,649	0.0000%
18.	Spanish	2	229,870	0.0050%
19.	Taiwanese	1	12,500	0.0002%
Total		108	1,319,451,110	29.2360%

Top 20 Stockholders as of February 28, 2021

	Name of Stockholders	Number of Shares Held	Percent of Holdings
1.	PCD Nominee Corporation (PCD)		
	(Non-Filipino)	926,468,816	20.5284%
	(Filipino)	746,516,521	16.5410%
2.	Ayala Corporation	1,000,261,934	22.1635%
3.	Liontide Holdings, Inc.	904,194,682	20.0348%
4.	AC International Finance Limited	390,269,162	8.6474%
5.	Roman Catholic Archbishop of Manila	327,904,251	7.2656%
6.	Michigan Holdings, Inc.	92,684,989	2.0536%
7.	Mercury Group of Companies	7,653,853	0.1695%
8.	Estate of Vicente M. Warns	7,550,868	0.1673%
9.	BPI ESPP 2019	5,760,130	0.1276%
10.	BPI Group of Companies Retirement Fund	4,174,243	0.0924%
11.	BPI ESPP 2018	3,986,340	0.0883%
12.	Xavier P. Loinaz	3,938,203	0.0873%
13.	BPI ESPP 2017	3,096,100	0.0686%
14.	Hermann Barretto Warns	2,920,000	0.0647%
15.	Bloomingdale Enterprises, Inc.	2,685,225	0.0594%
16.	Sahara Management & Dev. Corp.	2,535,146	0.0562%
17.	Foresight Realty & Development Corp.	1,958,595	0.0433%
18.	Hyland Realty & Dev't. Corporation	1,935,413	0.0428%
19.	BPI ESPP 2016	1,715,090	0.0380%
20.	Horizons Realty, Inc.	1,419,463	0.0314%
Total		4,439,629,024	98.3711%

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 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 2020, 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 7 elected at the April 2020 Annual Stockholders' Meeting, the Board at year-end December 31, 2020, 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. Under BSP Circular 969 "Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions", amending Section X142.4.b. of the MORB, on the qualifications of the Chairperson of the Board of Directors, the Board of

Directors shall define the responsibilities of the Lead Independent Director, which shall be documented in the corporate governance manual. 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. Last May 7, 2018, the BPI Board approved the amendment to the Manual on Corporate Governance providing for the designation of a Lead Independent Director role in the Board. And in the Organizational Meeting of the Board of Directors following the 2020 Annual Stockholders Meeting, the Board appointed independent member Octavio V. Espiritu 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, adopted in 2015 to institute diversity at the board level; the 2020 Board of Directors elected in April 2020 included three women, one of whom is also an Independent Director, comprising 20% of the Board. Seven (7) Independent Directors were elected to the 2020 Board, compliant with the regulatory requirement to have at least one-third (1/3) but not less than two (2) Independent Directors as members of the board. However, at year-end December 31, 2020, the Board had five (5) Independent Directors as one resigned for health reasons while another was reclassified by the BSP as a regular director. On January 20, 2021, Mr. Cesar V. Purisima was elected for the remainder of the 2020 to 2021 term, as a new Independent Director, subject to the confirmation of the Monetary Board of the BSP. The resulting six (6) Independent Directors constitute 40%, 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 2020, 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. The respective charters stating committee purpose, membership, structure, operations, reporting processes and other information, are disclosed in regulatory reports and posted on the company website. 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 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. 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 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 26, 2020, the Executive Committee approved Management's recommendations for BPI to provide the Bank's stockholders with the option to vote in absentia in the 2020 ASM. Hence, at the April 23, 2020 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. 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 November 10, 2020, 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 25, 2020, Advanced Corporate Governance Training conducted by the ICD on October 15, 2020 and Business Continuity Planning: Executive Briefing for Board of Directors and Management conducted by Center for Global Best Practices on October 23, 2020.
- (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 2021 to assess the 2020 performance of the Board.

- (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 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 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.
- (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 vision, 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 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 early 2020, and amendments were approved by the Board of Directors on February 19, 2020. 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.

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.

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 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 which includes training on the Whistleblower Policy.
- (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.

- (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.

- (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.
- (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, 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).

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 2020, however, the Annual Stockholders meeting was conducted virtually via <https://asm.ayala.com/BPI2020>. 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 14, 2020.

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 2020, the Notice, including the DIS, was sent out to stockholders of record by March 27, 2020, 27 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 26, 2020, the Executive Committee approved Management's recommendations for BPI to provide the Bank's stockholders with the option to vote in absentia in the 2020 ASM. Hence, at the April 23, 2020 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. Minutes of the 2020 ASM were likewise 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. 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 Golden Arrow Award. In 2020, BPI garnered the ASEAN Asset Class Award, ranking among the top listed firms across the six participating countries, namely Indonesia, Malaysia, Singapore, Thailand, Vietnam, and the Philippines. In 2020, 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”

2021 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 5, 2021 (“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 e-mail 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.
2. 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.
3. All registered accounts shall be subject to the validation process set forth. The deadline for registration to vote *in absentia* is April 12, 2021.
4. The following are needed for registration:
 - 4.1 For individual Stockholders –
 - 4.1.1 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;
 - 4.1.2 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;
 - 4.1.3 A valid and active e-mail address;
 - 4.1.4 A valid and active contact number;
 - 4.2 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;
 - 4.3 For Stockholders under Broker accounts –
 - 4.3.1 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;
 - 4.3.2 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;

- 4.3.3 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;
- 4.3.4 A valid and active e-mail address;
- 4.3.5 A valid and active contact number;

4.4 For corporate Stockholders –

- 4.4.1 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;
- 4.4.2 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;
- 4.4.3 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;
- 4.4.4 A valid and active e-mail address of the Stockholder's representative;
- 4.4.5 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. 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, on or before April 12, 2021.

- 5. 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*.

- 6. 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:

- 6.1 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.
- 6.2 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.

7. 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 5, 2021 (“Stockholders”) are required to register in the VIASH System to participate in the Meeting on April 22, 2021 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 April 12, 2021.
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 12, 2021 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 Person8246-5902

Company Telephone Number

1	2	3	1
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Month Day Fiscal Year

**Certificate of
Independent Director**

FORM TYPE

0	4
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2	2
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21

<i>Month</i>	<i>Day</i>
Annual Meeting	

<http://www.sagepub.com/journalsPermissions.nav>

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

10/10/2010

Total No. of Stockholders

Total Amount of Borrowings

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

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:

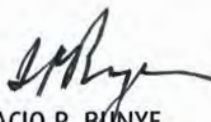
1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS and have been its independent director since 14 April 2016;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

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 11 2021 at CITY OF MAKATI.


IGNACIO R. BUNYE
Affiant

SUBSCRIBED AND SWORN to before me this MAR 11 2021 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. 171;
Page No. 08;
Book No. 111;
Series of 2021.


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Extended Until June 30, 2021
Per B.M. No. 3795
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-183-(2019-2020)
PTR No. 8531011 Jan. 4, 2021
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio dei 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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[illegible]

(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

0	4
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2	2
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21

<i>Month</i>	<i>Day</i>
Annual Meeting	

<http://www.sagepub.com/journalsPermissions.nav>

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

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Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **OCTAVIO V. ESPIRITU**, Filipino, of legal age and a resident of 203 Dingalan Street, Ayala Alabang Village, Muntinlupa 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 07 April 2000;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
The Country Club, Inc.	Director	2015 – Present
Philippine Dealing System Holdings Corp. and Subsidiaries	Director	2013 – Present
GANESP Ventures Inc.	Chairman	2011 – Present
Phil. Stratbase Consultancy, Inc.	Director	2004 – Present
International Container Terminal Services, Inc.	Director	2002 – Present
Pueblo de Oro Golf & Country Club	Director	1998 – Present
Carlos P. Romulo Foundation	Board of Trustee	1996 – Present
MAROV Holding Co., Inc.	Chairman and President	1988 – 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 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, except as specified below:

Case filed by Luis Villafuerte and various petitioners against the Philippine Dealing System Holdings Corp. (PDS Holdings) and its subsidiaries with the Philippine Supreme Court on August 22, 2016 (as disclosed in the PDS 2016 Audited Financial Statements, page 98), which is still pending as of the date hereof. I am an independent director of PDS Holdings and its subsidiaries.

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.

Done, this _____ day of **MAR 11 2021** at **CITY OF MAKATI**


OCTAVIO V. ESPIRITU
Affiant

SUBSCRIBED AND SWORN to before me this **MAR 11 2021** at **CITY OF MAKATI**; Affiant, OCTAVIO V. ESPIRITU, 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 his Passport with No. _____ issued at _____ on _____ valid until _____.

Doc. No. 129;
Page No. 27;
Book No. VIII;
Series of 2021.


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Extended Until June 30, 2021
Per B.M. No. 3795
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-183-(2019-2020)
PTR No. 8531011 Jan. 4, 2021
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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<u>Month</u>	<u>Day</u>	<u>Fiscal Year</u>

Certificate of
Independent Director

FORM TYPE

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21

<i>Month</i>	<i>Day</i>
Annual Meeting	

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

11/11/2016

Total No. of Stockholders

Total Amount of Borrowings

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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Document I.D.

Cashier

STAMPS

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ANTONIO JOSE U. PERIQUET**, Filipino, of legal age and a resident of 27 Banaba Road, Forbes Park, Makati 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 19 April 2012;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Semi-Calaca Power Corporation	Independent Director	2020 - Present
Southwest Luzon Power Generation Corporation	Independent Director	2020 - Present
Semirara Mining and Power Corporation	Independent Director	2019-Present
BPI Asset Management & Trust Corporation	Chairman	2017 - Present
Albizia ASEAN Tenggara Fund	Independent Director	2015 - Present
Max's Group of Companies	Independent Director	2014 - Present
Campden Hill Advisors, Inc. (formerly Regis Financial Advisers, Inc.)	Chairman	2014 - Present
ABS-CBN Corporation	Independent Director	2013 - Present
BPI Family Savings Bank, Inc.	Independent Director	2012 - Present
Campden Hill Group, Inc.	Chairman	2011 - Present
Lyceum University of the Philippines	Trustee	2010 - Present
Ayala Corporation	Independent Director	2010 - Present
DMCI Holdings, Inc.	Independent Director	2010 - Present
Philippine Seven Corporation	Independent Director	2010 - Present
BPI Capital Corporation	Independent Director	2010 - Present
The Straits Wine Co. Inc	Director	2009 - Present
Pacific Main Properties and Holdings, Inc.	Chairman	1998 - 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 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;

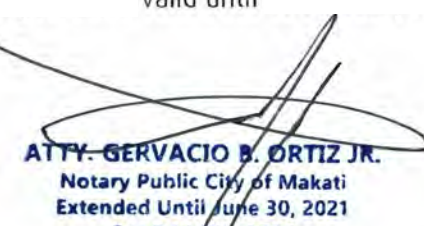
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances;
7. I shall inform the Corporate Secretary of Bank of the Philippine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

Done, this _____ day of MAR 11 2021, at CITY OF MAKATI.


ANTONIO JOSE U. PERIQUET
Affiant

SUBSCRIBED AND SWORN to before me this MAR 11 2021 at CITY OF MAKATI; Affiant, ANTONIO JOSE U. PERIQUET, 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 his Passport with No. _____ issued at _____ Philippines on _____ valid until _____.

Doc. No. 12;
Page No. 28;
Book No. VIII;
Series of 2021.


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Extended Until June 30, 2021
Per B.M. No. 3795
IBP No. 05729/Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-183-(2019-2020)
PTK No. 8531011 Jan. 4, 2021
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

0	4	2	2	21
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	Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS									
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CERTIFICATION OF INDEPENDENT DIRECTOR

I, CESAR V. PURISIMA, of legal age, Filipino citizen and with residence address at 1567 Cypress Street, Dasmariñas Village, Makati City, after being sworn in accordance with law, do hereby certify:

1. I am a nominee for independent director of the BANK OF THE PHILIPPINE ISLANDS and have been its independent director since 20 January 2021;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
AIA Group Limited	Non-Executive Director	2017 to Present
Ayala Land, Inc.	Independent Director	2018 to Present
Universal Robina Corporation	Independent Director	2018 to Present
Jollibee Foods Corporation	Independent Director	2020 to Present
Ikhlas Capital Singapore Pte. Ltd	Founding Partner / Director	2019 to Present
Sumitomo Mitsui Banking Corporation	Member Of The Global Advisory Council	2018 to Present
ABS-CBN Corporation	Member Of The Board Of Advisors	2020 to Present
Singapore Management University (Philippines)	Member Of International Advisory Council	2017 to Present
World Wildlife Fund – Philippines	Board Trustee	2019 to Present
De La Salle University	Board Trustee	2017 to Present
International School Of Manila	Board Trustee	2017 to Present
Milken Institute	Asia Fellow	2016 to Present
ASIAN Institute of Management	Executive-In-Residence	2016 to Present
Unistar Credit & Finance Corporation	Independent Non-Executive Director	2019 to 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 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 Bank of the Philippine Islands of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this MAR 11 2021 at CITY OF MAKATI.


CESAR V. PURISIMA
Affiant

SUBSCRIBED AND SWORN to before me this MAR 11 2021 at CITY OF MAKATI; affiant MR. CESAR V. PURISIMA personally appeared before me and exhibited to me his Passport No. _____ issued at _____ on _____ valid until _____

Doc. No. 128;
Page No. 27;
Book No. 111;
Series of 2021.


ATTY. GERVACIO B. ORTIZ JR.
Notary Public, City of Makati
Extended Until: June 30, 2021
Per B.M. No. 5795
IBP No. 05749-Lifetime Member
Makati Compliance No. VI-3074312
Appointment No. M 183-(2019-2020)
PTR No. 5531011 Jan 4, 2021
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

B	A	N	K		O	F		T	H	E		P	H	I	L	I	P	P	I	N	E		I	S	L	A	N	D	S
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(Company's Full Name)

A	Y	A	L	A		N	O	R	T	H		E	X	C	H	A	N	G	E	,		T	O	W	E	R		1	,
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6	7	9	6		A	Y	A	L	A		A	V	E	N	U	E		C	O	R	.		S	A	L	C	E	D	O
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M	A	K	A	T	I		C	I	T	Y																		
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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	2	21
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Month Day
Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic 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, **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 of MAR 11 2021, at CITY OF MAKATI.

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

MAR 11 2021

SUBSCRIBED AND SWORN to before me this _____ 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. 170;
Page No. 27;
Book No. VIII;
Series of 2021.


ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Extended Until June 30, 2021
Per B.M. No. 3795
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-183-(2019-2020)
PTR No. 8531011 Jan. 4, 2021
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio del Pilar, Makati City

COVER SHEET

S.E.C. Registration Number

B	A	N	K					O	F					T	H	E					P	H	I	L	I	P	P	I	N	E					I	S	L	A	N	D	S
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(Company's Full Name)

A	Y	A	L	A	N	O	R	T	H	E	X	C	H	A	N	G	E	,	T	O	W	E	R	1	,
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6	7	9	6		A	Y	A	L	A		A	V	E	N	U	E		C	O	R		S	A	L	C	E	D	O
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S	T	R	E	E	T	,		L	E	G	A	S	P	I		V	I	L	L	A	G	E								
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[illegible]

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

ATTY. ANGELA PILAR B. MARAMAG

Contact Person

8246-5902

Company Telephone Number

1	2
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3	1
---	---

Month **Day**
Fiscal Year

**Certificate of
Independent Director**

FORM TYPE

0	4
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2	2
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21

Month Day
Annual Meeting

[illegible]

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

1. *Journal of the American Medical Association*, 1997; 277: 1033-1038.

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

[illegible]

Document I.D.

Cashier

Cashier

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 17 2021** at **CITY OF MAKATI**

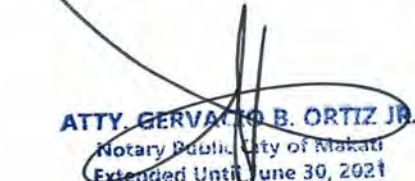


ELI M. REMOLONA, JR.
Affiant

MAR 17 2021

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

Doc. No. 746;
Page No. 71;
Book No. VII;
Series of 2021.



ATTY. GERVACIO B. ORTIZ JR.
Notary Public, City of Makati
Extended Until June 30, 2021
Per B.M. No. 3795
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M 183-(2019-2020)
PTR No. 8531011 Jan. 4, 2021
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio del Pilar, Makati City