



BPI Wealth
Annual Report

2023 ANNUAL REPORT

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Largest stand-alone trust corporation in the country

Over 200,000 Accounts

20% Total Market Share

404 Human Capital

PHP 1.22 Trillion in total Assets Under Management

57% Fee Growth in 3 Years

67% Growth in 5 Years

PHP 628 Billion New Funds Managed

**After commencement of standalone trust operations.*

2023 Awards



- **Best Overall Asset & Fund Manager**
- **Best Asset Manager (Fixed Income Funds)**



Best Managed Fund of the Year
- **Peso Balanced Fund category**
(Odyssey Diversified Balanced Fund)



Best Asset Manager – Philippines



Award of Merit - 9.9 BPI Investival



Company Overview

WHO WE ARE

BPI Asset Management and Trust Corporation (the "Company" or "BPI Wealth") is the largest stand-alone trust corporation in the Philippines. It traces its history in the trust business to the early 1960s, operating as a trust department of the Bank of the Philippine Islands ("BPI").

In 2017, BPI Wealth became the first trust entity to be spun-off from its parent bank, BPI, establishing itself as a stand-alone trust corporation with its own capital and a reinforced independent trust management structure. BPI Wealth remains a wholly owned subsidiary of BPI, continuing to leverage on the expertise of the first bank in Southeast Asia.

In February 2023, the Company announced the change in its trade name from BPI Asset Management and Trust Corporation to BPI Wealth – A Trust Corporation, or simply BPI Wealth.

In April 2023, the Securities and Exchange Commission ("SEC") approved BPI Wealth's application for license as an Investment Company Adviser ("ICA").

BPI Wealth is regulated by the Bangko Sentral ng Pilipinas ("BSP") and the Securities and Exchange Commission ("SEC"). BPI Wealth is authorized to engage in trust and other fiduciary services as well as to manage investment companies or mutual fund companies.

With over thirty (30) Unit Investment Trust Funds ("UITFs") and Mutual Funds, four (4) Personal Equity and Retirement Funds, and a wide range of investment solutions, the Company takes pride in offering and/or managing the country's most innovative products in the investment space today. BPI Wealth leads the charge in digitalization, financial inclusion, and investor education.

Pre-eminence as Our Vision and Investor Satisfaction as Our Mission



Best in class investment professionals and wealth advisers.



Superior customer experience.



Wide range of investment products and solutions.



Robust process and technology.

In the ever-shifting world of finance, where markets swing unpredictably and clients' preferences are always in flux, BPI Wealth doesn't just aim for success—it aims for pre-eminence. This isn't merely a lofty goal; it's the very essence of the Company's approach. Every day, as BPI Wealth navigates through market challenges and opportunities, its commitment to being the best shines through in every endeavor. Whether it's finding new ways to innovate, transforming business strategies, or obsessing over every detail to ensure client satisfaction, pre-eminence isn't just a vision—it's their reality.

Central to this vision is a dedication to understanding and fulfilling the unique needs and aspirations of investors. BPI Wealth recognizes that each investor is different, with distinct goals, risk appetites, and preferences. Therefore, BPI Wealth offers a wide array of distinct investment solutions, further tailored to align with the individual objectives of its clients. By placing the investor at the forefront of its operations, BPI Wealth aims not only to meet expectations but to exceed them, forging long-term relationships built on trust and mutual success.

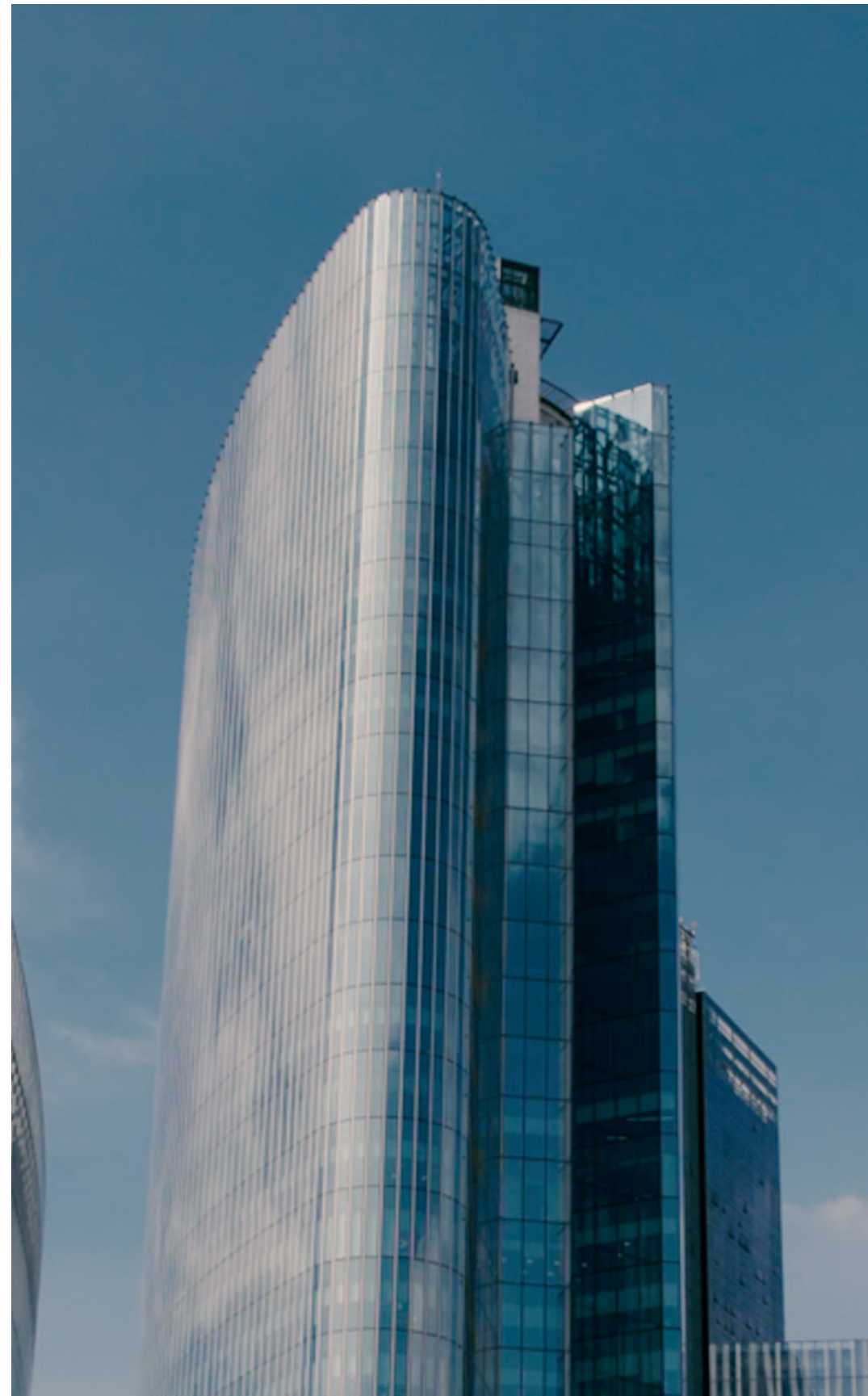
This vision is set into motion by a concrete mission to consistently delight customers. This goes beyond merely meeting expectations; it's about surpassing them at every touchpoint of the client journey. That's why, in 2023, BPI Wealth launched a series of initiatives designed to empower, inform, and support investors every step of the way.

First among these initiatives are the enhancements made to the Digital Account Opening for investment funds, allowing investors not only to open an investment account online but also to seamlessly make their initial investment. This effort was further boosted by reducing minimum investment amounts to PHP1,000 (or

USD100), democratizing investment. BPI Wealth also simplified the process for clients to access bonds available through a primary offer via an automated order-taking process, streamlining the account opening and documentation procedures. As a testament to the impact of these efforts, BPI Wealth was awarded Best Wealth Manager in Digital CX in the Philippines and Best in Digital CX for Account Opening and Customer Onboarding for Wealth Management by The Digital Banker.

Expanding its reach to help more Filipinos take advantage of the benefits of investing, BPI Wealth integrated Institutional Agency into the Institutional Business Group, building an ecosystem of institutional relationship management across various clients and distribution partners such as Maya, Lazada, and First Metro Securities. This integration allows clients of distribution partners to access the wide array of investment fund products offered by BPI Wealth.

As BPI Wealth continues to evolve and adapt to the ever-changing needs of investors and markets, it remains steadfast in its dedication to delivering exceptional value and experiences that transcend expectations.



To make clients feel informed, BPI Wealth continuously conducted over 150 Financial Wellness talks, engaging more than 8,000 individuals to impart basic financial management skills. The Company also hosted the 8.8 BPI Investival to underscore its dedication to promoting the value of investing as a means to achieve long-term financial security. This experiential event served as a platform for education and inspiration, guiding Filipinos toward making informed financial decisions that align with their goals, staying true to BPI Wealth's promise of enabling them to be more, live more, and #DoMore. The 8.8 BPI Investival, as an experiential platform, received an Award of Merit for Excellent Communication Skills in the Experiential Events category from the Philippine Quill. Through these initiatives, BPI Wealth is fostering a culture of financial empowerment and inclusivity where everyone can thrive. These efforts not only contribute to nation-building but also drive social development.

To make clients feel supported along the way, BPI Wealth initiated a meaningful shift to provide an elevated journey to BPI Gold clients. Senior Investment Advisors joined forces with BPI's seasoned relationship managers to provide

customized and sophisticated wealth management solutions. Additionally, the Company launched its Family Office Solutions to help Private Wealth clients chart their path for establishing their legacy with the assistance of a dedicated Wealth Planner.

In essence, the pursuit of pre-eminence and investor satisfaction are not mutually exclusive but inherently intertwined. A relentless commitment to excellence is the driving force behind both endeavors, propelling BPI Wealth towards its vision while ensuring the fulfillment of its mission. As the Company continues to evolve and adapt to the ever-changing needs of investors and markets, it remains steadfast in its dedication to delivering exceptional value and experiences that transcend expectations.

Our Investment Philosophy and Process

At the heart of every investment decision in BPI Wealth are three fundamental principles anchored in the commitment to deliver excellent products and services to clients. BPI Wealth draws its strength from its ethos, and these principles form the core of its investment philosophy.

Long-Term Focus

BPI Wealth believes that superior and consistent returns can only be achieved by recognizing long-term trends in financial markets and understanding the structural shifts that affect these trends. This focus requires a profound understanding of the interplay between macroeconomic factors, both global and domestic, and among different asset classes. BPI Wealth's investment approach relies heavily on quality research and information and the deep experience of its investment professionals who make investment decisions that best reflect the Company's market views.

Value Orientation

BPI Wealth's choice of investments is backed by a thoughtful and thorough selection process that focuses on the intrinsic value and growth potential of each investment.

Risk Management

Recognizing that risk inherently drives returns, BPI Wealth limits downside risks through proper analysis, monitoring, and portfolio diversification. The Company also acknowledges that its fiduciary responsibility entails providing investment solutions that match the respective risk profiles of clients, expressed in terms of their willingness and ability to take risks.

BPI Wealth's investment process originates from Management's consistent assessment and the Board of Directors' periodic review of developments in the macroeconomic landscape and financial markets. These are used to formulate

investment strategies that reflect the Company's long-term views and to craft model portfolios covering a whole spectrum of risk profiles.

With these model portfolios as guides, individual portfolios are constructed in accordance with clients' objectives, horizons, and risk profiles, and the attendant internal, legal, and regulatory considerations. The allocation of fixed income and equity assets is executed to meet a portfolio's target duration and equity exposure. Moreover, portfolios are reviewed on a regular basis against corresponding benchmarks and rebalanced to realign investments with the target allocation consistent with clients' goals and risk tolerance.

Our Products

BPI Wealth believes that every investor is unique, and there is no one-size-fits-all approach when it comes to investing. This is why the Company puts a premium on offering a personalized approach to investments that allows individual clients to acquire wealth and grow it through solutions tailored to their unique investment requirements. Wherever clients are on their journey as investors, BPI Wealth promises to be there.

The Company offers the most diversified investment fund portfolio in the industry, covering various asset classes, regions, sectors, and

structures, and now encompassing a multitude of vehicles governed by different regulatory authorities with unique requirements.

The breadth of coverage underscores the creative value of BPI Wealth's products and how these address varying investment needs. This product range allows clients to easily adjust their portfolios to meet specific requirements or respond to changing market conditions.

BPI Wealth has built a strong reputation for innovation, enabling its institutional and individual clients

to access the widest selection of investment and trust products and services in the industry today.

As a full-suite trust entity, BPI Wealth offers a wide range of products and services and continues to employ bespoke trust and investment management solutions that are relevant to clients' growing investment requirements within regulated parameters. The Company is committed to a customer-centric approach, ensuring its solutions are as dynamic and unique as the investors they serve.

Trusts

- **Unit Investment Trust Funds (UITF)**
- **Institutional Trust Accounts**
 - Employee Benefit Plan/ Pension and Provident Retirement Trust Funds
 - Pre-Need Trust
 - Other Institutional Trust Accounts
- **Individual Trust Accounts**
 - Personal Management Trust

Agency

- **Institutional Agency Accounts**
 - Employee Benefit Plan/ Pension and Provident Retirement Fund Accounts
 - Pre-Need Accounts
 - Other Institutional Agency Accounts
 - Institutional Investment Management Accounts (IMA)
 - Mutual Funds (under IMA)
- **Individual Agency Accounts**
 - Other Individual Agency Accounts (Investment Management Accounts)

Other Fiduciary Solutions

- **UITF - Other Fiduciary Services**
- **Personal Equity and Retirement Accounts (PERA) Administration**
- **Corporate Fiduciary Accounts**
 - Mortgage Trust Indenture
 - Facility/ Loan Agency or Bond Trusteeship
- **Escrow Agency**
- **Custodianship**
- **Administrative Agency Services**
 - Safekeeping
 - Life Insurance Trust
 - Property Administratorship
 - Other Services
- **Court Trust**
 - Executorship
 - Guardianship
- **Legislated and Quasi- Judicial Trust**
- **Other Fiduciary Accounts**

Advisory/ Consultancy



Investment Funds

Money Market Funds

Peso (PHP)

BPI Short Term Fund

ALFM Money Market Fund

BPI Money Market Fund

Foreign Currency (USD)

BPI US Dollar Short Term Fund

Fixed Income Funds

Peso (PHP)

ALFM Peso Bond Fund

BPI Premium Bond Fund

ABF Philippines Bond Index Fund

Ekklesia Mutual Fund

Odyssey Peso Bond Fund

Odyssey Peso Medium Term Bond Fund

Philam Bond Fund

Philam Managed Income Fund

Foreign Currency (USD)

ALFM Dollar Bond Fund

BPI Global Bond Fund-of-Funds

BPI Philippine Dollar Bond Index Fund

Odyssey Philippine Dollar Bond Fund

PAMI Global Bond Fund

Philam Dollar Bond Fund

Foreign Currency (EUR)

ALFM Euro Bond Fund

Equity Funds

Peso (PHP)

BPI Philippine Equity Index Fund

ALFM Growth Fund

Philippine Stock Index Fund

BPI Equity Value Fund

BPI Philippine Consumer Equity Index Fund

BPI Philippine High Dividend Equity Fund

Odyssey Philippine Equity Fund

Odyssey Philippine High Conviction Equity Fund

BPI Catholic Values Global Equity Feeder Fund

PAMI Equity Index Fund

Philam Strategic Growth Fund

Foreign Currency (USD)

BPI US Equity Index Feeder Fund (available in USD and PHP)

BPI European Equity Feeder Fund

BPI Global Equity Fund-of-Funds

BPI Global Health Care Feeder Fund

BPI World Technology Feeder Fund

Odyssey Asia Pacific High Dividend Equity Feeder Fund

Multi-Asset Funds

Peso (PHP)

BPI Balanced Fund

BPI Bayanihan Balanced Fund

Odyssey Diversified Balanced Fund

Odyssey Diversified Capital Fund

PAMI Horizon Fund

Philam Fund

Solidaritas Fund

Foreign Currency (USD)

ALFM Global Multi-Asset Income Fund (available in USD and PHP)

BPI US Dollar Income Feeder Fund

PAMI Asia Balanced Fund

BPI Sustainable Funds

BPI Sustainable Global Bond Fund-of-Funds

BPI Sustainable Global Equity Fund-of-Funds

BPI Sustainable Global Balanced Fund-of-Funds

BPI PERA Funds

BPI PERA Money Market Fund

BPI PERA Government Bond Fund

BPI PERA Corporate Income Fund

Visit www.bpiwealth.com to learn more about our BPI Investment Funds.



A Culture of Excellence

As a leading trustee and investment manager for many of the top institutions in the country, BPI Wealth has a proven track record of delivering above-par risk-adjusted returns that consistently outperform portfolio benchmarks over the long term. This success has earned the Company the trust of its clients and recognition from industry watchers both in the Philippines and abroad. BPI Wealth manages its portfolios with a forward-looking assessment of the economy, enabling clients to capitalize on opportunities in both bull and bear markets. Clients highly regard the Company's adherence to strong

risk management standards, which have allowed it to remain resilient even through the most challenging economic and financial environments.

BPI Wealth strives to be a reliable investment partner, leveraging BPI's 17 decades of investment management expertise. Whether a client is just starting to invest or already has a deep understanding of investments, they can count on the Company to support them every step of the way.

The Company's capabilities offer clients the flexibility to make self-service investments using online,

mobile, and other web-enabled applications and platforms. Clients can execute their investment placements or avail themselves of financial advisory and fund management guidance. BPI Wealth has also made its wide array of investment products more affordable, allowing everyone to conveniently start their wealth-building goals anytime.

BPI Wealth continues to transform savings into wealth.



Making Headways in the Investment Fund Industry

BPI Wealth stands at the forefront of the financial industry, recognized as a trailblazer in delivering innovative and transformative investment solutions. The Company's commitment to excellence, combined with a relentless pursuit of pioneering initiatives and continuous pushing of traditional wealth management boundaries, has positioned BPI Wealth as a leader in the market. Its forward-thinking approach, dedication to adopting cutting-edge strategies, and close collaboration with industry associations and regulators ensure that BPI Wealth remains at the vanguard of the industry, setting new standards for others to follow.

Pioneering Investor Funds

BPI Wealth leads the industry by pioneering access to global investment opportunities through investor fund structures. As participants in investor funds such as feeder funds or funds-of-funds, BPI Wealth's clients gain a share in a diversified portfolio comprising one or more collective investment schemes. This arrangement enables investors to access a broad array of foreign funds with a lower investment minimum, democratizing global investment opportunities and enhancing portfolio diversification.

- BPI Global Equity Fund-of-Funds and BPI Global Bond Fund-of-Funds – The country's first UITFs in the Fund-of-Funds structure helping investors gain access to foreign markets and to different offshore funds through a single UITF.

- BPI US Equity Index Feeder Fund – The country's first UITF that offers growth opportunities through access to the US markets. The fund can be conveniently availed in either US Dollar or Philippine Peso.

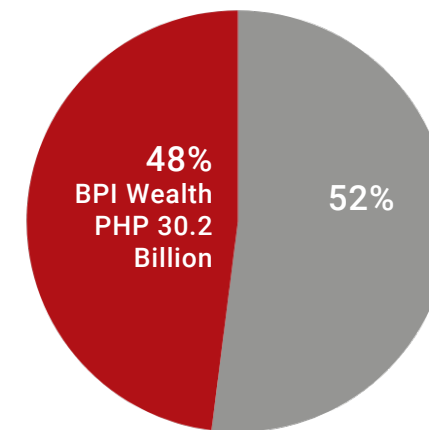
Index Fund Leadership

In response to the increasing demand for cost-effective, high-value investments, BPI Wealth expanded its index fund offering, allowing clients to capitalize on the growth of key economies, industries, and themes.

- BPI Philippine Equity Index Fund – The industry's first and largest equity index UITF that tracks the performance of the Philippine Stock Exchange Index which provides clients convenient access to the Philippine economy.
- BPI Philippine Infrastructure Equity Index Fund and BPI Philippine Consumer Equity Index Fund – The country's first local thematic investment funds equipped by BPI Wealth's partnership with BPI, the sponsor of the BPI Indices, and BPI Investments, the index calculating agent.

Bond Fund Leadership

BPI Wealth dominates the UITF bond fund market, commanding a 48% market share. BPI Wealth's comprehensive suite of bond funds spans various investment horizons and credit risk management, catering to investors with diverse risk appetites and preferences in response to fluctuating interest rate environments and other market dynamics.



ABF Philippines Bond Index Fund

The first bond index fund and the largest long-term bond fund in the industry

BPI Global Bond Fund-of-Funds

The first bond fund-of-funds in the industry

BPI Premium Bond Fund

The largest intermediate bond fund in the industry

**Based on publicly available Key Information and Investment Disclosure Statement as of December 2023*

Expansion of Fund Management Business

In its relentless pursuit of excellence, BPI Wealth has strategically expanded its investment management business to include mutual fund management. This pivotal move has significantly broadened BPI Wealth's investment expertise and portfolio, enabling the Company to manage a diverse array of investment vehicles such as UITFs, pre-need funds/insurance, segregated portfolios, and now, mutual funds—each governed by distinct regulatory frameworks.

The integration of mutual fund management through BPI Wealth's investment management arrangement allows the Company to offer unparalleled benefits to both its existing clients and those of the mutual funds under its stewardship. By adopting industry best practices and implementing optimal strategies, BPI Wealth elevates the standards of fund management and administration.

BPI Wealth was granted the Investment Company Adviser license from the Securities and Exchange Commission in March 2023. This milestone positioned BPI Wealth as the sole trust entity authorized to manage mutual funds under an Investment Company Adviser license.

This initiative underscores BPI Wealth's unwavering commitment to delivering superior investment management services. By expanding its scope to include mutual fund management since April 2023, BPI Wealth is poised to deliver even greater value, innovation, and service excellence to its clients, reaffirming its position at the forefront of the asset and wealth management industry.

Nation Building, Sustainability, and Financial Inclusion



In the continuous pursuit of nation-building, financial institutions such as BPI Wealth, stand as one of the pillars of economic progress and social advancement. Beyond its traditional role as financial intermediaries, BPI Wealth wields significant influence in shaping the trajectory of a nation's sustainable development journey.

BPI Wealth recognizes the multi-faceted challenges faced by Filipinos in managing their finances for the planet's well-being. With a firm commitment to

fostering positive change, BPI Wealth's goal extends far beyond financial success—it encompasses a holistic approach to sustainability that begins within the organization and radiates outward to every life it touches. The strategy is comprehensive: prioritizing internal engagement, encouraging employees to actively participate in sustainability initiatives and investments, while expanding the reach to empower and educate customers on sustainable investing practices. Moreover, BPI Wealth

leverages its investments as a platform to make meaningful contributions to environmental conservation within communities. Lastly, it embraces operational efficiency and environmental responsibility, inviting team members to be integral parts of its sustainability efforts. Through these concerted efforts, BPI Wealth aims to create a lasting impact that resonates across generations, fostering a brighter, more sustainable future for all.



In 2023, BPI Wealth initiated Project W.I.S.E. (Wealth Integrated Sustainability Engagements), a diverse endeavor designed to actively involve employees, customers, and communities in promoting sustainability. This comprehensive approach goes beyond mere investment promotion; it strives to uplift and empower all stakeholders involved.

In its commitment to Responsible Investing and Responsible Operations, BPI Wealth has implemented a range of initiatives aimed at promoting financial well-being and environmental sustainability. For Responsible Investing, BPI Wealth has revolutionized account opening with its Enhanced Digital platform via website and mobile app, making it more accessible with a lowered initial subscription of PHP 1,000. Additionally, BPI Wealth has prioritized Financial Wellness by equipping clients with practical insights, empowering them to make informed decisions about their financial future. The efforts extend beyond individual clients, with flagship programs like the 8.8 BPI Investival, a dynamic four-month initiative promoting investments, sustainability, and holistic wellness, and the Adopt-A-Pawikan campaign, contributing to vital environmental conservation work. Moreover, BPI Wealth has continued its ESG Funds.



On the operational front, BPI Wealth has fostered a culture of responsibility and engagement through events like Making an Impact, uniting the team around shared values. The Road to Wealth Challenge exemplifies this commitment, encouraging all BPI Wealth employees to lead by example by owning investment accounts. Additionally, the digitalization efforts are not just about convenience; they are about reducing the carbon footprint through paperless transactions. Leveraging BPI's digital capabilities for institutional users, BPI Wealth has automated its processes such as settlement transactions, bills payment, and automatic debit arrangements, streamlining operations while prioritizing sustainability.

Enhanced Digital Account Opening and lowered initial investment to PHP 1,000

In 2023, BPI Wealth, together with the BPI Group, made significant strides in enhancing its BPI Investment Funds, aiming to elevate the investment journey for its valued clients.

The Digital Account Opening Platform was revamped, simplifying the process for clients to open UITF and/or Mutual Fund Accounts with ease.



CHANGES TO THE BPI INVESTMENT FUNDS

WE HAVE BETTER NEWS FOR YOU!

Both Unit Investment Trust Funds (UITFs) and Mutual Funds are made MORE accessible!

Further to BPI Wealth's announcement last May 2, aside from our UITFs, our Mutual Funds will also be enhanced to give you a better investment experience effective June 2023*.



SINGLE TRANSACTION CUT-OFF TIME

2:00 PM

for all UITFs and Mutual Funds to give you more time to make investment decisions

*ABF Philippines Bond Index Fund cut-off time remains at 12:00 NN.

LOWER MINIMUMS FOR SELECT FUNDS

We have lowered the minimums for the funds listed below to provide you better access to investments:

Minimum Initial and Maintaining Investment Amount

PHP 1,000
for PHP funds
USD 100
for USD funds

Further, there will be no minimum transaction amount for additional subscription and redemption.

In line with its commitment to financial inclusion and expanding access to investment opportunities, the BPI Group took a proactive step to reduce the minimum investment requirements across the investment funds it cross-sells to clients.

Now, investors can initiate their journey with BPI Investment Funds with as little as PHP 1,000 for Peso-denominated funds and USD 100 for Dollar-denominated funds.

Moreover, minimums for subsequent transactions have been lifted, ensuring that investing remains accessible and hassle-free for all.



BPI Wealth's Digital Account Opening Platform has been recognized with prestigious awards in 2024, including the Digital CX Awards and Wealth Management Awards.

These accolades, such as Best Digital CX in Account Opening and Customer Onboarding, and the Country Award for Best Wealth Manager in Digital CX, underscore BPI Wealth's dedication to digitalization and continuous innovation.

Financial Wellness

In today's dynamic economic landscape, achieving financial wellness is a vital aspect of overall well-being. Recognizing this, BPI Wealth, a leading trust corporation, offers comprehensive solutions to empower individuals in their journey towards financial security and prosperity.

BPI Wealth adopts a holistic approach to financial wellness, tailored to individual needs and goals. Through personalized consultations, their expert advisors assess clients' financial status, risk tolerance, and aspirations to develop a customized roadmap for success.

Institutional Business, one of the spearheading divisions in BPI Wealth, has conducted over 90 financial wellness sessions in 2023. These sessions vary depending

on the client requests; some of the topics covered were Basics of Saving, Investing Fundamentals, investing through the lens of social media, and other specialized briefings tailored fit to employees.

These sessions were conducted for Business Process Outsourcing Organizations, Top Multi-national Corporations, Healthcare Companies, Multimedia Companies, and organizations that have formalized their retirement under a provident plan.

BPI Wealth's Financial Wellness Program stands as a beacon of empowerment in an ever-changing financial landscape. The combination of personalized guidance, innovative solutions, and commitment to Education enables individuals to navigate

the complexities of finance with confidence, ultimately leading to greater peace of mind and prosperity.

Personal Wealth also achieved a notable milestone by conducting a total of 64 Financial Wellness sessions. These sessions attracted a diverse audience, with over half of the referrals (59%) stemming from BPI's Branch Stores Channel, while 20% originated from the Institutional Business segment of BPI.

Additionally, 8% of referrals were from the BPI Corporate Banking Group, with the remaining 13% sourced from various constituents, including Government Units and other entities within the bank's network.



“By promoting social development, inclusivity, and sustainable communities, these initiatives exemplify our commitment to creating a positive impact beyond financial gains”

Financial Wellness sessions drew a substantial crowd, with a total of 6,079 attendees ranging from executives and managers to staff members of various institutions. The audience also included students, volunteers, and members of foundations and cooperatives. Whether conducted face-to-face, virtually, or through hybrid formats, these sessions catered to individuals at different stages of their wealth-building journey.

For those new to investing and personal finance, the sessions focused on laying the foundation with discussions on basic principles. Conversely, for the financially literate audience, the emphasis shifted towards strategies for growing existing wealth and optimizing investment portfolios. These tailored approaches ensured that each participant received relevant insights aligned with their financial goals and expertise.

These Financial Wellness sessions were not just about individual wealth; they align closely with the bank's overarching vision of fostering a better Philippines. By promoting social development, inclusivity, and sustainable communities, these initiatives exemplify the bank's commitment to creating a positive impact beyond financial gains.

The Investment Advisors, as speakers during the sessions, have become ambassadors of BPI Wealth to improve financial literacy and contribute to nation-building through BPI Wealth's wide array of products and services. They became an emblem of the organization to become financially empowered that will transcend to their own community.



8.8 BPI INVESTIVAL



BPI Wealth has solidified its commitment to the lives and overall success of its customers through its #LiveYourBestLife campaign. As part of this initiative, BPI Wealth launched the 8.8 BPI Investival, an engaging four-month program designed to promote investments, sustainability, and overall wellness. The goal was to shift conversations from mere spending to strategic investing, empowering Filipinos to seize control of their future beyond traditional notions of financial growth.

The 8.8 BPI Investival served as a significant platform that offered a range of activities aimed at inspiring participants to make meaningful financial decisions. By dedicating a day to learn about sustainability, investment fundamentals, and personal growth, Filipinos were provided with valuable tools and insights. BPI Wealth's intention was to equip clients with the knowledge they need to navigate the financial landscape confidently. Through these initiatives, BPI Wealth is fostering a culture of financial empowerment and inclusivity where everyone can thrive.





“By dedicating a day to learning about sustainability, investment fundamentals, and personal growth, Filipinos were provided with valuable tools and insights.”

BPI Wealth strategically partnered with a prominent celebrity renowned for her passionate advocacy on sustainability. This collaboration aimed not only to reinforce the message about sustainability awareness but also to highlight the importance of responsible investing. Leveraging her substantial influence, the celebrity actively created her own content for her extensive network of social media followers. Through thoughtfully crafted supplementary posts, she played a

pivotal role in amplifying the event’s core principles and values.

Moreover, to broaden the event’s impact and resonance, BPI Wealth engaged various key financial influencers who hold significant sway in the financial and investment landscape. These influencers were instrumental in sharing consumerized content related to the 8.8 BPI Investival across popular social platforms such as Facebook, Instagram, and TikTok.

By strategically enlisting the support of both a sustainability advocate celebrity and social media finance influencers, the 8.8 BPI Investival stands as a testament to BPI Wealth’s commitment to not only raising awareness but also fostering genuine engagement and conversations with its target market.



Adopt-a-Pawikan campaign

In its ongoing commitment to driving positive environmental change, BPI Wealth recently expanded its support for sustainable environmental preservation by adopting an additional batch of pawikan nests at the Pag-Asa Pawikan Conservation Center in Bagac, Bataan. This initiative saw the adoption of 200 nests, underscoring the Company’s dedication to environmental protection, preservation, and overall sustainability through its CSR endeavors.



In September 2023, the Company launched the Adopt-A-Pawikan campaign, an internal initiative encouraging employees to contribute to the cause by making a minimum investment of P2,500 or USD 100 in any BPI Investment Fund. Over the course of three months, the campaign garnered enthusiastic participation from Unibankers, resulting in significant investments across various participating funds.





Nestled along the picturesque shores of Bagac, Bataan, the adopted nests provide critical habitat for vulnerable pawikan species, including the Olive Ridley turtles known for their distinctive heart-shaped shells. These species face multifaceted challenges such as habitat loss, pollution, and the impacts of climate change. BPI Wealth’s initiative seeks to directly address these challenges by providing vital support to the conservation efforts spearheaded by the local community and dedicated rangers at the center.

“The aim is to elevate awareness about marine conservation’s critical importance and galvanize

collective action toward environmental sustainability”

In March 2022, BPI Wealth marked a significant milestone by adopting 280 pawikan nests in conjunction with the launch of the BPI Invest Sustainable Fund Suite. This suite represents the nation’s inaugural collection of investment funds dedicated to supporting global green companies that uphold the highest Environmental, Social, and Governance (ESG) standards.

In addition to the adoption initiative, BPI Wealth officers and employees actively participated in a release event, where pawikan hatchlings were returned to the ocean as part of the conservation program. Concurrently, as part of BPI’s overarching mission to foster financial inclusion in the Philippines, speakers engaged with

the community in a learning session. Topics ranged from savings to investment strategies, empowering individuals to better navigate their financial landscape.

This activity serves as a cornerstone of BPI Wealth’s corporate social responsibility program, exemplifying a sustained partnership with the Pag-Asa Pawikan Conservation Center. Through these collaborative efforts, the aim is to elevate awareness about marine conservation’s critical importance and galvanize collective action toward environmental sustainability.

BPI Wealth is the only financial institution that has partnered with Pag-asa Pawikan Protection and Conservation Center Corporation.

Sustainable Investing

BPI Wealth transformed the Philippine investment landscape with the launch of the BPI Sustainable Fund Suite. This pioneering family of funds focuses on sustainability, employing a multi-theme, multi-asset approach to offer long-term growth opportunities while contributing to a sustainable world. As Unit Investment Trust Funds, the BPI Sustainable Funds aim to democratize sustainable investing, offering access to a broader range of clients with a low minimum investment of USD 100. Efforts are also underway to make the funds available in Philippine Peso.

Further, BPI Wealth addresses the needs of high net worth and institutional clients committed to sustainability by tailoring portfolio management to align with their preferences. Alternatively, clients can opt for direct access to sustainable offshore funds managed by leading global asset managers.

As of December 2023, BPI Wealth’s sustainable portfolio comprises:

- PHP 33.84 million across 3 BPI Sustainable Funds.
- PHP 18.43 million in Offshore ESG funds where clients directly invest.
- PHP 13.58 million in Discretionary accounts with ESG mandate.

MAKING AN IMPACT



Division heads took center stage, articulating their teams’ sustainability commitments and inspiring excellence for the year ahead. The internal launch of the 8.8 BPI Investival, centered on sustainable investing, underscored the segment’s dedication to sustainability efforts.

An impactful employee video showcased various sustainability advocates and their invaluable contributions within BPI Wealth. Additionally, the introduction of the BPI Wealth Sustainability Champions emphasized the integral

role of sustainability in BPI Wealth’s operations and goals.

The event culminated with remarks from BPI’s Chief Sustainability Officer, Eric Luchangco, expressing gratitude to BPI Wealth for their steadfast dedication and contributions to sustainability. This inaugural event signifies the beginning of a series of sustainability initiatives within BPI Wealth, setting the stage for ongoing progress and impact.

Road to Wealth

BPI Wealth boldly declared its commitment to action-driven principles:

- Firmly believes in the importance of early wealth-building, recognizing that the present moment is opportune.
- Holds a steadfast belief in the excellence of its products, which are considered to be best-in-class and expertly managed investments.
- Is dedicated to ensuring the affordability and accessibility of its products, making them within reach for all.

With these principles in mind, the Road to Wealth Challenge was launched in June 2023, challenging each team member to open at least one investment account. The goal was to achieve 100% penetration across all divisions, with rewards awaiting the first three divisions to reach this milestone. Special recognition was also given to divisions excelling in online subscriptions and attracting new investors, both in the rank-and-file and officer categories.

By the end of the challenge in July 31, 2023, BPI Wealth achieved an impressive 80% penetration rate, generating significant AUM volume. This success was facilitated by twin financial inclusion initiatives: the introduction of digital investment account opening and a reduced minimum initial investment amount of PHP 1,000 starting from June 2023. These efforts reflect BPI Wealth's commitment to empowering its personnel and promoting widespread financial participation.



Digitalization

In its continuous efforts to further grow and improve, BPI Wealth also acknowledges its responsibility to reduce its carbon footprint. In the past, the Company has implemented waste segregation and promoted recycling. Another initiative was the transition to paperless transactions and benefit payment computation, which significantly reduced paper

consumption and lessened operational expenses.

In 2023, BPI Wealth received a total of 20,529 benefit payments, with 12,306 of those processed via credit to clients' settlement accounts. These transactions represented 60% of the total benefit payment releases and were implemented using the new

paperless process. Instead of sending out physical documents such as employees' computation sheets, the Company now utilizes email and push mail, including the marketing brochure as a digital copy.

With Project W.I.S.E., BPI Wealth's accomplishments extend far beyond the impressive increase in Assets Under Management (AUM). The initiative has also generated substantial incremental revenue and achieved significant cost savings. This has sparked a positive ripple effect, benefiting the lives of over half a million individuals.

At BPI Wealth, the principle transcends mere profit-seeking; the organization is driven by a deeper purpose to make a meaningful impact on society and the environment. The mission is to advance financial literacy, champion sustainability, and uphold social responsibility. Together, BPI Wealth and its partners are dedicated to forging a future they can all take pride in, one W.I.S.E. investment at a time.



Shaping the Future of Financial Excellence

BPI Wealth is committed to shaping the future of wealth management, empowering individuals and institutions with innovative financial solutions that create lasting value. The Company fosters a culture of excellence, integrity, and innovation.



The Wealth DNA

Innovative Environment:

- BPI Wealth places employees at the forefront of financial innovation, working with cutting-edge technology and strategies that redefine wealth management.
- It offers continuous learning and development opportunities to keep employees ahead in a rapidly evolving industry.

Collaborative Culture:

- Employees join a team of passionate professionals dedicated to achieving excellence together.
- BPI Wealth provides collaborative workspaces and a supportive environment that encourages teamwork and knowledge sharing.

Professional Growth:

- The Company offers access to a wide range of professional development programs and certifications.
- It ensures clear career progression paths with opportunities for advancement and leadership roles.
- Employees receive mentorship from industry leaders and experts to guide their career journeys.

Impactful Work:

- Employees engage in meaningful work that directly impacts clients' financial futures and the broader economy.

- They participate in initiatives that promote financial literacy and inclusivity.

Comprehensive Benefits:

- BPI Wealth provides competitive compensation packages that reward expertise and contribution.
- The Company offers comprehensive health and wellness programs to ensure employees and their families are well taken care of.
- It supports flexible working arrangements to maintain a healthy work-life balance.

Commitment to Diversity and Inclusion:

- BPI Wealth promotes a diverse and inclusive workplace where every voice is valued and respected.
- The Company has initiatives and programs that advance diversity, equity, and inclusion within the organization and the communities it serves.

Community Engagement:

- Employees have opportunities to participate in community service and corporate social responsibility programs.
- BPI Wealth is committed to sustainable practices and initiatives that contribute to a better world.

Joining BPI Wealth:

For those passionate about financial excellence, dedicated to client success, and eager to be part of a dynamic and innovative team, BPI Wealth offers a fitting career destination. Together, employees can build a brighter financial future for clients and communities.

A Future at BPI Wealth:

BPI Wealth offers more than just jobs; it provides careers that inspire and challenge employees to be their best. Opportunities await those ready to make a difference.

EMPLOYEE ENGAGEMENT ACTIVITIES



Financial Summary and Results of Operations

Financial Summary

Amounts in million PHP	Current Year	Previous Year	Year-on-Year Change	
Trust, Other Fiduciary, and Investment Management Activities				
Assets Under Management	1,223,096	875,063	348,033	40%
Profitability				
Total Revenue	4,150	2,923	1,217	42%
Total Expenses	2,677	1,555	1,122	72%
Income before Tax	1,464	1,368	96	7%
Net Income	1,117	1,023	94	9%
Select Balance Sheet Data				
Assets	4,143	3,284	859	26%
Liabilities	1,122	392	730	186%
Equity	3,021	2,892	129	4%
Select Ratios				
Return on Average Equity	37.80%	35.79%		
Return on Average Assets	30.09%	30.31%		
Percentage of Trust Fees to Total AUM	0.32%	0.31%		

Review of Results of Operations

Asset Under Management. BPI Wealth ended with ₱1.2trillion in AUM, which is 40% higher than the previous year. The business volumes for UITF products decreased by 8% while segregated portfolio increased by about 40%, compared to last year.

Revenues and Income. The Company was able to increase its revenue by 42% year-on-year to close the year with ₱4.15 billion. BPI Wealth's trust and management fees remained the primary source of revenues with ₱3.89 billion, comprising 94% of the total revenue. Retail funds continued their strong growth trajectory while segregated portfolio products continued to provide a stable revenue base. Meanwhile, ₱261 million or 6% of revenue was derived

from commissions, interest, and other income from the Company's peripheral operating activities. After expenses and taxes, BPI Wealth generated ₱1.12 billion in net income, an increase of 9% or ₱94 million against the prior year, on the back of higher income and managed operating expenses.

Expenses. BPI Wealth's total operating expenses ended at ₱2.68 billion, higher by 72% than last year. Overall regulatory expenses increased in alignment with charges fixed by regulators, and manpower expenses increased as the Company made the salaries and benefits of its employees competitive. Meanwhile, directly controllable expenses remained well-managed.

Assets. BPI Wealth ended the year with ₱4.14 billion in total assets. A significant portion of assets was held in cash and a mix of low-risk, highly liquid, and long-term investments, aligned with security deposit requirements and investment guidelines set by the BSP for trust corporations. The cash position decreased to ₱813 million, down 42% from the previous year. Additionally, the current portion of Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI), which includes short-term investments in government securities, amounted to ₱687 million. These investments fulfill regulatory security deposit requirements for trust corporations and serve as short-term proprietary investments for the company. Non-current assets increased compared to last year, reflecting a strategic shift from short-term government securities to longer-term securities with durations exceeding one year, taking advantage of higher interest rates.

Liabilities. Total liabilities at year-end amounted to ₱1.11 billion, marking a 186% increase from the previous year primarily due to lease liabilities associated with the new Ayala Triangle Gardens Tower 2 building.

Equity. Total equity closed the year at ₱3.02 billion. Share capital and additional paid-in capital remained steady at ₱600 million and ₱902 million, respectively. Surplus increased by 16%, driven by the net impact of net income and dividends paid during the year. Meanwhile, ₱400 million was allocated as a reserve for trust business, in compliance with existing regulatory requirements.

Strategic Initiatives, Challenges and Major Activities

In 2023, BPI Wealth undertook a series of strategic initiatives aimed at enhancing its service offerings, expanding its customer base, and optimizing its operational efficiency. These initiatives were designed to cater to the diverse needs of its clients while positioning BPI Wealth as a leader in the financial services industry.

CREATION OF A SIGNATURE EXPERIENCE FOR PRIVATE WEALTH CUSTOMERS

BPI Wealth committed to providing an unparalleled experience for its Private Wealth customers through BPI Private Wealth, in collaboration with Private Banking of BPI, this initiative focused on delivering seamless banking services, expert financial advice, and exclusive events tailored to the unique interests and lifestyles of its high-net-worth clients. Central to this initiative was the bespoke planning available through the multi-family office solution, ensuring that clients received personalized and comprehensive wealth management strategies. By offering a holistic and customized experience, BPI Wealth aimed to deepen client relationships and reinforce its reputation for Private Wealth excellence.

AGGRESSIVE HIRING OF INVESTMENT ADVISORS AND ASSOCIATES AT RETAIL WEALTH

To better serve the investment needs of retail clients, BPI Wealth significantly increased the hiring of Investment Advisors and associates within its Retail Wealth division.

This expansion bolstered the support provided to the BPI Consumer Bank, enhancing the Company's ability to address the diverse investment requirements of retail clients. By attracting top talent, BPI Wealth aimed to provide high-quality advice and services, ensuring that clients received optimal investment solutions tailored to their individual financial goals.

EXPANSION OF BPI WEALTH'S INVESTMENT MANAGEMENT MANDATE

The expansion of BPI Wealth's investment management mandate to cover mutual fund management has firmly established the Company's position as the country's preeminent institutional fund manager. This strategic initiative underscores BPI Wealth's commitment to enhancing clients' investment experience by bolstering its expertise across diverse investment products and vehicles, and promoting the adoption of best practices and optimal investment strategies while navigating diverse regulatory landscapes. This expansion yielded benefits such as broader market reach, allowing for greater market penetration and client base expansion; and increased client trust and confidence, reassuring clients of BPI Wealth's stability and capacity to manage substantial assets effectively.

REDUCTION OF MINIMUM INVESTMENT AMOUNT

To foster greater inclusivity and make investment opportunities accessible to a broader audience, BPI Wealth reduced the minimum investment amount to P1,000 (or USD 100). This strategic move was designed to democratize access to investment products, allowing more individuals to participate in wealth-building activities. By lowering the entry barrier, BPI Wealth aimed to attract a wider range of investors, supporting financial literacy and empowerment across different socioeconomic groups.

WINNING NEW INSTITUTIONAL FUND MANAGEMENT MANDATES

Leveraging its strong relationships and ecosystems within the BPI Corporate Bank, BPI Wealth actively pitched for and aimed to secure new institutional fund management mandates. This initiative focused on expanding the Company's institutional client base and reinforcing its position as a trusted fund manager. By capitalizing on existing corporate relationships within the BPI ecosystem, BPI Wealth intended to grow its institutional assets under management and enhance its influence in the institutional investment space.

LAUNCH OF DEFINED CONTRIBUTION ADMINISTRATION SERVICES

In 2023, BPI Wealth launched its Defined Contribution Administration services, aiming to provide corporate clients with efficient and transparent pension management solutions. These services were designed to enhance BPI Wealth's service offerings to corporate clients, ensuring

more streamlined and effective pension management. By introducing Defined Contribution Administration, BPI Wealth aimed to build stronger, stickier relationships with corporate clients, fostering long-term partnerships and generating additional revenue opportunities. Additionally, BPI Wealth initiated enhancements to a pension ledgering and administration system to further support these services in the future.

Despite these strategic initiatives, BPI Wealth faced significant challenges in 2023 due to prevailing market conditions. The high-interest-rate environment presented notable difficulties, particularly in retaining and attracting funds. As interest rates rose, investors increasingly sought higher returns from safer, interest-bearing instruments such as bonds and savings accounts. This shift resulted in attrition in funds under management, as some clients moved their investments to take advantage of the higher interest rates.

This environment required BPI Wealth to intensify its efforts in client communication, emphasizing the long-term benefits of diversified investment strategies and the importance of staying invested through market cycles. The high-interest-rate landscape underscored the need for BPI Wealth to continuously innovate and adapt its product offerings and advisory services to meet changing client needs and market realities.

Through these strategic initiatives, BPI Wealth enhanced its service offerings, broadened its customer base, and optimized its operations, reinforcing its position as a premier provider of wealth management solutions.



2023 Highlights



A YEAR OF POSITIVE RETURNS

Smith Chua, Chief Investment Officer

“Investors were optimistic that inflation could continue to moderate in 2024, which would allow the BSP to eventually cut its policy rate.”

The year 2023 marked the positive turnaround for the market, reversing some of the negative returns experienced by investors from the prior year.

The MSCI World USD Index yielded the best performance among the asset classes, with a total return of 20.7% (in PHP terms; 21.3% in USD terms). The path upwards, however, was not easy. In March, the markets suffered when California-based Silicon Valley Bank (SVB) succumbed to heavy depositor withdrawals and was shut down and sold. To safeguard and avert a potential crisis to the US financial system.

The risk of recession was also a persistent source of worry for many investors. But a slowdown did not materialize at all. Thanks to the tight job market in the US, layoffs were few and employers were compelled to raise wages meaningfully in order to retain manpower. Consumers therefore were able to continue to spend throughout the year and led the US economy to post a solid GDP growth of 2.5% YoY, defying the elevated average inflation of 4.1% and the punitive Federal Reserve policy rate of 5.50%. More importantly, the US government upgraded its budget during the year and its spending was also a major contributor to the growth for 2023.

For the Philippine Stock Exchange PSEi Index, the year ended virtually flat at the level of 6450, with a total return of 1%. The local bourse experienced sustained withdrawals by foreign investors who were exiting from the ASEAN countries plus China and reinvesting their funds in technology-centric markets like Japan, South Korea and Taiwan. Nonetheless, the Philippine economy grew by 5.6% YoY, firmly underpinned by consumer spending despite the surge in average inflation rate of 6.0% and the steep BSP policy rate of 6.5%. The federal regulators swiftly announced that it was insuring all bank deposits regardless of amount and it simultaneously offered a new lending facility available for any US bank that may need liquidity.

The Philippine fixed income market produced a total return of 8.2% (for the long duration Local Currency Bond Index). Investors enjoyed capital gains as government securities with tenors of least 10 years saw their yields drop by 100 bps to the 6% level, compared to the beginning of the year. Inflation ended the year at 3.9%, just below the BSP's maximum inflation target of 4% and clearly on a downtrend path since it peaked at 8.7% in January. Investors were optimistic that inflation could continue to moderate in 2024, which

would allow the BSP to eventually cut its policy rate.

The global fixed income market, as represented by the Bloomberg Global Aggregate Index, gave a total return of 5.0% (in PHP terms; 5.6% in USD terms). The 10-year US Treasury yield, considered as the risk-free benchmark, had traded in a very wide range of 3.40% in January to 5.0% in October. With US inflation expected to fall from over 6% at the start of the year, it was apparent by midyear that the downtrend would not be able to achieve the 2% inflation target of the Fed. Significantly, the 10-year yield had risen to 5% on reports that US fiscal spending was under serious plans of being boosted further in the foreseeable future. In the meantime, with the US Treasury Department shifting its debt issuance heavily in favor of short-term T-bills over notes and the market pricing in as much as six Fed rate cuts in 2024, the 10-year yield eventually ended the year at 3.87%.

In light of the market optimism, it is worth noting that as the year ended, the Federal Reserve publicly conveyed their 2024 forecast. The Fed projected only 3 rate cuts (from 5.50% to 4.75%) on the view that the average inflation would still be above their 2% target, the US GDP to grow by over 1% and the jobs

market would remain tight. It added that it will be attentive of inflation risk and will take into account the lagging effects of its cumulative tightening in determining if any future policy rate hike would be needed.

Looking onwards to 2024, geopolitics will once again be a prevailing risk. Various national elections are slated for 2024 including those in the US, Europe, and Latin America. Changes in the leadership ideology is in the air so there may likely be potential shifts

in the future direction for policies on government spending, trade, regulations and the management of global conflict. With these uncertainties on the horizon and the potential impact on inflation, the central banks are hence adopting a more cautious stance with their monetary policy rate.

Alongside these changes, anticipate pivotal technological advances such as those in Artificial Intelligence as new, faster and more sophisticated

semiconductors are produced. Accelerated computing will bring about generational new scientific discoveries in the medical and industrial fields over the medium to long term. Expect growth assets related to the technology sector to be an outperformer, with the broader sectors benefitting overall from the material productivity gains.

At the core of our role as Portfolio Relationship Managers, we carried on with keeping our client communications live and relevant, as financial markets were dominated by continuing inflation concerns, geopolitical uncertainty, interest rate trajectory debate, and at the same time, some degree of optimism in resilient economic indicators of developed countries such as the US. We helped our clients navigate through the mixed signals by balancing the risks and opportunities, in between market turns. Our collaboration with our counterpart client centers across BPI Wealth and

BPI, the parent bank, was stronger than ever. And this bode well for our customers as this resulted to stronger connections, more cross-referrals. Our corporate clients became our clients for Personal and Private Wealth. We managed not just their pensions funds, we also managed their personal accounts, their corporate and treasury money. We helped them structure innovative solutions for their trust needs. We helped them build, grow and protect their wealth.

We forged more than 50 new mandates, including a fresh charge

for the management of another government investment portfolio. We generated net flows of more than PHP45 Billion.

We tried to be everywhere for our clients. We cornered every front.

INSTITUTIONAL BUSINESS AND ITS BUILT-IN ECOSYSTEM

Yvette Mari V. De Peralta, Head of Institutional Business

“We tried to be everywhere for our clients. We cornered every front.”

This year, we progressively took stock of the richness of our own ecosystem. We know that Institutional Business is standing on a fertile ground that can give life to new opportunities to serve our clients better and in ways that are bigger.

We reinvigorated our Custody Business. This paved the way for a new trail to expand our menu of services to our corporate clients.

Before the middle of the year, our Wholesale or 3rd Party Distribution business known as our Institutional Agency - formed part of Institutional Business, building a linkage of institutional relationship management across various clients and distribution partners under one Portfolio Relationship Management unit. This allowed us to have a solid and harmonized view of our value

proposition for this growing segment. As a result, we enlisted close to ten (10) new channels, both digital and new partnerships.

Our Traditional Trust unit who is charged with providing services such as Facility Agency, Escrow and Security Trusteeship, steadily supported landmark deals and transactions of the bank and our investment banking arm. The team was mandated facility and security agent for four (4) new deals, spanning project finance, towers, and a unique restructuring arrangement involving two independent trust indentures.

We continued to strengthen the ties that bind us to our clients. We successfully mounted well-attended client events throughout the year, circling on relevant themes such as Sustainability Talk, Artificial

Intelligence and targeted segments like our Noche Buena - Lights and Sounds Show for the members of the religious.

In a rapidly changing environment, we decided that it is imperative that we continue to keep our eye on Environmental, Social and Governance factors (ESG), and that includes our thrust to further financial inclusion. We conducted over 80 financial wellness sessions for our institutional clients. We rolled-out a 3-month Learning Academy for one of our government-owned and controlled corporations (GOCC) clients. This is in keeping with our commitment for knowledge-sharing with their employees. Our partnership with various digital platform providers have allowed us to reach more than 200k new customers in 2023.

REDEFINING EXCELLENCE WITH PRIVATE WEALTH SIGNATURE EXPERIENCE

Roberto Martin S. Enrile, Head of Private Wealth

“We set the standards for elevating the wealth management experience in the Philippines and beyond.”

Embodying BPI's core values of innovation and customer obsession, BPI Wealth, together with the parent bank's BPI Private Wealth segment, thoughtfully designed its new brand of service excellence to cater to the unique needs of the most discerning clients in the market today – our Private Wealth clients.

The past year has been about rebirth. BPI Private Wealth, including the relevant units and companies within the BPI Group such as BPI Wealth, went through a transformational journey and took the time to really understand what this market needs. We focused on Elevating the Experience and Going Beyond Banking. This is the driving force behind the BPI

Private Wealth Signature Experience. Under the four strategic pillars of Banking, Investing, Planning and Living, we see to it that we address the client's basic but very important aspirations. That -

- Clients deserve the best when it comes to banking experience.
- Clients must continuously grow wealth through bespoke investment solutions.
- Clients can build a legacy that goes beyond, and
- Clients live a signature life through perks, privileges and curated experiences

BPI Private Wealth offers the most comprehensive banking services customized to a client's needs. We tailor our offerings and give advice to help clients grow their wealth with the most competitive onshore and offshore investment products. We complement their life with our unique wealth and legacy planning solutions so that they can prepare for the future and worry less. We curate lifestyle experiences and offer concierge services so clients can do more, explore more and live more.

This transformation signifies more than just a name change. It represents a new era of innovation where we combine our legacy of trust with a fresh perspective to provide an

elevated and unrivaled wealth management experience.

At the core of the BPI Private Wealth Signature Experience is BPI's unwavering commitment to unparalleled banking excellence. Clients benefit from a comprehensive suite of banking solutions meticulously aligned with their individual financial aspirations.

Wealth Loans, a pioneering initiative in the Philippines, offer Private Wealth clients exclusive and instant access to liquidity without compromising their long-term investment strategies. Wealth Loans empower clients to seize new opportunities, weather unforeseen circumstances, or diversify their portfolios without the need to liquidate assets. With a dedicated relationship manager assigned to each client, personalized attention and seamless execution of banking needs are guaranteed, ensuring utmost convenience and peace of mind.

Within the Investing Pillar, our focus is on providing clients with access to a distinguished team of investment specialists who offer bespoke insights and strategies aimed at optimizing returns while minimizing risks. This year marks the introduction of our Discretionary Model Portfolios, affording clients the opportunity to customize investments based on specific parameters and objectives, ranging from wealth preservation, income generation, to capital growth. Through this innovative approach, we assume the responsibility of managing their portfolios while allowing them to establish the guidelines, liberating their valuable time to focus on endeavors that hold greater significance, whether it's pursuing personal passions or enjoying moments with family and friends. We have also empowered our clients to take control of their

investment decisions by granting access to exclusive reports, accessible through quarterly publications like Wealth Insights. These resources serve as invaluable tools, equipping clients with the necessary knowledge to navigate the intricacies of financial markets with confidence and clarity.

The BPI Wealth Multi-Family Office is a cornerstone of the BPI Private Wealth Signature Experience under the Planning pillar. Through our Multi-Family Office, clients gain access to a team of expert wealth planners, legal experts, and investment professionals who are proficient in navigating the intricate realms of family governance. Our clients take advantage of seamless, end-to-end assistance and professionalized handling by one relationship management team and ensure privacy and confidentiality. We provide a comprehensive end-to-end solution designed exclusively for their family and pride ourselves in delivering exceptional client service, building long-term relationships based on trust, ensuring transparency, and understanding their financial goals.

BPI Private Wealth recognizes the significance of the Next Gen's role as the future torchbearer of business and finance within the family's enterprise. The Next Gen Wealth Elite Academy is a program specially designed for the next generation of BPI Private Wealth clients. It aims to provide an immersive and enriching experience that equips participants with the skills, knowledge, and mindset, empowering the next generation of the family, preparing them for their role in continuing the legacy of the family's business and financial future.

Beyond traditional wealth management services, we curate bespoke lifestyle solutions tailored to the preferences and discerning

tastes of its esteemed clientele. We believe that a signature life is one that's built around your passion – whether it be in art, dance, sports, or travel, or anything that adds to life and enriches the soul. We have also launched signature events that speak to the lifestyle and interests of our clients while helping them advocate pursuits that matter to them. Last year, BPI Private Wealth, together with BPI Wealth, launched the BPI Private Wealth Signature Yacht Race Series, featuring four major yacht races happening across the country in key sailing destinations such as Corregidor, Busuanga, Boracay, and Subic. This multi-event regatta is also a first of its kind in the Philippines, reflecting our commitment to elevate sailing in the Philippines, advocate marine conservation and protection, and help promote the Philippines as a top sailing destination.

What we have accomplished in the past year is a rebirth that embraces change while preserving the essence of who we are. We built on the strengths of BPI, on what we did best, and what we can do to make it better. The BPI Private Wealth Signature Experience is our promise to enable our clients to live a signature life. It's a culmination of years of understanding what our clients need and how we can serve them better. We set the standards for elevating the wealth management experience in the Philippines and beyond.

ELEVATING THE STANDARDS OF FINANCIAL ADVISORY

Irene L. Ang, Head of Personal Wealth

“We rolled up our sleeves to let our clients capture this investment opportunity through process improvements, close partnership with our Branch Stores Channels, and collaboration with the various units of BPI Wealth.”

The year 2023 was all about delivering growth, challenging the status quo, and improving efficiency through innovation. With the lower minimum for our segregated accounts and a market environment that favored direct fixed income and time deposit placements in our IMAs during the start of 2023, we rolled up our sleeves to let our clients capture this investment opportunity through process improvements, close partnership with BPI's Branch Stores Channels, and collaboration with the various units of BPI Wealth.

Our hard work bore fruit as we exceeded our 2023 growth target for our Assets Under Management (AUM). Even with a very lean team

at the start of the year, we were able to more-than-double the AUM of our segregated accounts and open more than 16 thousand new accounts.

Before the end of year, we fortified our team with Client Service Officers to support the sales and account management activities of our Investment Advisors. We also refined our organization to provide an elevated journey to BPI Gold and Preferred clients, as our Investment Advisors join forces with the Bank's seasoned Relationship Managers to deliver customized and sophisticated wealth management solutions.

Remaining true to our commitment to elevate the standards of financial

advisory by demystifying investments for every Filipino, Personal Wealth also contributed to sustainability through Financial Wellness talks. Last year, we conducted Financial Wellness talks to more than 6,000 employees of various companies from Luzon to Mindanao, where each session imparted the basics of budgeting and the importance of investing.

This 2024, we will help more Filipinos succeed in achieving their financial goals, as we endeavor to provide more innovative products and deliver prudent investment advice through more channels.

ENHANCING CUSTOMER EXPERIENCE AND OPERATIONAL EFFICIENCY

Christmas G. Sevilla, Head of Business Services and Operations

“BPI Wealth made significant strides in enhancing the digital customer experience by optimizing account opening procedures for efficient online onboarding.”

BPI Wealth’s Operations implemented various initiatives aimed at enhancing internal and external customer experience, foremost of which are digitalization, process automation and streamlining. Digitalization was the group’s key initiative in making it easier for customers to open an investment account and to do transactions on different online channels and platforms.

Continuous streamlining and automation of manual processes, as well as digitization of records, significantly reduced the time and effort required to complete tasks, which led to faster turnaround time

and improved customer experience. This also resulted in increased productivity, thereby making the whole operation more sustainable and scalable to handle bigger volume of transactions.

These initiatives were coupled with personnel training on process efficiency, automation, and streamlining of process, as well as customer centricity, to adapt quickly and to be more responsive to the growing demands of the business with greater agility.

On the technology front, BPI Wealth made significant strides in enhancing the digital customer

experience by optimizing account opening procedures for efficient online onboarding. Investment transactions and portfolio viewing capabilities of its digital platform have been upgraded, and now offers robust tools for risk assessment.

These advancements expanded BPI Wealth’s reach to a broader audience, demonstrating its dedication to accessible and efficient wealth management services.

Risk Management Framework

BPI Wealth’s risk management framework is strongly anchored on the cardinal principle of fidelity. It is designed to ensure that the Company’s fiduciary activities are carried out with the highest standard of care and clients’ assets are prudently managed.

The framework enables the Company to effectively identify, measure, control and monitor risks associated with its fiduciary and investment management activities, in accordance with the key elements and basic principles of a sound risk management system: active and appropriate oversight by the Board of Directors; adequate risk management processes, policies and procedures; appropriate risk measurement system, prudent risk limits, monitoring and management information system; and comprehensive and effective internal control system and, audit and compliance program.

BPI Wealth’s risk management framework continuously evolves as the business grows, as the market structure and regulations change, as new financial products and instruments are introduced in the market and as global risk management standards and best practices are enhanced and developed.



Risk Management Governance Structure and Risk Strategy

Risk management in BPI Wealth is a top-down process which starts with the Board of Directors. The Board has the ultimate responsibility of providing oversight of the Company's risk management process which involves establishing strategic direction and providing risk tolerance standards for fiduciary and investment management activities. The Board fulfills its risk management function through the BPI Wealth Risk Management Committee (RMC), which oversees the development and implementation of the overall risk management program and nurtures a culture of risk management across the Company.

The RMC defines risk appetite statements for each functional risk area and oversees the development and implementation of the overall risk management program of the Company. It adopts the "three lines of defense" model in managing risks, which defines the risk management responsibilities of each unit owning and/or managing the risk (1st line), overseeing the risk management function (2nd line) and providing independent assurance on the quality and effectiveness of risk management and controls (3rd line). The RMC is supported by Management, through several Management committees overseeing investment activities and operations, and the Risk Management Office.

The Risk Management Office reports directly to the RMC and carries out the day-to-day implementation of the Company's risk management program which includes the regular measurement, monitoring and reporting of key risk indicators and risk exposures against established limits and parameters.

BPI Wealth continuously promotes a culture of proactive and prudent risk management with the Risk Management Office regularly engaging

the RMC, Management and business units, and communicating the risk awareness culture to the rest of the Company through various internal channels, facilitating learning programs on risk management and promoting best practices enterprise-wide.

BPI Wealth identifies the major risks attendant to its fiduciary and investment management activities as investment, and operational and information technology risks. Investment or portfolio risk, which consists of market, credit, and liquidity risks, is inherent in the portfolios and assets that the Company manages for its clients and has a direct impact on clients' earnings and/or principal. Market risk arises from adverse movements in market risk factors (such as interest rates, foreign exchange rates and equity prices) while credit risk arises when clients' funds are transacted with market counterparties or placed in debt instruments. Liquidity risk may arise from the Company's inability to recognize or address changes in the clients' funding needs or from inadequate market liquidity.

Operational and information technology risk, on the other hand, arises from inadequate and failed processes, people, systems or external threats and events such as cybercrime that lead to financial losses, pandemic, natural disasters that damage physical assets, or electronic or telecommunication failures that disrupt our operations which may adversely affect BPI Wealth's earnings and capital. Operational and information technology risk also includes legal and compliance risks. Reputation Risk may arise from negative perception on the part of the stakeholders exposing the Company to potential losses. The Company is also exposed to strategic risk, which relates to the formulation and implementation of business strategies and decisions and BPI

Wealth's responsiveness to industry changes. These risks are interrelated and failure to manage the same poses risks of financial losses to BPI Wealth and its clients as well as damage to the Company's reputation.

As risk-taking is core to the fiduciary business, BPI Wealth recognizes the importance of a sound and effective risk management system in the Company's pursuit of achieving its goal of stable AUM and earnings growth. The Company exercises prudent risk management to protect its AUM and to prevent earnings instability and financial losses in the conduct of its operations. BPI Wealth has low tolerance for risks outside clients' investment mandate and portfolio risk-return objectives. It takes reasonable and calculated risks in the execution of its investment management duties through a clear structure of limits and control parameters and compliance with agreed investment mandates. Risks taken are always within clients' risk appetite and commensurate with their return objectives. The Company avoids unwarranted risks and aims to generate investment returns without exposing managed portfolios to undue risk of loss.

BPI Wealth aims to ensure the health and safety of its employees and has high moral and ethical standards. It has no tolerance for improper business practices, fraudulent activity, and conflict of interest. It has low tolerance for process failures and high-risk audit issues. It aims to maintain compliance with regulatory requirements and address noted breaches on time. It also aims to have an effective business continuity plan that ensures critical processes are recovered within the defined turnaround time and with minimal impact on the Company, its employees, and its clients. BPI Wealth does not tolerate failures from critical service providers of outsourced services.

Investment Risk Management

The Investment Risk Management Department assists the RMC in implementing the Company's investment risk management program by formulating policies and procedures, quantifying investment risk exposures through various metrics, establishing and monitoring compliance with limits, as well as reporting and tracking the resolution of limit breaches and investment-related issues.

Risk management is embedded in all phases of the investment process. Prior to the initiation of transactions, risks arising from new investment instruments or transactions are identified. Identified risks are then quantified using measurement tools and methodologies appropriate to the nature and complexity of transactions.

Factor sensitivity measures are utilized to measure the market risk exposure of actively managed portfolios, while tracking error is used as the primary market risk measure for passively managed or index tracker funds. Overall portfolio risk is measured by volatility.

Risk-adjusted performance measures are also monitored to gauge the quality of returns and to facilitate proper evaluation and comparison of investment portfolios with varying levels of risk and return. Credit risk is measured at the issuer level and at the counterparty level. Issuer risk is gauged primarily using published credit ratings and internal ratings generated from BPI's credit risk rating system. Liquidity risk is likewise gauged on two levels—at the security/asset level and at the portfolio level. Security/asset liquidity risk measures are defined by asset class, while portfolio liquidity risk measures look at actual fund inflows and outflows and funding concentration.

To mitigate market risk, the Company's investment management activities are subject to risk limits and controls that embody the risk tolerance standards of the Board and clients. All managed funds and portfolios are subject to aggregate limits approved by the RMC and client-specified portfolio-level limits and parameters. Regulatory limits are also strictly adhered to. Loss triggers are also established to limit market losses. Credit risk is controlled through issuer and counterparty limits. Credit risk management is also heavily anchored on the credit approval process, which covers credit evaluation and approval, as well as the periodic review of outstanding investments, debt issuers/

borrowers, and counterparties. Liquidity risk is mitigated by limiting portfolio investments to tradable/liquid instruments and setting liquid buffers based on an assessment of the client's future funding needs and desired level of portfolio liquidity. Liquidity assessment forms are a significant part of the investment accreditation process. In addition, a liquidity contingency plan is in place, which provides a framework for addressing liquidity crisis situations.

Operational Risk Management

BPI Wealth's Operational Risk Management Department monitors the Company's operational risk exposures while Management oversight is provided by the Risk Management Committee.

Operational Risks are managed by ensuring accurate and timely identification, assessment, monitoring, reporting and mitigation. Key risk indicators are in place to monitor risk profiles and trigger mitigating actions.

Loss events data collection provides information in identifying areas with control lapses and areas for improvement. An annual self-assessment is conducted to identify inherent and residual risks in processes and the effectiveness of controls in place.

The Company adopts an effective and sustainable business continuity management program aligned with the strategy of BPI. The business continuity document includes the Company's plans to ensure that critical processes are recovered until operations normalize.

Established measurements and limits on risk indicators are closely monitored and mitigating measures in view of increasing cyber-related risks and risks related to a pandemic scenario are implemented, as necessary. The Company and its parent bank's strategic initiatives on digitalization, improvements on IT infrastructure and cybersecurity technology, and availability of business recovery sites enabled the continued delivery of the Company's products and services to its customers. The Company continues the mobility program for employees and equipped them with adequate tools to allow work outside of company premises.

Anti-Money Laundering Compliance

The prevention of financial crimes is a top priority of BPI Wealth, not only because they pose a significant threat to the Company's reputation, but also because they undermine the integrity of the global financial system. Hence, BPI Wealth's Compliance extends its ambit beyond the Company, its policies, and its employees to ensure that its clients also act within the law and do not use the Company or its structures for illegal activities.

The Board of Directors and Management support firm-wide and BPI group-wide efforts towards establishing strong anti-money laundering and counter-terrorism and proliferation financing (AML/CTPF) assurance mechanisms and globally consistent procedures, as well as establishing a management structure that promotes accountability and transparency and upholds checks and balances.

It is the ultimate responsibility of the Board of Directors to fully adhere with the applicable AML/CTPF rules & regulations, ensure that Money Laundering (ML), Terrorist Financing (TF), and Proliferation Financing (PF) risks are effectively managed, and that such forms part of the Company's enterprise risk management system.

Management oversees the day-to-day management of the Company, ensures effective implementation of AML/

CTPF policies approved by the Board of Directors, and alignment of activities with the strategic objectives, risk profile, and corporate values set by the Board of Directors.

The Anti-Money Laundering (AML) Compliance Unit at BPI Wealth is responsible for the management of the implementation of the Money Laundering and Terrorist Financing Prevention Program (MTPP) which is observed in compliance with the Anti-Money Laundering Law, its implementing rules and regulations, and BSP's AML/CTPF prescribed rules and regulations, as well as BPI's anti-money laundering program covering subsidiaries and affiliates.

The MTPP aims to implement anti-money laundering practices and combat terrorist and proliferation financing and other financial crimes. It consists of conscientious customer due diligence and know-your-customer (KYC) processes; technology and automated tools to identify and detect financial transactions of a suspicious nature; monitoring, periodic review, and timely reporting of AML/CTPF events to Management. This program also includes regular and effective AML/CTPF training and awareness programs for all personnel; maintenance of customer data and transaction documents within prescribed timelines; and timely updates of policies and procedures

in accordance with changes in regulations and AML/CTPF typologies.

To ensure compliance with the program, the AML Compliance Unit conducts periodic compliance checking which covers, among others, evaluation of existing processes, policies, and procedures including ongoing monitoring of performance by staff and officers involved in ML/TF/PF prevention, reporting channels, effectiveness of the electronic money laundering transaction monitoring system, and record retention system through sample testing and review of audit or examination reports.

With increasing global AML initiatives and numerous new regulations, BPI Wealth recognizes that its AML processes and controls are evolving from a standalone function to an increasingly complex and overarching function cutting across legal, risk, and operations. The Company constantly reviews its program to ensure adept compliance with the latest legislative and regulatory developments.

To foster awareness, knowledge, and understanding of AML/CTPF concepts, principles, and requirements, all employees are required to attend training programs conducted by the AML Compliance Unit or through web-based e-Learning courses available with the BPI in-house training academy.

Corporate Governance

The Board of Directors, Management, and employees of the Company, along with BPI as its principal shareholder, firmly believe that robust corporate governance is fundamental to BPI Wealth's resilience and sustained presence. BPI Wealth is committed to upholding honesty, integrity, and professionalism in its business conduct, exercising prudence in decision-making, implementing internal discipline and checks, balances in its operations, and ensuring transparency in management policies, business strategies, and operational outcomes.

BPI Wealth's practices are, thus, consistent with Sections 131-Q to 137-Q, 118-T and other applicable provisions in the Manual of Regulations for Non-Bank Financial Institutions (MORNBF) of the BSP, Securities and Exchange Commission (SEC) Memorandum Circular No. 6 s2009 "Revised Code of Corporate Governance" as amended by SEC Memorandum Circular No. 9 s2014 and SEC Memorandum Circular No. 24 s2019, and other applicable regulations.

The Board of Directors and Management have adopted a comprehensive framework of policies, rules, systems, and processes for the Company that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders which include, among others, customers, employees, suppliers, regulators, government, and the community in which it operates. The Board of Directors and Management undertake every effort necessary to create the necessary awareness of these principles and practices within the organization in order to ensure proper internalization by every member of the organization.



Board of Directors

The Board of Directors holds the primary responsibility of fostering and augmenting BPI Wealth's long-term shareholder value, ensuring that this objective is achieved in all its business activities. It is responsible for making statutorily identified decisions and overseeing the business and affairs of BPI Wealth and its management.

It must ensure BPI Wealth's ability to meet customer needs, sustain its leadership and competitiveness, and uphold its reputation in order to maintain BPI Wealth's long-term success and viability as a business entity. Its mandate encompasses setting the strategic business directions of BPI Wealth, appointing its senior executive officers, confirming its organizational structure, approving all major strategies and policies, overseeing all major risk-taking activities, monitoring financial results, measuring and rewarding the performance of Management, and generating a reasonable investment return to shareholders. It shall also provide an independent check on Management.

The responsibility of the Board of Directors is to promote the Company's long-term success, ensuring its competitiveness and profitability align with corporate objectives and the best interests of its stockholders and stakeholders.

The Board of Directors formulates the Company's vision, mission, strategic objectives, policies, and procedures to guide its activities, including the means to effectively monitor Management's performance.

The corporate powers of BPI Wealth are exercised, its business conducted, and all its resources controlled through its Board of Directors. The powers of the Board of Directors, as conferred by law, are original and cannot be revoked by the stockholders. The Directors hold their office charged with the duty to exercise sound and objective judgment for the best interest of BPI Wealth.

Please see Appendix A for the biographies of BPI Wealth Board of Directors.

Chairman

In adherence to Sections 131-Q, 132-Q and 118-T of MORNBF1, the Board of Directors of BPI Wealth is headed by a competent and qualified Chairman.

The Chairman is currently a Non-Executive Director. The Board does not encourage Chief Executive Officer (CEO) duality. The Chairman, who has not served as CEO of BPI

Wealth within the past three years, is separately appointed from the President and CEO (Sections 131-Q, 132-Q, and 118-T of MORNBF1). The Chairman and the President and CEO positions are currently held by two individuals who are not related to each other and have defined roles and responsibilities that are separate and distinct, as set in the Amended By-Laws and Corporate Governance Manual of BPI Wealth.

Under the leadership of the Chairman, the Board of Directors establishes the framework within which the senior management team of BPI Wealth, headed by the President and CEO, steers the business. As stated in the BPI Wealth Corporate Governance Manual, the Chairman guides the Board of Directors in its decision-making process and ensures that the Board of Directors operates effectively as a team. The Chairman also fosters a positive and constructive working relationship between the Board of Directors and Management. With the Chairman at the helm, the Board of Directors sets the Company's strategy and risk appetite and approves capital and operating plans presented by Management for sustainable achievement of strategic objectives.

President and Chief Executive Officer

The President reports directly to, and is accountable to, the Board of Directors for the performance of the Company. As defined in the Corporate Governance Manual, the President is responsible for the overall management of the business and affairs of BPI Wealth, governed by the strategic direction and risk appetite approved by the Board of Directors. The President is accountable to the Board of Directors in championing the desired conduct and behavior, implementing strategies, and advancing the long-term interests of BPI Wealth.

Board Charter

The duties and responsibilities of the Board of Directors are specified in BPI Wealth's Corporate Governance Manual, which articulates and sets forth with clarity the governance and oversight responsibilities exercised by the Directors and their roles and functions in BPI Wealth together with provisions on Board composition, Board committees and Board governance subject to the provisions of BPI Wealth's Articles of Incorporation, By-Laws and applicable laws. The charter is not intended to limit, enlarge, or change, in a way, the responsibilities of the Board as determined by such Articles of Incorporation, By-Laws, and applicable laws.

Composition and Qualifications

With the recent changes in Board memberships, the Board of Directors was reinvigorated in 2023 with the appointment of Ms. Rizalina G. Mantaring in August 2023 as an Independent Director, replacing Mr. Cezar P. Consing. Each member of the Board possesses deep understanding of Philippine laws, rules and regulations, and best practices in the trust business, adhering to ethical and good governance standards. Furthermore, all members are seasoned professionals with various expertise and experience in fields relevant to trust business, banking and finance, economics, and risk management.

The Board has a total of nine (9) Directors given the complexity of the operations of the Company and the significant time demands placed on the them.

There are eight (8) Non-Executive Directors, which include four (4) Independent Directors, and one (1) Executive Director serving as the President and Chief Executive Officer of the Company. Non-Executive Directors, comprise 89% of the Board, more than the requirement of the BSP of at least majority of the Board. Independent Directors comprise 44% of the Board of Directors, compliant with the requirement of the SEC and the BSP of at least one-third of the Board. This provides independent and objective judgment on

significant corporate matters and ensures that key issues and strategies are objectively reviewed, constructively challenged, and thoroughly and rigorously examined. Additionally, Independent Directors chair three (3) Board committees, namely the Risk Management Committee, Audit Committee, and Corporate Governance Committee.

BPI Wealth's Board of Directors enjoys the trust and respect of both local and international business communities. They are established professionals who provide perspective, objectivity, practical wisdom, and sound judgment in their oversight, recommendations, and evaluation of BPI Wealth's trust and other fiduciary business, as well as its investment management activities. The annex to this annual report contains the comprehensive profiles of the Board of Directors which disclose, among other information, the age, qualifications, date of election, relevant experience, and directorships both in the BPI Group as well as in other companies, listed or otherwise.

All directors of BPI Wealth comply with all fit and proper qualifications and requirements of the BSP and SEC and remain qualified throughout the one-year term. These include required working knowledge, experience or expertise, and competence relevant to the industry.

Director's Name	Type of Director	Date First Elected	Date Last Elected	No. of Years as Director
Jose Teodoro K. Limcaoco	NED	4/21/2021	5/17/2023	2.7
Maria Theresa D. Marcial	ED	4/20/2022	5/17/2023	1.7
Rene G. Bañez	NED	8/16/2021	5/17/2023	2.3
Rizalina G. Mantaring	ID	8/16/2023	8/16/2023	0.3
Gerardo C. Ablaza, Jr.	NED	6/15/2022	5/17/2023	1.5
Mariana Beatriz E. Zobel de Ayala	NED	6/16/2021	5/17/2023	2.5
Ignacio R. Bunye	ID	11/16/2016	5/17/2023	7.1
Jesse O. Ang	ID	6/29/2018	5/17/2023	5.5
Maria Dolores B. Yuvienco	ID	7/29/2019	5/17/2023	4.3

*Type of Director: Executive ("ED"), Non-Executive ("NED"), Independent ("ID")

Independence

A material relationship with the Company is a relationship that is reasonably expected to interfere with the exercise of a director's judgment and independence from the Management. The Company ensures that a majority of qualified non-executive members are elected, to promote the independence of the Board from the views of Management. Non-executive members of the Board of Directors refer to those who are not part of the day-to-day management of trust operations and perform duties on various key committees.

BPI Wealth likewise meets both the minimum BSP regulatory and the SEC Corporate Governance Code requirements for the number of Independent Directors in its Board.

The Company also ensures compliance with the qualifications and requirements for Independent Directors as defined in the MORNBF. In this regard, the Company submits the required certifications of its Independent Directors annually to the BSP for confirmation of the election or appointment.

Diversity

BPI Wealth's leadership model strives to achieve an appropriate balance of power, accountability, and independence in decision making. Diversity in terms of gender, age, education, professional experience, engagement in sustainability and skills, knowledge, length of service, and other regulatory requirements is duly considered in the design and selection of the Board's composition.

Security Ownership of Directors and Officers

Public trust in a Company largely depends on the existence of an accurate disclosure regime that provides transparency in the beneficial ownership and control structures of the Company.

BPI Wealth understands that disclosure of such information is important in detecting and preventing tax evasion, corruption, money laundering, terrorist financing, and other unlawful activities and guards against conflicts of interest in companies, which may have concentrated ownership and where there may be controlling beneficial owners with large voting blocks.

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

As of December 31, 2023, the following are known to BPI Wealth to be directly the record and/or beneficial owners of BPI Wealth voting common shares:

Title of Class	Name of Beneficial Owner	Position	December 2021		Nature of Ownership (D) Direct (I) Indirect	Citizenship
			No. of Shares	% of Holdings		
Common	Jose Teodoro K. Limcaoco	Chairman, NED	1	0.00%	D	Filipino
Common	Maria Theresa D. Marcial	President, ED	1	0.00%	D	Filipino
Common	Rene G. Bañez	NED	1	0.00%	D	Filipino
Common	Rizalina G. Mantaring	ID	1	0.00%	D	Filipino
Common	Gerardo C. Ablaza, Jr.	NED	1	0.00%	D	Filipino
Common	Mariana Beatriz E. Zobel de Ayala	NED	1	0.00%	D	Filipino
Common	Ignacio R. Bunye	ID	1	0.00%	D	Filipino
Common	Jesse O. Ang	ID	1	0.00%	D	Filipino
Common	Maria Dolores B. Yuvienco	ID	1	0.00%	D	Filipino

Duties and Responsibilities

The Board of Directors is likewise responsible for overseeing reasonable and sustainable returns on shareholder capital by, among others, reviewing and approving the Company's mission, vision, strategies and objectives; appointing senior executives and confirming organizational structures; approving enterprise-wide policies and procedures; monitoring business and financial performance; overseeing risk management framework and risk appetite, and fostering regulatory compliance.

Selection

Following BPI Wealth's Amended By-Laws, Manual on Corporate Governance, Board and Committee Charters, rules provided by the SEC and BSP, as well as the Corporation Code, all written nominations for the Directors and the Senior Management are submitted to BPI Wealth Board and BPI Personnel and Compensation Committee ("PerCom"), respectively.

To the extent applicable, the Directors are selected from a broad pool of qualified candidates. A sufficient number of qualified non-executive members are elected to promote the independence of the Board of Directors from the views of Management.

The election of Directors and appointment of key officers (President/CEO, Head of Compliance, Risk Management, and Internal Audit) of BPI Wealth, which includes the Chairman of the Board, must also be confirmed by the BSP. Directors and appointed key officers must submit required certifications and other documentary proof of qualifications for the confirmation of their appointment.

The nomination and election

processes and their effectiveness are reviewed annually by BPI Wealth Board and BPI Personnel and Compensation Committee.

Term of Directors

Directors are elected to serve a one-year term starting immediately upon their election and continuing until the next election, at which point their successor/s shall be elected and qualified in accordance with BPI Wealth's By-Laws at the next annual stockholders meeting.

Policy on Directorships

With a rigorous nomination process, close monitoring and reporting of Board and Committee meeting attendance, an annual performance evaluation which includes affirmative determination of time commitments and an annual review of Board Committee chairmanships and memberships, adequate safeguards against over boarding or over commitment are in place. Directors must notify the Board of their intention to accept a directorship in another company. BPI Wealth adopted the BPI Group Policy on Directors and Officers Interlocking Positions, which allows directors to hold up to approximately fifty (50) interlocking directorships, including the current regulatory limit of five (5) PLC directorships. However, this limit on interlocking directorships does not apply to the Chairman, Vice Chairman, Executive Director(s) and interlocking directorships of directors' spouses. The Company shall constantly evaluate said limit alongside the results of directors' periodic or annual performance evaluations. The Company shall be cautious in its evaluation, ensuring that directors are able to devote sufficient time to their fiduciary duties and responsibilities. For officers, a maximum of ten (10) interlocking positions may be held. The limit for directors and officers shall not be applied to interlocking

directorships/trusteeships and officerships in non-profit/civic organizations and financial services industry/ management/ corporate governance associations.

BPI Wealth Directors are bound by a Director's Code of Conduct to take into account their individual circumstances and the nature, scale, and complexity of BPI Wealth's activities in showing full commitment to BPI Wealth – devoting the time, schedule and attention necessary to its business interests, to properly and effectively perform their duties and responsibilities and to avoid conflicts of interest – and affirm in writing annually.

A lower limit on the number of directorships would reduce the pool of interested and qualified director candidates and increase difficulty in finding and retaining the most effective Directors. BPI Wealth also benefits greatly from stewardship of experienced Directors who serve on other boards and provide guidance and independent perspective on multi-faceted issues, and complex, strategic concerns in asset management.

BPI Wealth also applies a limit of five (5) on directorships for Non-Executive Directors and Independent Directors in publicly listed companies (Section 132-Q of MORNBF). Application of the policy of directorships shall not impinge on or violate shareholder's ownership rights and legal right to vote and be voted upon as Directors.

BPI Wealth also adheres to the pertinent provisions outlined in the MORNBF regarding interlocking directorships. The Board of Directors regularly reviews interlocking board memberships to determine whether any of these create real or potential conflicts of interest or impair the ability of the Directors involved to exercise independent judgment.

Induction and Director Education

The Directors acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.

The following table shows the training received by the Board of Directors and Key Officers:

Director	2023	
Jose Teodoro K. Limcaoco	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on 03 October 2023	BPI Executive Session on Anti-Money Laundering and Financial Crime Compliance 2023 by SGV on 26 September 2023
Maria Theresa D. Marcial	BPI AIA IC Mandated Training by Quisumbing Torres on 26 October 2024	
Rene G. Bañez	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on 03 October 2023	
Rizalina G. Mantaring		
Gerardo C. Ablaza, Jr.		
Ignacio R. Bunye		
Jesse O. Ang		
Maria Dolores B. Yuvienco		
Mariana Beatriz E. Zobel de Ayala		
Key Officers	2023	
Christmas G. Sevilla SVP	Corporate Governance Orientation Program by Institute of Corporate Directors on 7 & 8 November 2024	BPI Executive Session on Anti-Money Laundering and Financial Crime Compliance 2023 by SGV on 26 September 2023
Yvette Mari V. De Peralta SVP	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on 03 October 2023	
Roberto Martin S. Enrile SVP		Money Laundering and Terrorist Financing Prevention Program (MTPP)
Enrico Francisco A. Recto Head, Compliance Department		BPI Executive Session on Anti-Money Laundering and Financial Crime Compliance 2023 by SGV on 26 September 2023
Smith L. Chua Chief Investment Officer, SVP		

Completed the internal training courses through GRANITE such as Code of Business Conduct and Ethics/BPI Anti-Bribery and Anti-Corruption Policy/Conflict of Interest, Data Privacy, Financial Consumer Protection etc.

Directors undergo comprehensive briefings on BPI Wealth’s background, organizational structure, and the general and specific duties and responsibilities of the Board of Directors in compliance with Section 132-Q of MORNBF1. Additionally, they receive briefings on relevant policies and rules governing their roles as Directors. This includes an overview of the industry, regulatory environment, business of trust, strategic plans of the Company, its governance framework such as the Manual on Corporate Governance, Code of Business Conduct and Ethics, as well as insights into Board operations (schedules, procedures, and processes). They are also provided support from the Office of the BPI Corporate Secretary and Management throughout this process.

Continuing education of Directors includes internal meetings with senior executives and operational or functional heads, dedicated briefings on specific areas of responsibility within the business, and special presentations on current issues or regulatory initiatives as well as regulatory updates and developments during Board and Committee meetings 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, SEC memorandum circulars, and Bangko Sentral ng Pilipinas regulations, among others.

Other internal courses, also available to Management, include seminars and online courses on anti-money laundering, business continuity management, conflict of interest, risk management overview, and information security awareness. Directors also regularly attend governance fora, conferences, and summits.

Remuneration

The Company acknowledges that the BPI Group manages human capital as a group resource and likewise acknowledges the BPI Board’s oversight function and authority in the implementation of a group-wide remuneration policy and requisite Human Resources policies and program.

The Company’s remuneration policy for the Board and Management is aligned with the BPI group-wide remuneration policy and program. The remuneration policy is aligned with risk incentives and supports sustainable, long-term value creation. Apart from ensuring that Board and Management pay appropriately reflects market and industry conditions and drives business strategy and financial performance, the policy likewise applies performance-based compensation that rewards employees for their commitment to the Company’s strategy. The oversight of this policy of officers and directors of BPI Wealth is done by the BPI PerCom.

Under the Company’s amended By-Laws, the Board of Directors, as a whole, determines a level of remuneration and/or benefits for Directors that shall be sufficient for their services and compensate them for attendance at meetings of the Board and Board Committees, and performance of numerous responsibilities and undertaking certain risks as a director. The compensation, which may be in various forms, is fixed by way of a resolution of the Board of Directors.

Board members 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 the Board of Directors, upon recommendation of the BPI PerCom.

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.

The remuneration policy is reviewed annually to ensure that it remains competitive and consistent with the Company’s high-performance culture, objectives, and long-term outlook, risk assessment and strategies.

In 2023, BPI Wealth’s Board of Directors, as a whole, received a total of PHP 5.4 Million as fees and compensation for the services they rendered.

The Board, through the BPI PerCom, annually approves the remuneration payable to the President and CEO, and Management, who have the authority and responsibility for the Company’s overall direction and strategy execution. The BPI PerCom monitors and assesses how the remuneration is implemented each year and ensures that it corresponds to the remuneration policy. Remuneration for the CEO, President, and Management are set in the same way as all other employees where it is contractually fixed, based on the role, skills and experience

to relevant market benchmarks. Remuneration for Management, as reflected in the ratio between fixed and variable components of their total compensation, changes according to performance, rank, and function.

Apart from the aforementioned key performance indicators, the Company ensures that Management remuneration and incentives reflect prudent risk-taking and effective control. Salary reviews (covering fixed and variable compensation) are done annually to ensure market competitiveness of the officer's total remuneration. Other remuneration policies include:

All salary programs are subject to the approval of BPI PerCom and the Board.

An annual merit increase may be granted upon Management discretion based on officer's performance.

Upon Management's discretion, a performance bonus may be given in a year, based on the performance and contribution of the individual to the attainment of the overall Company goals. This is subject to the endorsement of BPI PerCom and approval of the Board.

The Board, through BPI PerCom, has established the Executive Stock Purchase Plan (ESPP), a long-term incentive program, which give officers the opportunity to buy shares of stock in BPI at a discounted price.

Meetings and Attendance

The Board of Directors conducts business through meetings of

the Board and its Committees for the effective discharge of its obligations. Regular Board meetings are convened monthly, held every third Wednesday of the month. Special meetings may be called for as needed.

Items placed on the agenda of each meeting of the Board of Directors are those that have the most fundamental importance and broad policy implications for BPI Wealth. Directors are free to suggest items for inclusion in the agenda and are free to any subject that are not on the agenda for that meeting. At the Chairman's discretion, any agenda items may also be referred for discussion in the respective Committees.

The Chairman presides over the meetings of the Board. Board and Committee meetings are conducted consistent with BPI Wealth's By-Laws.

When exigencies prevent a Director from physically attending a Board or Board Committee meeting, facilities for telephone conferencing are made available. In instances when a Director is unable to attend meetings even through teleconferencing due to prior commitments or unavoidable events, the said Director provides input to the Chairman so that his views can be known and considered.

Minutes of Board and Committee meetings are prepared with due regard to legal requirements. Key points and decisions are summarized. The Board of Directors generally acts by consensus rather than on an adversarial basis, so that abstentions and rare instances of formal dissent are duly recorded. Further, members of the Board of Directors take the initiative to have high-level discussions with

Management on its proposals. The Chairman of the Board likewise ensures that there is a fair and honest exchange of ideas and opinions by and between the Directors and Management in meetings of the Board of Directors.

Discussions during meetings of the Board of Directors consider open and independent views. When necessary, the Board holds executive sessions to discuss highly sensitive matters.

Board reference materials are made available to the Directors in advance of the scheduled meeting. As an innovation to board governance, all materials for Board and Board Committee meetings are uploaded through a secure system onto individual tablet devices specifically provided to the Directors to ensure immediate receipt and quick access.

The Board of Directors appreciates the high level of commitment required of a Director. As evident in the annual Board self-assessment, each of the Directors has sufficient time to devote to the conduct of his/her Board and Committee responsibilities and has contributed meaningfully to BPI Wealth.

Board Meetings in 2023 were held on the following dates:

Date Of Meeting	Nature of Meeting
18 January 2023	Regular Board
15 February 2023	Regular Board
15 March 2023	Regular Board
19 April 2023	Regular Board
17 May 2023	Organizational and Regular Board
21 June 2023	Regular Board
19 July 2023	Regular Board
16 August 2023	Regular Board
20 September 2023	Regular Board
18 October 2023	Regular Board
14 November 2023	Non-Executive Directors
15 November 2023	Regular Board
13 December 2023	Regular Board



Consistent with the parent bank digitalization strategy, BPI Wealth has adopted virtual meeting platforms and invested in the necessary equipment, including video and web conferencing software. In addition to training, virtual meeting protocols for both the Board and Management have also been established accordingly. These alternative means of communication for Board and Board Committee meetings follow BSP and SEC guidance on the conduct of meetings held remotely by electronic means. Likewise, rules and procedures relating to presence of a quorum, notices, agenda setting, voting, conflicts of interest, when meetings can be called and held, to follow rules and procedures for meetings held in person. All Directors in attendance at the meetings held remotely means are able to hear, participate, and communicate 'live' in the discussions and decisions made at the meetings.

The following table shows the attendance record of the directors of BPI Wealth for 2023:

No. of Meetings Attended in 2023		
Name of Director	Attended/Total	In Percentage
BOARD		
Jose Teodoro K. Limcaoco	13/13	100%
Maria Theresa D. Marcial	13/13	100%
Rene G. Bañez	13/13	100%
Cezar P. Consing ^{/1}	6/8	75%
Rizalina G. Mantaring ^{/2}	4/4	100%
Gerardo C. Ablaza, Jr.	12/13	92%
Mariana Beatriz E. Zobel de Ayala	12/13	92%
Ignacio R. Bunye	13/13	100%
Jesse O. Ang	13/13	100%
Maria Dolores B. Yuvienco	13/13	100%
EXECUTIVE COMMITTEE		
Jose Teodoro K. Limcaoco	11/11	100%
Maria Theresa D. Marcial	11/11	100%
Mariana Beatriz E. Zobel de Ayala	10/11	91%
AUDIT COMMITTEE		
Ignacio R. Bunye	4/4	100%
Jesse O. Ang	4/4	100%
Rene G. Bañez	4/4	100%
RISK MANAGEMENT COMMITTEE		
Jesse O. Ang	4/4	100%
Maria Dolores B. Yuvienco	4/4	100%
Gerardo C. Ablaza, Jr.	4/4	100%
CORPORATE GOVERNANCE COMMITTEE		
Maria Dolores B. Yuvienco	4/4	100%
Ignacio R. Bunye	4/4	100%
Jesse O. Ang	4/4	100%

^{/1} Board member until August 2023

^{/2} Board member effective 16 August 2023

Quorum

As provided under BPI Wealth's By-Laws, a majority of the members of the Board of Directors shall constitute a quorum for the conduct of a meeting of the Board of Directors. Any meeting for the transaction of corporate business, and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act, unless otherwise provided in the By-Laws.

Access to Information

The Board has separate and independent access to the Corporate Secretary, who serves as adviser to the Directors on their responsibilities and obligations and oversees the adequate flow of information to the Board prior to meetings.

To provide Directors with all the information and assistance necessary to prepare for meetings or obtain clarification on any relevant matters, access to the Corporate Secretary is unhampered, unlimited, and direct. Directors may simply request such information by phone, email, written communication, or in person from the Corporate Secretary who in turn will give them all the information and assistance they will need to prepare for the meeting or clarification on any relevant matters.

Management also ensures an adequate flow of information to the Board of Directors. This information may include background or explanatory information relating to matters to be brought before the Board, copies of disclosure statements and related documents, budgets, forecasts, and monthly internal financial statements.

All Directors also have unrestricted access to Company records and information in addition to receipt of regular detailed financial and operational reports from Management.

Role of the Corporate Secretary

The Corporate Secretary, who is a senior, strategic-level corporate officer, is not a Director, and a separate individual from the Chief Compliance Officer. She plays a leading role in the Company's corporate governance, and as such, attends corporate governance training annually. The Corporate Secretary's functions are as follows:

- Serves as an adviser to the Directors on their responsibilities and obligations;
- Keeps the minutes of meetings/ actions of stockholders, the Board, and all other committees in a book or books kept for that purpose, and shall furnish copies thereof to the Chairman, the President, and other members of the Board as appropriate;
- Keeps the seal of BPI Wealth in safe custody and affixes it to any instrument requiring the same;
- Has charge of the stock certificate book and such other books and papers as the Board may direct;
- Attends to the giving and serving of notices of Board and shareholder meetings;
- Be fully informed and be part of the scheduling process of other activities of the Board;
- Prepares an annual schedule of Board meetings, including the regular agenda, and puts the Board on notice of such agenda at every meeting;
- Oversees the adequate flow of information to the Board prior to meetings. Materials for approval or information shall be given to the members of the Board in advance prior to the date of the meeting to give them a chance to study and ask questions, if necessary, even before the meeting itself; and
- Ensures the fulfilment of disclosure requirements to the SEC.

The Corporate Secretary is suitably trained and experienced in legal and Company secretarial practices and is professionally qualified for these responsibilities. The present Corporate Secretary possesses the legal skills of a chief legal officer whose training is complemented by business, organizational, human relations, and administrative work skills. BPI Wealth's Corporate Secretary is also the Corporate Secretary of the BPI and various BPI subsidiaries and affiliates.

See Appendix A for the full biography of BPI Wealth's Corporate Secretary.

Performance Evaluation and Self-Assessment

Board of Directors

The Board of Directors annually conducts a self-assessment to ascertain the alignment of leadership fundamentals and issues, validate the Board's appreciation of its roles and responsibilities, and confirm that the Board possesses the right mix of background and competencies.

The Board of Directors, under the guidance of the Corporate Governance Committee, thoroughly reviews its performance, measured based on what it delivers and how it delivers, how it meets its responsibilities to its stakeholders, and how it addresses issues that impact the Board's ability to effectively fulfil its fiduciary duties.

Using a widely advocated standard evaluation method of self-assessment and feedback review, performance is assessed across four levels: the Board as a body, Board Committees, individual Directors, and President. Key evaluation criteria are built on the Board's terms of reference and Committee charters and framed around broad leadership fundamentals and best practices.

The BPI Wealth Compliance Department facilitates the Board of Directors self-assessment survey exercise, tabulates, and communicates the results to the BPI Wealth Corporate Governance Committee and to the Board. Areas for improvement are discussed in the BPI Wealth Corporate Governance Meeting and to the Board, in order to agree on remedial actions. The Corporate Governance

Committee may also develop recommendations and action plans for the Board, whenever necessary.

The Board of Directors conducted its annual Board self-assessment survey exercise for the term 2023-2024 in December 2023. The results showed that the Board of Directors had performed its duties and responsibilities effectively for the past year and that there were

no material issues with respect to its membership, governance, and operations.

Process		Criteria
Board of Directors	<p>Self-Assessment by all Directors</p> <p>1. The Board of Directors shall be given sufficient time to accomplish the self-assessments</p> <p>a. Each individual Director performs the four (4) levels of self-assessment using the prescribed forms, applying the rating scale and predetermined evaluation criteria for each level.</p> <p>b. For the Board and Committee-level assessments, while the Directors will be rating the Board's or Committee's performance as a body, the accomplishment of the assessment forms is meant to be done individually, on a per Director basis. This is to secure an honest, unbiased, independent and anonymous view from each Director rather than a collective assessment that may have been subject to filtering and pre-agreement.</p> <p>2. Each Director shall submit the completed forms on or before the deadline set by the Corporate Governance Committee or at an earlier or later date as the Board of Directors may agree upon. The BPI Wealth Compliance Department processes the results of the assessments and communicates them to the BPI Wealth Corporate Governance Committee and Board through a Summary Report.</p>	<ol style="list-style-type: none"> 1. Strategic Foresight 2. Board Structure and Committee Effectiveness 3. Board Meetings and Procedures 4. Board and Management Relations 5. Induction and Continuing Education 6. Performance Evaluation 7. Value Creation <p>General and specific leadership standards under the above criteria are considered in evaluating the Board as a body such as; adequacy of the processes which monitor business performance; Board member interaction with Management; adequacy of Board knowledge; appropriateness of balance and mix of skills; size of Board; contribution of individual directors; effectiveness in use of time; provision of sufficient opportunity to adequately assess Management performance; ability to keep abreast of developments in wider environment which may affect BPI Wealth; working relationship between Chairman and Chief Executive Officer; segregation of duties between Board and Management; ability of Directors to express views on each other and to Management in a constructive manner, etc.</p>

Process		Criteria
Board Committees	Each member is required to accomplish the Committee Self-Assessment Form annually.	<p>General and Specific factors relating to Committee role, membership, procedure and practice, structure, collaboration, style and effectiveness.</p> <ol style="list-style-type: none"> 1. General Structure 2. Committee Charter and Governance <p>Each committee's assessment template is now based on their specific charter and manner of governance. A sampling of factors under the above criteria include: Use of Committee time; adequacy of Committee papers and frequency of meetings; ability to access resources; ability to keep informed in relevant areas; provision for continued development; working relationship between Committee Chairman and members; segregation of duties between Committee and Management; ability of Directors to express views on each other and to Management in a constructive manner etc.</p>
Individual Director	Each Director is required to fill-up a Self-Assessment Form annually.	<p>Evaluation criteria focuses on best practice benchmarking and specific director roles in the Board and in Committees:</p> <ol style="list-style-type: none"> 1. Company Strategy, Developmental Role and Reputation 2. Board Engagement and Attendance 3. Performance and Governance Role In addition, the template includes separate question(s) for executive directors, independent directors, and committee chairmen.
President	Each Director fills up an evaluation form based on the relevant criteria. These are then submitted to the Chairman. The President's performance is also evaluated at least once a year by the Board of Directors.	<p>For the President and CEO assessment, questions revolve around these criteria:</p> <ol style="list-style-type: none"> 1. Leadership 2. Working with the Board 3. Managing Execution 4. Communication/External Relations

Senior Management

BPI Wealth's Corporate Governance Committee oversees the performance evaluation process within BPI Wealth as performed by BPI PerCom which includes the annual review and approval of corporate goals, strategic objectives and standards to Management, and key officers of the Company. Performance is generally measured by the performance of the officer, a business unit, the Company as a whole, or a combination of all as the officer's responsibilities may dictate.

The performance management framework considers goals or actual results of a given period's business objectives and core competencies. It also looks into the behavior, technical competencies and soft skills exhibited by the officer during the period under review, as well as fitness and propriety.

The framework also follows a performance management cycle: Goal Setting, Performance Monitoring, Performance Appraisal, Performance Reinforcement and Performance Improvement.

Succession Planning and Talent Management

The Board of Directors is committed to a process of orderly succession. It acknowledges that a succession plan for the Board and for its leadership positions is in the best interest of BPI Wealth and its stakeholders who value continuity in leadership. Leadership changes are not only carefully considered and planned but are also part of a comprehensive risk management strategy that is guided by clear and transparent governance policies, processes and laws.

Board Succession

The BPI Wealth Corporate Governance Committee facilitates the annual review and assessment of the structure, size, and composition of the Board and Board-level Committees. The Committees take the current strategy and business of the Company, comparative benchmark, and peer group analysis into consideration. It also determines if there is a reason to believe that one or more Director slots shall become vacant in the following term of the Board of Directors or within the next 12 months after the current year's Annual Stockholders' Meeting. In addition, the BPI Wealth Board considers the long-term strategic goals and directions as well as requirements of the Company, moving forward.

BPI Wealth Corporate Governance Committee may also review the Board's forecasted membership requirements over the next three to five years, based on factors such as directorship limits for publicly listed companies, retirement policy for Directors, and term limits for independent Directors. The BPI Wealth Board also considers candidate directors with respect to their skills, engagement and past or present work or board experience.

The BPI Wealth Corporate Governance Committee as may be requested by the BPI NomCom and PerCom, may make recommendations to the BPI Wealth Board on matters relating to the review and evaluation of the qualifications of all persons nominated to the BPI Wealth Board as well as those nominated to other positions requiring appointment by the Board of Directors taking into account the appropriate qualifications, expertise and characteristics required of the positions.

Senior Management Succession

BPI Wealth's Corporate Governance Committee acknowledges the BPI Board's oversight function and authority through BPI PerCom in the implementation of the BPI group-wide remuneration and requisite Human Resources policies and program. The BPI Wealth's Corporate Governance Committee oversees the succession planning done by the BPI PerCom which involves management of talent pipeline and assembly of required personnel capable of navigating such changes.

The BPI PerCom reviews BPI Wealth's talent development process for proper management. Management provides a report to this Committee on the results of its talent and performance review process for key management positions and other high-potential individuals. Aside from ensuring a sufficient pool of qualified internal candidates to fill senior leadership positions, this review process identifies opportunities, performance gaps, and proactive measures in the Company's executive succession planning.

The Committee may also review the Management's forecasted requirements over the next three to five years, based on factors such as retirement policy, required skills, and experience. The Committee also considers candidates with respect to their qualifications, skills, engagement, and past or present experience. As part of the same executive planning process, the Committee as a whole or a part thereof, in consultation with the Board of Directors and the President, evaluates and nominates potential successors to the President.

Retirement Policy

The best interests of BPI Wealth are served by retention of Directors that make very meaningful contributions to the Board of Directors and the organization, regardless of age. It is the Company's strong view that with age often comes unmatched wisdom and experience, expert business judgment, invaluable industry and community relations and authority, and deeply ingrained appreciation of the principles of corporate governance.

BPI Wealth believes that imposing uniform and fixed limits on Director tenure is counterproductive as it may force the arbitrary retirement of valuable Directors. Nevertheless, BPI Wealth has set a retirement age for Directors at 80 years old. In specific cases, the Board, in mutual agreement with the Director, may opt to postpone said Director's retirement depending on the following conditions:

i. Consistent and robust application of more dynamic and constructive corporate governance practices such as the annual Board's performance evaluation, regular succession planning, an exhaustive nomination process, and annual Fit and Proper assessment for more Board refreshment.

ii. The Board shall also evaluate all facts and circumstances when considering a Director's tenure in accordance with good governance. This includes accommodating the transition of a new CEO or new Director, ensuring continuity to pursue strategic objectives, and addressing external factors affecting BPI Wealth.

Term limits of Independent Directors are set at a maximum cumulative term of nine (9) years as prescribed in Section 131-Q of MORNBF and SEC Memorandum Circular No. 9 Series of 2011 and No. 4, Series of 2017.

Retirement of Management is done with the requisite succession planning and in accordance with BPI Wealth's policies and implementing guidelines of its retirement plan for all employees, BPI Wealth's By-Laws, Labor Code, and the Revised Corporation Code of the Philippines. Currently, the retirement age for employees of BPI Wealth is set at 60 years of age.

Internal Audit and Control

The BPI Internal Audit Division is an independent body that supports the BPI Wealth Audit Committee in fulfilling its oversight responsibilities by providing an objective assessment on the adequacy and effectiveness of the Company's risk management, internal controls, and governance processes as designed and established by Management. Internal Audit also ensures that the Company's operating and business units adhere to internal processes and procedures and to regulatory and legal requirements. The assessment of controls, systems, and processes of the Company is covered by the annual audit work plan, which is developed using the audit risk assessment model reviewed and approved by the Board through the BPI Wealth Audit Committee.

Internal Audit reports directly to the Board through the BPI Wealth Audit Committee and collaborates with other assurance providers such as the risk management office, compliance office, and external auditors. Through this system of comprehensive monitoring and review of risks and compliance in the institution, the Board ensures that the Company and all business units proactively manage the risk and compliance exposures impacting the business.

Internal Audit Charter

The internal audit function as empowered by the Internal Audit Charter includes unrestricted access to all functions, records, properties, and personnel. In this respect, the Audit Committee reviews the internal audit function, including its independence and the authority of its reporting relationships. The Internal Audit Division continuously improves the capabilities of its auditors through continuous education on specialized areas of knowledge, auditing techniques, regulations, and trust products and services. The Internal Audit Charter is periodically reviewed and presented to the Audit Committee for approval.

The BPI Wealth Audit Committee ensures that the Internal Audit Division undergoes an external quality assessment review to confirm that audit activities conform to the International Standards for the Professional Practice of Internal Auditing, the definition of Internal Auditing, and Code of Ethics. The program includes periodic internal and external quality assessments and ongoing monitoring of the performance of the internal audit activity. Internal assessments are conducted annually, while external quality assessments are conducted at least once every five years by a qualified independent validator. Internal Audit maintained its "generally conforms" ratings on both internal and external quality assessments, which indicate that its activities have continuously conformed to professional standards, code of ethics, and other internal standards.

Chief Audit Executive

The Internal Audit Division is headed by a Chief Audit Executive (“CAE”) who is appointed by the Board of Directors of BPI. The CAE reports functionally to the Board through the Audit Committee and is the designated auditor for BPI and its subsidiaries. The CAE has unrestricted access to all functions, records, property, and personnel. Additionally, the BPI Wealth Audit Committee ensures that the CAE has access to the Board, on a confidential basis, and that the Internal Audit Division is independent of Company Management, both by intent and actual practice.

The CAE met with non-executive Board members on 14 November 2023, together with heads of compliance and risk management, and external auditor, apart from the meetings of the audit, risk management, corporate governance, and related party transaction Committees, in the absence of Management.

Independent External Auditor

The BPI Wealth Audit Committee recommends to the Board of Directors the appointment of a BSP/SEC-accredited external auditor

for the purpose of preparing or issuing an audit report or other related work. The appointment, reappointment, and removal of the Company’s external auditor are subject to the approval and endorsement of the BPI Wealth Audit Committee, for subsequent confirmation and approval of the Board and, finally, the stockholders. The selection and engagement of the external auditor is done pursuant to the General Requirements of BSP Circular No. 1040, Revised Framework on the Selection of External Auditors dated May 20, 2019.

The BPI Wealth Audit Committee assesses the external auditor’s effectiveness, independence, and objectivity, ensuring that key partners and quality control partners of the audit firm are rotated in accordance with the relevant provisions of the Code of Ethics for Professional Accountants in the Philippines as adopted by the Philippine Board of Accountancy. The Committee also reviews the external auditor’s annual plan, scope of work, and, in consultation with Management, approves the external auditor’s term of engagement and audit fees. The Committee also oversees the resolution of disagreements between Management and the external auditors in the event that these arise.

The BPI Wealth Audit Committee ensures that in the selection of external auditor:

No external auditor can be engaged by the Company if he or any member of his immediate family has any direct or indirect financial interest in the Company, or if his independence is considered impaired under circumstances specified in the Code of Professional Ethics for Certified Public Accountants. In the case of partnership, this limitation shall apply to the partners, associates, and the auditor-in-charge of the engagement.

The external auditor and the members of the audit team do not have outstanding loans or any credit accommodation with BPI Wealth at the time and during the engagement.

The external auditor and the members of the audit team adhere to the highest standards of professional conduct, integrity, and objectivity.

The BPI Wealth Audit Committee reviews and discusses with Management and the external auditor, the financial statements, and reports, including results of operations, before endorsing the same to the Board for approval.



Compliance

The Company views compliance as not simply adherence to laws, regulations, and standards but, more importantly, the consistent conduct of the affairs of the Company within a culture of high integrity, while conforming to ethical business practice, abiding by the principles of fair dealing, accountability, and transparency. This ensures that in all its areas of activity, the Company and its stakeholders are protected from business risks as comprehensively as possible. The Company values its reputation and the trust of its shareholders, clients, employees, partners, and members of the communities it serves the most.

As the Company’s second line of defense, the compliance function has also evolved in recent years to adapt to the shift towards more technology-heavy strategies, as it seeks to deliver the compliance risk management outcomes required in an era of digital transformation. While remaining a key advisory function, it has embraced a more forward-thinking, risk-based, and stress-tested approach to continuously monitor, evaluate, and improve its ability to ensure

compliance in a trust business landscape that is subject to disruption and rapid change.

Oversight of the management of the Company’s business risk and implementation of its compliance function is the responsibility of the Board, through the Corporate Governance Committee and Audit Committee. At the Management level, the compliance function is carried out by the Compliance Department, led by the Department Head. Designated by the Board of Directors, the Head of Compliance Department is not a member of the Board. The Compliance Department Head’s qualifications are subject to the applicable provisions of the MORNBF, particularly considering Fit and Proper criteria such as integrity or probity, competence, education, diligence, and experience, and training. The Compliance Department Head annually attends training on corporate governance.

The Compliance Department oversees the implementation of the Company’s enterprise-wide compliance programs. These programs consider the size and complexity of the Company, the relevant rules and regulations that affect its operations, and the

business risks that may arise due to non-compliance.

By using regulatory and self-assessment compliance matrices, compliance measures are formulated to mitigate identified business risks and tested to ensure effectiveness.

The Compliance Department routinely provides advice to individual business units on applicable laws, directives, standards, and regulations as well as provides compliance support to the business units. It jointly develops guidance on operations and business processes in order to guard against potential compliance risk, and reviews, and assists in interpretations of laws, implementing rules and regulations, standards, and guidelines of the BSP, SEC, Anti-Money Laundering Council (“AMLC”), Insurance Commission (“IC”), National Privacy Commission (“NPC”), and other regulatory bodies for compliance, communicating them and verifying adherence.

The Compliance Department also helps achieve adherence to the Company’s internal confidentiality regulations (“Chinese Walls”); provides regular training and

education for employees on the applicable regulations, rules, and internal standards; and leads the Company in compliance risk assessment, rules-based testing and reporting.

The Compliance Department is currently organized to cover Regulatory Compliance, Corporate Governance, Investments Compliance, Anti-Money Laundering Compliance, FATCA Compliance, and the Data Privacy Office. Considering rapid developments in the regulatory sphere, as well as the growing complexity of the Company's products, services, and transactions, the Compliance Department expands its coverage of compliance practice areas to anticipate and meet future challenges. Enhancement of the compliance function's scope and domain is redefined for new and emerging sources of compliance risk.

The Compliance Department conducts independent compliance testing on various regulations. Results of compliance testing are reported regularly to the BPI Wealth Audit Committee and Board, and with respect to governance issues, the results of the review are reported to the BPI Wealth Corporate Governance Committee and Board. Overall enforcement is through self-regulation within the business units, and independent testing and reviews conducted by the Compliance Department and Internal Audit.

The Compliance Department promotes adherence and awareness to laws, rules, and regulations by electronically posting information and documents in a compliance database that is accessible to all employees. Regular meetings are conducted by the Compliance Department with the business units to discuss the impact of new regulations, decide on the required compliance measures, and amend compliance matrices as necessary. Through continued liaison and dialogue with regulators, the

Compliance Department ensures the prompt dissemination of new regulations and other developments affecting trust operations.

The Compliance Department covers adherence to all relevant and applicable Philippine trust and mutual funds laws and regulations. It is in charge of regulatory compliance management with respect to the BSP's institutional compliance rating system, which comprehensively evaluates the effectiveness of a Company's compliance system in mitigating business risk.

This also covers the compliance aspect of the Company's corporate governance framework and requirements externally, with respect to the laws relevant and applicable to BPI Wealth as a trust corporation and the rules and regulations of the BSP, SEC, and internally, with respect to BPI Wealth's Articles of Incorporation, Amended By-Laws, Manual on Corporate Governance, Code of Business Conduct and Ethics, and all corporate governance-related policies such as those on conflict of interest standards, insider trading, whistleblower, related party transactions and anti-bribery, and anti-corruption.

The Compliance Department, through the Investment Compliance team, is also involved in the comprehensive investment restriction monitoring and administration. The team conducts compliance checks across all the stages of trade activities related to the Company clients and trading partners and monitors positions against investment parameters and restrictions. In response to the increasingly complex regulations and client demands in terms of transparency and risk tolerance, the Compliance Department continues to work in order to implement best practices through the development and maintenance of investment compliance policies, guidelines and procedures.

Partnership-building with the regulators, external auditor, and industry organizations (Trust Officers Association of the Philippines, Association of Bank Compliance Officers and the Bankers Institute of the Philippines) is also essential in regulatory compliance management.

Republic Act No. 10173, known as the Data Privacy Act of 2012, requires government and private sector entities to apply the principles of Transparency, Legitimate Purpose, and Proportionality in its processing of personal data so that the data is (1) only used in relevant and specifically stated ways, (2) not stored for longer than necessary, (3) kept safe and secure, (4) used only within the confines of the law, and (5) stored following people's data protection rights. Cybersecurity and data privacy and protection have become corporate governance and risk management concerns. BPI Wealth has established a comprehensive Data Privacy Program utilizing a combination of policies, organizational structure, access controls, and technologies designed for risk reduction.

The Company has a Data Privacy Office, headed by a Board-appointed Data Protection Officer ("DPO"), a Management officer. The key focus of the DPO is to oversee data privacy compliance and manage data protection risks for the organization, consistent with the Data Privacy Act rules and regulations, issuances by the NPC, and other applicable laws. To promote transparency and to comply in part with the Data Privacy Act, BPI Wealth has published online the Data Privacy Statement that discloses how BPI Wealth collects, protects, uses, and shares personal data across its operations.

The Company's Data Privacy Statement may be read at www.bpiwealth.com.

Company Policies and Standards



Code of Business Conduct and Ethics

BPI Wealth upholds a Code of Business Conduct and Ethics ("the Code"), designed to guide employees of the Company in fulfilling their ethical duties and responsibilities in compliance with the implemented rules and regulations of the industry. This Code serves as a compass, aiding employees in making informed decisions and executing their roles and responsibilities effectively across various functions in the Company.

Embracing various principles, the Code encompasses environmental stewardship, labor rights, customer service and protection, human rights, the right to privacy, and anti-bribery and anti-corruption measures. The Code is a declaration of principles and, more so, a vital part of BPI Wealth's risk management strategy.

Through the Code, BPI Wealth aims to achieve three primary objectives: (1) fostering a culture of integrity, accountability, and ethical behavior that encourages employees to abide by the Code and strive to protect the Company's reputation; (2) establishing a robust mechanisms for detecting and reporting of known or suspected ethical wrongdoing or violations of the Code, and; (3) underscoring BPI Wealth's commitment to compliance with regulatory guidelines, rules, and laws.

The Code is applicable to and mandatory for all employees at all levels of BPI Wealth. Employees must adhere to its principles, policies, and procedures both in spirit and in practice. Annually, all BPI Wealth employees are required to read, understand, acknowledge and comply with the Code, as well as the Manual of Corporate Governance. Additionally, all

others who work for, or on behalf of BPI Wealth, including consultants, agents, and business partners, are expected to demonstrate the highest standards of professional business conduct.

Among others, BPI Wealth's codes of conduct and policies on conflict of interest, insider trading, whistleblower, related party transactions, and other guidelines are embodied in the Manual on Corporate Governance. Regular dissemination of BPI Wealth policies via internal communication channels ensures continual top-of-mind awareness among employees. Employees are provided with copies of policies for annual affirmation and acknowledgement. Directors are also provided with hard copies and/or electronic copies of the Code for their annual affirmation.

OUR CLIENTS

Values at work: Customer Service, Teamwork, Concern for People

Building Client Relationships

Safeguarding Privacy and Security of Client Information

Promoting and Strengthening Consumer Protection

Managing Investment Processes and Disclosures

OUR SHAREHOLDERS

Values at work: Integrity, Excellence, Teamwork, Loyalty

Upholding BPI Wealth's Reputation, Service Quality, and Trust

Transparency, Liaison, and Coordination with Regulators

Maintaining Company Records and Reporting Requirements

Supporting Investors and the Market

Encouraging and Assisting Whistleblowing

Handling Related Party Transactions

OUR EMPLOYEES

Values at work: Integrity, Excellence, Teamwork, Loyalty

Adhering to Company Rules and Workplace Policies

Creating Dignity and Unity in the Workplace
Contributing to Workplace Health & Safety

Following Limits of Authority

Avoiding Conflicts of Interest

Protecting Assets, Facilities, and Properties of BPI Wealth and Others

Recognizing Privacy of Employee Information

OUR COUNTRY

Values at work: Integrity, Excellence, Teamwork, Concern for People

Compliance with KYC, Anti-Money Laundering and FATCA Regulations

Preventing Insider Trading

Enforcing Anti-Corruption and Anti-Bribery

Dealing with Suppliers and Business Partners

Caring for Sustainability and Communities

Conflict of Interest

At BPI Wealth, the paramount interests of the institution, its clients, and business partners supersede any personal interests held by directors and employees. They are required to be loyal to the organization to the extent that they may not directly or indirectly derive any personal profit or advantage due to their position in the Company. To uphold these principles, BPI Wealth has established stringent standards on conflict of interest, elevating the interest of the Company above that of the personal interests of directors, officers, and employees.

These standards explicitly prohibit directors and employees from leveraging their positions of authority, rank, or influence to directly or indirectly derive personal gain or advantage. BPI Wealth's standards on conflict of interest expect all directors and employees to refrain from any conduct that could be viewed unfavorably by the Company's 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.

Directors are required to disclose any conflicts of interest such as cross-board memberships, cross-shareholdings with suppliers and other stakeholders, and related party issues. Such transparency is essential for maintaining the integrity of the Company's operations and decision-making processes.

In addition to these overarching principles, BPI Wealth's standards address specific conflict-of-interest situations. These include guidelines for handling gifts from third parties, safeguarding trade secrets, ensuring the ethical use of non-public information, and responsibly managing Company funds, assets, and information.

For more information about BPI Wealth's directors and their backgrounds, refer to Appendix A.

Anti-Bribery and Anti-Corruption

BPI Wealth has an Anti-Bribery and Anti-Corruption Policy that serves as a guiding framework for BPI Wealth, and its directors, officers, and employees, outlining their responsibilities and emphasizing the consequences associated with bribery and corruption within the workplace. The Company places the highest premium on sound, responsible, and effective corporate governance and has zero tolerance for bribery, corruption, or improper acts of any kind in fulfilling its role as a trusted institution providing trust and other fiduciary investments and investment management services.

Central to BPI Wealth's values is the unwavering commitment to fairness and integrity in all business dealings and relationships. The Anti-Bribery and Anti-Corruption Policy aligns seamlessly with the Company's broader financial crime policies and programs, including the Money Laundering and Terrorist Financing Prevention Program (MTPP) and Whistleblower Policy. These initiatives collectively reinforce BPI Wealth's dedication to combating financial misconduct and safeguarding the integrity of its operations.

Insider Trading

BPI Wealth's Insider Trading Policy rigorously prohibits covered persons, including directors, employees, and other parties, from participating in any securities trade while in possession of material non-public information regarding said securities, whether for client accounts or personal gain.

Covered persons are strictly prohibited from trading during periods of structured and non-structured disclosure (trading blackout). This

prohibition includes passing on material and non-public information relating to BPI Wealth or its clients to anybody who may buy or sell securities. A trading blackout prohibits trading once the covered person receives material information before a structured or unstructured disclosure. Trading is expressly prohibited until after the said disclosure has taken place.

Office bulletins are regularly issued by the Compliance Department before, during, and after trading blackout periods to ensure compliance with the Insider Trading Policy.

The Company mandates every director, officer, employee, and related covered person to adhere to the Policy, emphasizing the importance of honesty and sound judgment at all times when trading in the Company's securities.

Violation of this policy will result in disciplinary action/s as stated in Parent Bank HR's Personnel Policies on Employee Relations, and may include dismissal, as may be determined by management or the board of directors of BPI Wealth.

Whistleblowing

BPI Wealth's Whistleblower Policy addresses the Company's steadfast commitment to integrity and ethical behavior by creating a safe environment where whistleblowers can raise concerns appropriately without fear of retaliation.

The policy applies to all employees of BPI Wealth and encompasses any wrongful act that adversely affects BPI Wealth, its customers, shareholders, officers, employees, investors, or the public at large. BPI Wealth ensures that a robust process is in place by which the communication of legitimate concerns about illegal, unethical, or questionable practices is verified, investigated, and addressed without fear of retaliation or reprisal.

Whistleblowers may approach the Head of Risk Management and/or Compliance Department, designated as the primary point of contact for the Company, to report concerns. Under extraordinary circumstances, whistleblowers may also route their complaints through other reporting lines, such as the President or Board of Directors.

Upon receipt of the whistleblowing report, the designated personnel or officer to whom the report was disclosed promptly delivers all information and documents that may be transmitted to them to the appropriate authority, whether it be the designated officer, President, or Internal Audit, as applicable, for immediate investigation.

The Whistleblower Policy emphasizes BPI Wealth's commitment to non-retaliation. It fosters and maintains an environment of utmost confidentiality where all whistleblowers may act appropriately without fear of reprisal and be treated with utmost confidentiality. Any individual who makes a protected disclosure is entitled to protection from harassment, retaliation, or adverse employment consequences. Retaliation against whistleblowers is strictly prohibited and may result in disciplinary action, including termination.

In case the whistleblower believes they have been subjected to retaliation, they have the right to seek redress or file a formal complaint with the designated contacts for whistleblowing.

Related Party Transaction

In the normal course of business, BPI Wealth engages in transactions with related parties, which include its directors, officers, stockholders and related interests, the Company and its parent bank and affiliates (including those under the Ayala group of companies), as well as other related parties defined in BPI Wealth's Policy on Related Party Transactions.

These transactions involve both credit and non-credit exposures, wherein related parties are perceived to have significant influence. As part of BPI Wealth's efforts to ensure that transactions with related parties are normal trust activities and are conducted on terms and conditions comparable to those offered to non-related parties or similar transactions in the market, vetting is done either by BPI's Board-level Related Party Transaction Committee ("BPI RPTC") or the BPI Wealth Management Vetting Committee ("BPI Wealth MVC"), depending on materiality, prior to implementation. Transactions involving related parties, where individual and group exposures, whether existing or potential, reach or exceed the material threshold of PHP50M are vetted by the BPI RPTC. Other transactions below the material threshold are vetted by the BPI Wealth MVC.

The BPI RPTC comprises three directors, a majority of whom are independent, including the chairman, and two non-voting members from BPI management – the Chief Audit Executive and the Chief Compliance Officer. These members conduct post-reviews to ensure proper implementation of related party transactions. On the other hand, the BPI Wealth MVC consists of BPI Wealth Division Heads.

BPI Wealth is firmly committed to ensuring strict compliance with all laws, regulations, and reporting requirements pertaining to related party transactions. This commitment is upheld through rigorous vetting processes, establishing adequate controls and oversight mechanisms. Moreover, the Company continuously seeks to enhance its practices, such as the development of a related party database to facilitate prompt and accurate related party classification of clients and counterparties.

Dividend Policy

BPI Wealth's dividend policy aimed at providing dividends to its common

stockholders on a regular basis, as may be determined by its Board of Directors. This is subject to retention of a portion of earnings to maintain or build up capital to provide for regulatory requirements, fund business growth, and cover potential operational requirements.

In 2023, BPI Wealth declared and paid PHP950 Million in cash dividends.

Creating Social Value for Communities

BPI Wealth undertook initiatives that help improve the well-being of the people in the communities where it operates by integrating corporate social responsibility into its business practices and promoting employee volunteerism. Additionally, BPI Wealth carries out Corporate Social Responsibility initiatives through BPI Foundation, the parent bank's social development arm, to drive Corporate Social Responsibility initiatives. These efforts aim to empower individuals financially, support education, and foster entrepreneurship, thereby creating meaningful and lasting social change.

Data Privacy

At BPI Wealth, the protection of personal data is prioritized through a robust Data Privacy Statement. This statement delineates the scope of its application, the types of personal data collected, and the methods employed for its acquisition. Furthermore, it outlines how BPI Wealth utilizes personal data for both core business functions and marketing purposes, as well as the protocols for disclosing and sharing such information.

BPI Wealth's internal data privacy policies are designed to uphold the rights of data subjects and safeguard the personal information of clients and employees. These policies are meticulously crafted to ensure compliance with the Data Privacy Act and the regulations set forth by

the National Privacy Commission. Additionally, the Data Privacy Statement is readily accessible on the Company website at <https://www.bpiwealth.com/>.

Customer Experience

BPI Wealth establishes a business environment that empowers financial consumers to make informed financial decisions, protect their interests and rights in all stages of their transactions with BPI Wealth, and provide them with an avenue to express their grievances regarding BPI Wealth's products and services. The Company's approach to customer experience is centered around creating a culture of fair and responsible treatment of customers, aimed at cultivating long-term, mutually beneficial relationships with potential and existing clients. To achieve this, BPI Wealth has implemented robust consumer protection policies and procedures that are integrated into its business operations.

BPI Wealth has a Financial Consumer Assistance Program (CAP) in place that adheres to Republic Act No. 11765, also known as the "Financial Products and Services Consumer Protection Act" (FCPA). It establishes the roles of key personnel responsible for ensuring consumer protection practices are properly observed. It also ensures that consumer protection is a collective responsibility of various units and divisions of BPI Wealth.

BPI Wealth has designated a Customer Assistance Officer who is responsible for implementing, coordinating, and ensuring compliance with the various initiatives and activities under BPI Wealth's Consumer Assistance Program and for reviewing materials that are presented to customers and/or available through BPI Wealth's digital channels.

The Customer Assistance Officer also coordinates with BPI's Client Experience Center (CXC), which institutionalizes guidelines to help ensure that feedback from existing and potential clients is handled

appropriately. The continuous information and education campaign on the Financial Consumer Protection Program is planned by BPI's CXC to help propagate awareness. As part of the program, a Customer Feedback Database was created and is now used to strengthen the role of the frontliners in addressing and reporting customer issues. The complaints data gathered is a vital tool in identifying areas of concern and process improvement.

BPI Wealth also exercises consumer protection standards of conduct to guide employees in observing the internal policies related to consumer protection. BPI Wealth:

- a) Exercises full disclosure of key information and transparency by ensuring consumers have a holistic understanding of the products and services;
- b) Protects client information by keeping financial transactions confidential;
- c) Treats financial consumers fairly, honestly, and professionally;
- d) Maintains an effective recourse/complaints handling process; and
- e) Performs financial education and awareness to consumers.

There are also related policies in place such as the BPI Wealth Financial Consumer Protection Program and Complaints Management and Reporting to properly equip the Company personnel in handling customer feedback.

As part of the CAP, BPI Wealth provides multiple touchpoints or channels for clients to submit their feedback, including available email and contact details of BPI Wealth, the Contact Center of BPI via phone, email, and social media accounts, branches, and business units. Employees are guided by the internal BPI policies in handling complaints and CAP where client feedback, specifically complaints, are classified with corresponding turnaround times, which are responded to accordingly.

BPI Wealth monitors customer

feedback concerning its products and services, determines the root cause of significant issues, and implements appropriate actions to address these issues, ensuring that the most pressing and important issues raised by clients are resolved within the committed turnaround times. The compliance rate for complaint resolution to the internal turnaround time was 97%. As of year-end 2023, 100% of the complaints received have been resolved.

The status of complaints investigation and resolution is reported to the management to provide regular insights on how the business manages the inquiries and complaints received. Recurring complaints are also discussed to determine the root causes of such complaints and devise possible solutions.

BPI Wealth establishes updates the financial consumer protection governance structure that aims to protect the interests of consumers and create a culture of fair and responsible treatment of consumers through good governance exercised by the Board of Directors, and reinforced by the various functions that own, manage, oversee, or provide independent assurance over consumer protection activities. The Board of Directors and Senior Management are responsible for developing the consumer protection strategy and establishing effective oversight over consumer protection programs.

Board, Committees, and Senior Management



Board of Directors

The Company's Board of Directors oversees the proper administration and management of the Company's trust and other fiduciary business and its investment management activities to ensure effective management of all risks inherent to the business.

See Appendix A for the full biography of the Directors.



Jose Teodoro K. Limcaoco
Chairman



Maria Theresa D. Marcial
President and CEO



Rene G. Banez
Director



Rizalina G. Mantaring
Independent Director



Gerardo C. Ablaza, Jr.
Director



Mariana Beatriz E. Zobel de Ayala
Director



Ignacio R. Bunye
Independent Director



Jesse O. Ang
Independent Director



Maria Dolores B. Yuvienco
Independent Director

Executive Committee

The Executive Committee provides guidance and supervision to the Management in formulating basic strategies for achieving business targets set by the Board of Directors. It undertakes or participates in strategic projects and implements significant transformation initiatives. The Executive Committee stands as a delegate of the Board of Directors to function as such between meetings of the Board of Directors, and is authorized to act, and shall act, on all matters within the competence of the Board of Directors, except with respect to matters that are specifically reserved to the Board of Directors by law and regulation, and subject to certain general and specific limits stated in the Corporation's By-Laws or the Executive Committee Charter.

Composition:

Jose Teodoro K. Limcaoco, Chairman
Maria Theresa D. Marcial
Mariana Beatriz E. Zobel de Ayala

Audit Committee

The Audit Committee monitors and evaluates the adequacy and effectiveness of the internal control system, including financial reporting control and information technology security. The Committee provides oversight over the financial reporting, internal control systems, risk management, and governance processes at BPI Wealth; internal auditors and external auditors; monitoring of compliance with applicable laws, rules and regulations; and review conducted by the BSP.

Composition:

Ignacio R. Bunye (Independent Director), Chairman
Jesse O. Ang (Independent Director)
Rene G. Bañez

Risk Management Committee

The Risk Management Committee oversees and manages the risk exposures arising from BPI Wealth's business activities, while also monitoring the level and management of BPI Wealth's capital relative to regulatory requirements.

The Committee nurtures a culture of risk management and implements and oversees its overall risk management program to assist the Board in the management of risks. The committee oversees the risk management program for BPI Wealth, monitors the risk exposures of BPI Wealth and its clients, the level and management of BPI Wealth's capital and performs other functions as may be mandated by the Board relating to the management of BPI Wealth's capital, risks covering credit, market, liquidity, operational and IT, reputational, strategic and other risks arising from its trust, other fiduciary business and investment management activities.

Amidst the COVID-19 pandemic occurring for the most part of 2020, the RMC likewise supported the Board by overseeing and managing the Company's exposures to financial and non-financial risks, assessed new and emerging risk issues, and regularly reviewed the Company's risk appetite and limits, policies, methodologies, structures, and metrics.

Composition:

Jesse O. Ang (Independent Director), Chairman
Maria Dolores B. Yuvienco (Independent Director)
Gerardo C. Ablaza, Jr.

Corporate Governance Committee

The Corporate Governance Committee ensures the Board's effectiveness and due observance of sound corporate governance principles and guidelines.

Composition:

Maria Dolores B. Yuvienco (Independent Director), Chairman
Ignacio R. Bunye (Independent Director)
Jesse O. Ang (Independent Director)



Management Team

See Appendix B for the full biography of the Management Team



Maria Theresa D. Marcial
President and CEO



Smith L. Chua
Chief Investment Officer/
Investment Management Head



Christmas G. Sevilla
Business Services and Operations
Head



Yvette Mari V. De Peralta
Treasurer and Institutional
Business Head



Roberto Martin S. Enrile
Private Wealth Head



Irene L. Ang
Personal Wealth Head



Maria Paz A. Garcia
Legal Services and Wealth Planning
Head



Gladys L. Buenaventura
Investment Solutions Head



Enrico Francisco A. Recto
Compliance Head



Minette Josephine C. Rocamora
Investment Risk Head



Maria Angela P. Gatmaitan
Operations Risk Head



Corporate Information

Table of Organization

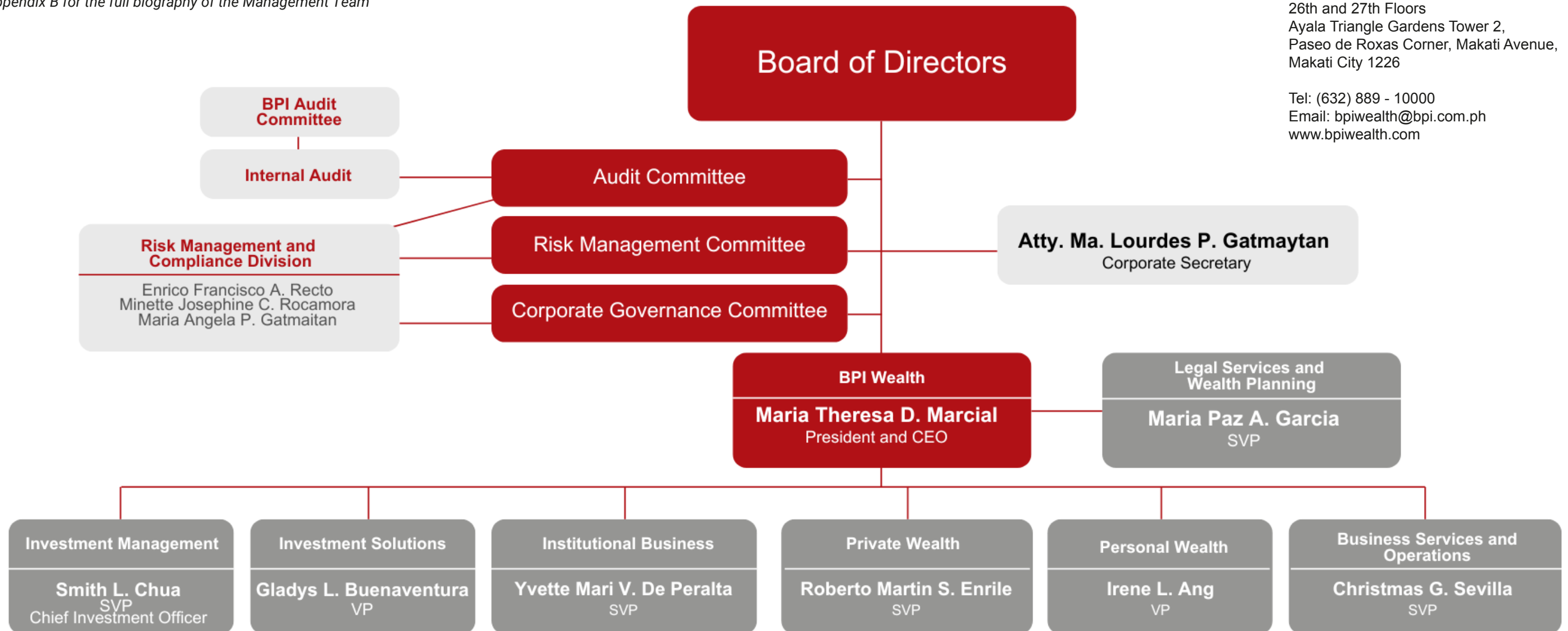
As of December 31, 2023

*See Appendix B for the full biography of the Management Team

Contact Information

BPI Wealth
 26th and 27th Floors
 Ayala Triangle Gardens Tower 2,
 Paseo de Roxas Corner, Makati Avenue,
 Makati City 1226

Tel: (632) 889 - 10000
 Email: bpiwealth@bpi.com.ph
www.bpiwealth.com



Transparency Reports



BPI Asset Management and Trust Corporation Operating under the trade name of BPI Wealth

Financial Statements
As at and for the years ended December 31, 2023 and 2022



Independent Auditor's Report

To the Board of Directors and Shareholder of
BPI Asset Management and Trust Corporation
(Operating under the trade name of BPI Wealth)
26th and 27th Floors Ayala Triangle Gardens 2,
Paseo de Roxas corner Makati Avenue,
Makati City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BPI Asset Management and Trust Corporation (the "Company") as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of comprehensive income for the years ended December 31, 2023 and 2022;
- the statements of changes in equity for the years ended December 31, 2023 and 2022;
- the statements of cash flows for the years ended December 31, 2023 and 2022; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

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Independent Auditor's Report
To the Board of Directors and Shareholder of
BPI Asset Management and Trust Corporation
(Operating under the trade name of BPI Wealth)
Page 2

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent Auditor's Report
To the Board of Directors and Shareholder of
BPI Asset Management and Trust Corporation
(Operating under the trade name of BPI Wealth)
Page 3

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent Auditor's Report
To the Board of Directors and Shareholder of
BPI Asset Management and Trust Corporation
(Operating under the trade name of BPI Wealth)
Page 4

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Bangko Sentral ng Pilipinas (BSP) Circular No. 1075 in Note 21 and Bureau of Internal Revenue (BIR) Revenue Regulations No. 15-2010 in Note 22 to the financial statements is presented for the purposes of filing with the BSP and the BIR, respectively, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management of the Company. The supplementary information has been subjected to the auditing procedures applied in our audits of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 12, 2024, Makati City

TIN 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
March 20, 2024

BPI Asset Management and Trust Corporation (Operating under the trade name of BPI Wealth)

Statements of Financial Position
December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	2	813,154,754	1,395,557,635
Financial assets at fair value through other comprehensive income	3	687,278,068	700,242,086
Trust and other receivables, net	4	551,734,068	432,114,345
Other assets, net	5	136,639,420	82,034,821
Total current assets		2,188,806,310	2,609,948,887
Non-current assets			
Financial assets at fair value through other comprehensive income	3	1,373,697,452	573,108,633
Property and equipment, net	6	502,174,163	54,402,324
Deferred tax assets, net	7	78,312,162	46,184,523
Total non-current assets		1,954,183,777	673,695,480
Total assets		4,142,990,087	3,283,644,367
LIABILITIES AND EQUITY			
Current liabilities			
Due to Parent Bank	16	29,669,529	69,326,651
Lease liabilities	15	52,161,374	29,646,249
Other liabilities	8	402,775,759	269,202,905
Total current liabilities		484,606,662	368,175,805
Non-current liabilities			
Retirement benefit obligation	9	201,218,887	22,010,116
Lease liabilities	15	435,968,777	1,388,732
Total non-current liabilities		637,187,664	23,398,848
Total liabilities		1,121,794,326	391,574,653
Equity			
Share capital	10	600,000,000	600,000,000
Additional paid-in capital		902,066,145	902,066,145
Accumulated other comprehensive loss		(87,307,928)	(48,886,529)
Reserve for trust business	17.3	400,000,000	400,000,000
Other reserves		3,527,909	3,447,916
Surplus		1,202,909,635	1,035,442,182
Total equity		3,021,195,761	2,892,069,714
Total liabilities and equity		4,142,990,087	3,283,644,367

(The notes on pages 1 to 31 are an integral part of these financial statements.)

BPI Asset Management and Trust Corporation
(Operating under the trade name of BPI Wealth)

Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Income			
Trust income		3,878,658,022	2,698,651,771
Commission income		145,170,305	182,471,239
Interest income	2,3	84,285,604	38,935,547
Other income		31,936,212	2,441,624
		4,140,050,143	2,922,500,181
Expenses			
Salaries and other employee benefits	12	924,491,319	471,995,911
Commission expense		131,568,600	159,985,257
Intercompany expenses	16	194,444,334	168,181,268
Taxes, licenses, and regulatory fees	13	385,196,686	322,348,742
Other operating expenses	14	1,040,838,314	432,336,815
		2,676,539,253	1,554,847,993
Income before income tax		1,463,510,890	1,367,652,188
Income tax expense	11	346,043,437	344,834,406
Net income for the year		1,117,467,453	1,022,817,782
Other comprehensive loss	7		
Item that will not be subsequently reclassified to profit or loss			
Remeasurement loss on retirement benefit plans, net of tax		(59,407,154)	(4,796,928)
Item that may be subsequently reclassified to profit or loss			
Remeasurement gain (loss) on financial assets at fair value through other comprehensive income, net of tax		20,985,755	(20,870,924)
		(38,421,399)	(25,667,852)
Total comprehensive income for the year		1,079,046,054	997,149,930

(The notes on pages 1 to 31 are an integral part of these financial statements.)

BPI Asset Management and Trust Corporation
(Operating under the trade name of BPI Wealth)

Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Share capital (Note 10)	Additional paid-in capital	Accumulated other comprehensive loss	Reserve for trust business (Note 17.3)	Other reserves	Surplus	Total
Balances at January 1, 2022	600,000,000	902,066,145	(23,218,677)	386,749,255	2,174,622	955,875,145	2,823,646,490
Other movements							
Dividends (Note 10)	-	-	-	-	-	(930,000,000)	(930,000,000)
Transfer from surplus to reserve	-	-	-	13,250,745	-	(13,250,745)	-
Appropriation for other reserves	-	-	-	-	1,273,294	-	1,273,294
Total other movements	-	-	-	13,250,745	1,273,294	(943,250,745)	(928,726,706)
Comprehensive income							
Net income for the year	-	-	-	-	-	1,022,817,782	1,022,817,782
Other comprehensive loss	-	-	(25,667,852)	-	-	-	(25,667,852)
Total comprehensive income for the year	-	-	(25,667,852)	-	-	1,022,817,782	997,149,930
Balances at December 31, 2022	600,000,000	902,066,145	(48,886,529)	400,000,000	3,447,916	1,035,442,182	2,892,069,714
Other movements							
Dividends (Note 10)	-	-	-	-	-	(950,000,000)	(950,000,000)
Appropriation for other reserves	-	-	-	-	79,993	-	79,993
Total other movements	-	-	-	-	79,993	(950,000,000)	(949,920,007)
Comprehensive income							
Net income for the year	-	-	-	-	-	1,117,467,453	1,117,467,453
Other comprehensive loss	-	-	(38,421,399)	-	-	-	(38,421,399)
Total comprehensive income for the year	-	-	(38,421,399)	-	-	1,117,467,453	1,079,046,054
Balances at December 31, 2023	600,000,000	902,066,145	(87,307,928)	400,000,000	3,527,909	1,202,909,635	3,021,195,761

(The notes on pages 1 to 31 are an integral part of these financial statements.)

BPI Asset Management and Trust Corporation
(Operating under the trade name of BPI Wealth)

Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Cash flows from operating activities			
Income before income tax		1,463,510,890	1,367,652,188
Adjustment for:			
Depreciation and amortization	14	60,741,260	29,121,409
Retirement benefit expense	12	31,529,033	18,599,011
Provision for probable losses on other receivables	4	19,911,150	6,207,024
Interest expense	15	16,998,120	3,383,667
Loss from lease modification	15	383,806	-
Gain on write-off of Due to Parent Bank	16	28,896,443	-
Interest income	2,3	(84,285,604)	(38,935,547)
Operating income before working capital changes		1,537,685,098	1,386,027,752
Changes in working capital:			
(Increase) decrease in:			
Trust and other receivables		(138,705,873)	(32,095,019)
Other assets		30,780,929	(21,887,141)
(Decrease) increase in:			
Due to Parent Bank		(68,553,565)	(233,242,175)
Other liabilities		182,044,289	133,848,208
Cash generated from operations		1,543,250,878	1,232,651,625
Interest received		56,479,788	41,910,547
Payment of interest portion of lease liabilities	15	(16,998,120)	(3,383,667)
Income taxes paid		(414,907,580)	(484,594,615)
Retirement benefits paid		(34,090,302)	(18,572,629)
Net cash from operating activities		1,133,734,664	768,011,261
Cash flows from investing activities			
Purchases of investments at fair value through other comprehensive income	3	(1,432,662,978)	(1,698,891,266)
Acquisition of property and equipment	6	(18,238,001)	(15,080,000)
Proceeds from redemption of investments	3	700,000,000	1,400,000,000
Proceeds from disposals of property and equipment	6	10,470,081	2,423,383
Net cash used in investing activities		(740,430,898)	(311,547,883)
Cash flows from financing activities			
Dividends paid	16	(950,000,000)	(930,000,000)
Payment of principal portion of lease liabilities	15	(25,706,647)	(26,521,629)
Net cash used in financing activities		(975,706,647)	(956,521,629)
Net decrease in cash and cash equivalents		(582,402,881)	(500,058,251)
Cash and cash equivalents			
January 1		1,395,557,635	1,895,615,886
December 31	2	813,154,754	1,395,557,635

(The notes on pages 1 to 31 are an integral part of these financial statements.)

BPI Asset Management and Trust Corporation
(Operating under the trade name of BPI Wealth)

Notes to the Financial Statements
As at and for the years ended December 31, 2023 and 2022
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information

The Monetary Board of the Bangko Sentral ng Pilipinas (BSP) on its Resolution No. 1349, dated July 28, 2016, approved the request of Bank of the Philippine Islands (“BPI” or “Parent Bank”) to spin-off its trust department, Asset Management and Trust Group (BPI-AMTG), into a trust corporation.

BPI Asset Management and Trust Corporation (the “Company” or “BPI Wealth”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 6, 2016 primarily to carry and engage in the business of trust, other fiduciary business and investment management business which may legally be had or done by trust corporations organized under and in accordance with Republic Act No. 8791 (The General Banking Law of 2000) and its implementing regulations as it exists or may be amended and to do all other things incident thereto and necessary and proper in connection with said purposes within such territory, as may be determined by the Monetary Board of the BSP. The corresponding Certificate of Authority to Operate was issued by the BSP to the Company on December 29, 2016.

In February 2023, the Company announced the change in its trade name from BPI Asset Management and Trust Corporation to BPI Wealth - A Trust Corporation, or simply BPI Wealth.

As at December 31, 2023, the total fiduciary assets managed by the Company amount to P1,223 billion (2022 - P875 billion).

The Company is a wholly-owned subsidiary of BPI, a domestic commercial bank with an expanded banking license in the Philippines.

The Company’s registered office address, which also serves as its principal place of business, is at 26th and 27th Floors Ayala Triangle Gardens 2, Paseo de Roxas, corner Makati Avenue, Makati City. The Company has 404 regular employees as at December 31, 2023 (2022 - 256).

Approval and authorization for issuance of financial statements

These financial statements have been approved and authorized for issuance by the Company’s Board of Directors (BOD) on March 20, 2024.

2 Cash and cash equivalents

The account at December 31, 2023 pertains to cash in banks amounting to P813,154,754 (2022 - P1,395,557,635) which earns interest at prevailing bank deposit rates.

Interest income earned from bank deposits for the year ended December 31, 2023 amounts to P691,594 (2022 - P1,400,643).

3 Financial assets at fair value through other comprehensive income (FVOCI)

The account at December 31 consists of:

	2023	2022
Philippine government treasury bonds	1,182,252,021	1,173,260,148
Philippine government treasury notes	191,445,431	100,090,571
Philippine government treasury bills	687,278,068	-
	2,060,975,520	1,273,350,719

The classification of the account at December 31 follows:

	2023	2022
Current	687,278,068	700,242,086
Non-current	1,373,697,452	573,108,633
	2,060,975,520	1,273,350,719

The Company's investments in government securities are held and classified at FVOCI to address regulatory requirements on basic security deposit for trust corporations and to address the Company's liquidity requirements. In addition, these investments are not meant for trading purposes.

The movements of the account as at December 31 are as follows:

	2023	2022
Beginning balance	1,273,350,719	1,002,287,353
Additions	1,432,662,978	1,697,543,861
Disposals	(700,000,000)	(1,400,000,000)
Fair value adjustment	27,981,007	(27,827,899)
Premium/discount amortization	26,980,816	1,347,404
Ending balance	2,060,975,520	1,273,350,719

The related interest income of the securities held amounts to P83,594,010 for the year ended December 31, 2023 (2022 - P37,534,904).

4 Trust and other receivables, net

The account at December 31 consists of:

	2023	2022
Accrued trust income	454,152,095	429,568,179
Other receivables	139,965,977	25,168,787
	594,118,072	454,736,966
Allowance for expected credit losses on other receivables	(42,384,004)	(22,622,621)
	551,734,068	432,114,345

Other receivables include amounts due from related parties in relation to the transferred retirement benefit obligation (Note 16), due from government agencies and employee advances.

Movement in allowance for expected credit losses on trade and other receivables for the years ended December 31 follows:

	2023	2022
January 1	22,622,621	16,415,597
Provision for expected credit losses during the year	19,911,150	6,207,024
Write-off and other movements	(149,767)	-
December 31	42,384,004	22,622,621

5 Other assets, net

The account at December 31 consists of:

	2023	2022
Prepaid expenses, net	69,382,599	23,132,516
Security deposits	8,244,189	7,743,629
Miscellaneous assets	59,012,632	51,158,676
	136,639,420	82,034,821

Miscellaneous assets include unused supplies and receivables from the Bureau of Internal Revenue.

6 Property and equipment, net

The account at December 31 consists of:

2023	Furniture and equipment	Transportation equipment	Office premises	Total
Cost				
At January 1, 2023	1,995,557	54,428,011	120,802,664	177,226,232
Additions	90,750	18,147,251	510,001,418	528,239,419
Disposals	-	(16,952,867)	-	(16,952,867)
Other movements (Note 15)	-	-	(10,408,433)	(10,408,433)
At December 31, 2023	2,086,307	55,622,395	620,395,649	678,104,351
Accumulated depreciation and impairment				
At January 1, 2023	1,995,557	29,219,663	91,608,688	122,823,908
Depreciation	11,971	7,013,652	53,715,637	60,741,260
Disposals	-	(7,634,980)	-	(7,634,980)
At December 31, 2023	2,007,528	28,598,335	145,324,325	175,930,188
Net book value	78,779	27,024,060	475,071,324	502,174,163

2022	Furniture and equipment	Transportation equipment	Office premises	Total
Cost				
At January 1, 2022	1,995,557	42,348,011	120,802,664	165,146,232
Additions	-	15,080,000	-	15,080,000
Disposals	-	(3,000,000)	-	(3,000,000)
At December 31, 2022	1,995,557	54,428,011	120,802,664	177,226,232
Accumulated depreciation and impairment				
At January 1, 2022	1,978,104	24,850,857	67,448,155	94,277,116
Depreciation	17,453	4,943,423	24,160,533	29,121,409
Disposals	-	(574,617)	-	(574,617)
At December 31, 2022	1,995,557	29,219,663	91,608,688	122,823,908
Net book value	-	25,208,348	29,193,976	54,402,324

In 2023, the Company disposed of transportation equipment for P10,470,081 (2022 - P2,423,383) resulting in a gain on disposal amounting to P1,152,194 (2022 - P2,000).

Office premises above pertain to right-of-use assets arising from the Company's lease contract (Note 15).

7 Deferred income taxes

The account at December 31 consists of:

	2023	2022
Deferred income tax assets (liabilities) on:		
Remeasurement loss on defined benefit plan	28,614,158	5,502,528
Unamortized past service cost	9,868,025	6,358,506
Remeasurement (gain) loss of financial assets at FVOCI	(206,926)	6,788,326
Provision for losses	13,276,111	8,335,765
Provision for employee benefits	25,878,817	18,337,419
Remeasurement loss on defined contribution plan	-	-
Others	881,977	861,979
Deferred income tax assets, net	78,312,162	46,184,523

Others pertains to temporary differences due to stock options given to employees.

The movements in deferred income tax account at December 31 are summarized as follows:

	2023	2022
Beginning balance	46,184,523	26,847,896
Amounts credited to profit or loss (Note 11)	19,320,507	10,780,676
Amounts credited to other comprehensive income	12,807,132	8,555,951
Ending balance	78,312,162	46,184,523

For the year ended December 31, 2023, the remeasurement loss on retirement benefit plans and remeasurement gain on financial assets at FVOCI, net of tax amount to P59,407,154 and P20,985,755, respectively (2022 - loss of P4,796,928 and loss of P20,870,924, respectively).

The deferred income tax credited (charged) to other comprehensive income on remeasurement of retirement benefit plans and financial assets at FVOCI amount to P19,802,384 and (P6,995,252), respectively (2022 - P1,598,976 credited and P6,956,975 charged, respectively).

8 Other liabilities

The account at December 31 consists of:

	2023	2022
Accounts payable and accrued expenses	173,323,592	96,667,941
Taxes payable	174,873,034	122,417,226
Miscellaneous liabilities	54,579,133	50,117,738
	402,775,759	269,202,905

Miscellaneous liabilities consist of withholding tax on benefit payments and fiduciary transactions pertaining to accrued benefit payments due to the beneficiary of the Company's clients and related amounts for remittance on behalf of the individual trust funds and managed funds.

9 Retirement benefit

The Company's employees participate in a non-contributory retirement benefit plans covering all qualified officers and employees. The description of the plans applicable to the Company follows:

Defined benefit retirement plan

BPI has a unified plan which covers all subsidiaries except insurance entities. Under this plan, the normal retirement age is 60 years. Those who elect to retire prior to the normal retirement age will require approval of the Company, subject to meeting the eligibility conditions on age and years of credited service. Normal retirement benefit consists of a lump sum benefit equivalent to 200% of the basic monthly salary of the employee at the time of his retirement for each year of service, if he has rendered at least 10 years of service, or to 150% of his basic monthly salary, if he has rendered less than 10 years of service. For voluntary retirement, the benefit is equivalent to 112.50% of the employee's basic monthly salary for a minimum of 10 years of service with the rate factor progressing to a maximum of 200% of basic monthly salary for service years of 25 or more. Death or disability benefit, on the other hand, shall be the highest amount among the: (1) same basis as in voluntary retirement; (2) 100% of basic monthly salary of the employee at the time of his retirement for each year of service, and; (3) minimum amount required by the Labor Code.

Defined contribution retirement plan

In 2016, the BPI Group implemented a defined contribution plan which is accounted for as a defined benefit plan with minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of Republic Act (RA) No. 7641, The Philippine Retirement Pay Law. All non-unionized employees hired on or after January 1, 2016, the effective date, are automatically under the defined contribution plan. Employees hired prior to the effective date shall have the option to elect to become members of the defined contribution plan.

The net defined benefit cost and contributions to be paid by the Company are determined by an independent actuary.

Plan assets are held in trusts, governed by local regulations and practice in the Philippines.

Following are the amounts recognized relating to the Company's retirement plans based on the recent actuarial valuation reports:

Defined benefit retirement plan

(a) Pension liability as at December 31 recognized in the statement of financial position consists of:

	2023	2022
Present value of defined benefit obligation	372,005,037	179,363,353
Less: Fair value of plan assets	170,786,150	157,353,237
	201,218,887	22,010,116

The movements in plan assets are summarized as follows:

	2023	2022
At January 1	157,353,237	152,631,062
Contributions	13,719,733	12,140,645
Interest income	11,229,597	7,494,883
Benefit payments	(391,286)	(988,132)
Remeasurement loss	(11,125,131)	(13,925,221)
At December 31	170,786,150	157,353,237

The carrying value of plan assets as at December 31, 2023 is equivalent to its fair value of P170,786,150 (2022 - P157,353,237).

The plan assets at December 31 are comprised of the following:

	2023		2022	
	Amount	%	Amount	%
Debt securities	102,471,690	60	82,594,714	52
Equity securities	52,943,707	31	26,529,756	17
Others	15,370,754	9	48,228,767	31
	170,786,150	100	157,353,237	100

The plan assets of the unified retirement plan of the BPI Group include investment in BPI's common shares with aggregate fair value of P2,413 million as at December 31, 2023 (2022 - P489 million). An officer of the Parent Bank exercises the voting rights over the plan's investment in BPI's common shares.

The movements in the present value of defined benefit obligation are summarized as follows:

	2023	2022
At January 1	179,363,353	168,218,893
Current service cost	15,579,223	8,880,219
Past service cost	-	2,049,672
Interest expense	19,035,072	8,293,191
Benefit payments	(391,286)	(988,132)
Remeasurement loss (gain) - changes in financial assumptions	22,396,387	(17,736,997)
Remeasurement loss - experience adjustments	62,155,398	10,646,507
Remeasurement gain - demographic assumptions	(12,994,544)	-
Transfer to plan	86,861,434	-
At December 31	372,005,037	179,363,353

Transfer to plan pertains to the retirement benefit obligation of BPI and BPI Investment Management Inc. (BIMI) employees that were transferred to BPI Wealth for the year ended December 31, 2023. BPI and BIMI will reimburse the Company for the assumed obligation (Note 16). This is presented as part of other receivables under trust and other receivables, net in the statement of financial position.

The Company has no other transactions with the plan other than the contributions made for the years ended December 31, 2023 and 2022.

(b) Expense recognized in the statement of comprehensive income for the years ended December 31 consists of:

	2023	2022
Current service cost	15,579,223	8,880,219
Past service cost	-	2,049,672
Interest expense	19,035,072	8,293,191
Interest income	(11,229,597)	(7,494,883)
At December 31	23,384,698	11,728,199

The principal assumptions used for the actuarial valuation of the defined benefit plan are as follows:

	2023	2022
Discount rate	6.03%	7.15%
Salary increase rate	6.00%	6.00%

Discount rate

The discount rate is determined by reference to yields on long-term Philippine Treasury Bonds and adjusted to reflect the term similar to the estimated term of the benefit obligation as determined by the actuary as at the end of the reporting period as there is no deep market in high quality corporate bonds in the Philippines.

Future salary rate increases

This is the expected long-term average rate of salary increase taking into account inflation, seniority, promotion and other market factors. Salary increases comprise of the general inflationary increases plus a further increase for individual productivity, merit and promotion. The future salary increase rates are set by reference over the period over which benefits are expected to be paid.

Demographic assumptions

Assumptions regarding future mortality and disability experience are based on published statistics generally used for local actuarial valuation purposes.

The defined benefit plan typically exposes the Company to a number of risks such as investment risk, interest rate risk and salary risk. The most significant of which relate to investment and interest rate risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. A decrease in government bond yields will increase the defined benefit obligation although this will also be partially offset by an increase in the value of the plan's fixed income holdings. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the Company. However, the Company believes that due to the long-term nature of the pension liability and the strength of the Company itself, the mix of debt and equity securities holdings of the plan is an appropriate element of the long-term strategy to manage the plan efficiently.

The Company ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The Company's main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt securities with maturities that match the benefit payments as they fall due. The asset-liability matching is being monitored on a regular basis and potential change in investment mix is being discussed with the trustee, as necessary to better ensure the appropriate asset-liability matching.

The Company contributes to the plan depending on the suggested funding contribution as calculated by an independent actuary. The expected contributions to the plan for the year ending December 31, 2024 amount to P39,307,818.

The weighted average duration of the defined benefit obligation as at December 31, 2023 is 5.67 years (2022 - 7.93 years).

The projected maturity analysis of retirement benefit payments as at December 31 follows:

	2023	2022
Less than a year	69,772,354	9,039,749
Between 1 to 5 years	97,286,499	42,877,528
Between 5 to 10 years	63,813,291	117,466,087
Between 10 to 15 years	111,283,466	126,605,924
Between 15 to 20 years	65,364,388	81,868,410
Over 20 years	827,929,057	337,552,929

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions follows:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
December 31, 2023			
Discount rate	1.0%	Decrease by 5.9%	Increase by 5.4%
Salary increase rate	1.0%	Increase by 5.8%	Decrease by 5.5%
December 31, 2022			
Discount rate	1.0%	Decrease by 7.4%	Increase by 8.4%
Salary increase rate	1.0%	Increase by 8.4%	Decrease by 7.5%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statement of financial position.

Defined contribution retirement plan subject to the requirements of RA No. 7641

	2023	2022
Present value of defined benefit obligation under RA No. 7641	34,665,688	38,997,227
Less: Fair value of plan assets	118,641,819	74,192,682
Surplus	(83,976,131)	35,195,455
Effect of asset ceiling	83,976,131	(35,195,455)
	-	-

The movements in the present value of the defined benefit obligation are as follows:

	2023	2022
At January 1	38,997,227	35,200,625
Current service cost	7,131,403	4,918,098
Past service cost	-	2,061,830
Benefit payments	(6,475,745)	(4,257,235)
Interest expense	4,036,587	1,731,871
Remeasurement loss (gain) - changes in financial assumptions	4,131,285	(7,306,604)
Remeasurement loss - experience adjustments	25,373,762	6,648,642
Remeasurement gain - changes in demographics	(54,227,900)	-
Transfer to plan	15,699,069	-
At December 31	34,665,688	38,997,227

Transfer to plan pertains to the retirement benefit obligation of BPI and BIMl employees that were transferred to BPI Wealth for the year ended December 31, 2023. BPI and BIMl will reimburse the Company for the assumed obligation (Note 16).

The movements in the fair value of plan assets are as follows:

	2023	2022
At January 1	74,192,682	75,915,644
Interest income	5,621,080	3,844,166
Benefit payments	(6,475,745)	(4,257,235)
Contributions	20,370,569	6,431,985
Remeasurement gain (loss) - return on plan assets	24,933,233	(7,741,878)
At December 31	118,641,819	74,192,682

Expense recognized in the statement of comprehensive income for the years ended December 31 consists of:

	2023	2022
Current service cost	7,131,403	4,918,098
Past service cost	-	2,061,830
Interest expense	4,036,587	1,731,871
Interest income	(5,621,080)	(3,844,166)
Interest on the effect of asset ceiling	2,597,425	2,003,179
At December 31	8,144,335	6,870,812

The principal assumptions used for the actuarial valuation of the defined contribution plan of the Company are as follows:

	2023	2022
Discount rate	6.13%	7.38%
Salary increase rate	6.00%	6.00%

The major categories of plan assets as a percentage of the fair value of total plan assets follow:

	2023		2022	
	Amount	%	Amount	%
Debt securities	32,033,291	27	20,952,013	28
Equity securities	78,303,601	66	29,387,721	40
Others	8,304,927	7	23,852,948	32
	118,641,819	100	74,192,682	100

The asset allocation of the pension plan is set and reviewed from time to time by the plan trustees taking into account the membership profile, the liquidity requirements of the plan and risk appetite of the plan sponsor.

Contributions are determined on the plan provisions. The expected contributions of the Company for the year ending December 31, 2024 amount to P26,247,032.

The weighted average duration pertaining to the defined contribution plan as at December 31, 2023 is 10.7 years (2022 - 13.55 years).

10 Share capital

Share capital

Common shares are classified as share capital under equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

Details of share capital as at December 31, 2023 and 2022 are as follows:

	No. of Shares	Amount
Authorized, P10 par value	200,000,000	2,000,000,000
Issued and outstanding	60,000,000	600,000,000

Additional paid-in capital

Proceeds or consideration in excess of par value of shares, if any, are credited to additional paid-in capital.

Reserve for trust business

Reserve for trust business represents the appropriation made by the Company in compliance with the BSP regulation. An institution authorized to engage in trust and other fiduciary business shall, before the declaration of dividends, carry to retained earnings appropriated for trust business at least ten percent (10%) of its net income realized out of its trust, investment management and other fiduciary business since the last preceding dividend declaration until the retained earnings appropriated shall amount to twenty percent (20%) of its authorized capital stock.

Other reserves

Other reserves pertain to the employee stock option plan.

The Company implements an equity-settled share-based payment scheme in respect of services received from certain employees. The fair value of the services received is measured by reference to the fair value of the shares of the Parent Bank on the date of the grant. The cost of employee services received in respect of the shares granted is recognized in profit or loss (with a corresponding increase in Other reserves in Equity) over the period that the services are received, which is the vesting period.

The fair value of the options granted is determined using option pricing models which take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors.

Dividend declarations

Declaration date	Payment date	Amount per share	Total
<i>For the year ended December 31, 2023</i>			
May 17, 2023	May 25, 2023	15.83	950,000,000
<i>For the year ended December 31, 2022</i>			
December 14, 2022	December 27, 2022	15.50	930,000,000

11 Income taxes

Income tax expense for the years ended December 31 consists of:

	2023	2022
Current	365,363,944	355,615,082
Deferred	(19,320,507)	(10,780,676)
	346,043,437	344,834,406

Current tax for the year ended December 31, 2023 includes final tax of P16,857,121 (2022 - P7,787,053).

The Company has recognized deferred income tax asset, net amounting P78,312,162 (2022 - P46,184,523) from deductible temporary differences (Note 7).

The reconciliation between the income tax expense computed at the statutory income tax rate to the actual income tax expense shown in the statement of total comprehensive income for the years ended December 31 follows:

	2023		2022	
	Amount	Rate (%)	Amount	Rate (%)
Income before income tax	1,463,510,890		1,367,652,188	
Statutory income tax	365,877,723	25.00	341,913,047	25.00
Adjustments to income tax resulting from tax effects of:				
Interest income already subjected to final tax	(4,214,280)	(0.29)	(1,946,861)	(0.14)
Non-deductible expenses	19,483,187	1.33	7,226,881	0.52
Others	(35,103,193)	(2.40)	(2,358,661)	(0.17)
	346,043,437	23.64	344,834,406	25.21

12 Salaries and other employee benefits

Details of compensation and fringe benefits expense for the years ended December 31 follow:

	2023	2022
Salaries and wages	865,356,184	443,710,570
Retirement expense	41,096,006	18,599,011
Other employee benefit expenses	18,039,129	9,686,330
	924,491,319	471,995,911

13 Taxes, licenses and regulatory fees

Details of taxes, licenses and regulatory fees for the years ended December 31 follow:

	2023	2022
Gross receipts tax	207,002,864	146,125,689
Examination fees	173,424,519	172,716,949
Fringe benefits	2,485,694	2,485,012
Other taxes and fees	2,283,609	1,021,092
	385,196,686	322,348,742

Other taxes and fees consist of local and municipal taxes, business permits and licenses and annual registration fees.

14 Other operating expenses

Details of other operating expenses for the years ended December 31 follow:

	Notes	2023	2022
Promotional and other selling expenses		484,298,927	11,871,079
Information technology charges		276,046,134	276,721,573
Repairs and maintenance expenses		69,545,677	22,189,312
Depreciation and amortization expenses	6	60,741,260	29,121,409
Rent, transportation and travel		22,795,358	4,791,700
Utilities expenses		21,673,504	19,178,481
Provision for impairment	4	19,911,150	6,207,024
Interest expense on lease liabilities	15	16,998,120	3,383,667
Legal and professional fees		12,693,967	16,373,129
Membership fees		6,176,699	5,736,008
Stationery and supplies		4,031,288	3,673,991
Modification loss		383,806	-
Miscellaneous expenses		45,542,424	33,089,442
		1,040,838,314	432,336,815

Miscellaneous expenses consist mainly of regular donation, insurance on furniture and fixtures, bank charges, distribution fees and expenses incurred during staff meetings.

15 Leases

The Company leases office space with the Parent Bank. Rental contract is made for a fixed period of five (5) years commencing on March 16, 2019 but subject to extension upon mutual agreement of both parties.

Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreement does not impose any covenants, but leased asset cannot be used as security for borrowing purposes.

In July 2023, the Company leased its second office space with Parent Bank for a fixed period of 7 years resulting in an addition to the right-of-use asset (Note 6), subject to extension upon mutual agreement of both parties.

The statement of financial position shows the following amounts relating to leases as at December 31:

	Note	2023	2022
<i>Right-of-use assets</i>			
Property and equipment - Office premises	6	475,071,324	29,193,976
		475,071,324	29,193,976
<i>Lease liabilities</i>			
Current		52,161,374	29,646,249
Non-current		435,968,777	1,388,732
		488,130,151	31,034,981

The weighted average incremental borrowing rate applied to the lease liabilities in 2023 is 6.38% (2022 - 7.40%).

Movement in lease liabilities is shown below:

	2023	2022
Balance as at January 1	31,034,981	57,556,610
Non-cash changes		
Interest expense	16,998,120	3,383,667
Additions	472,009,578	-
Remeasurement due to lease modification	10,792,239	-
Principal and interest payments	(42,704,767)	(29,905,296)
Balance as at December 31	488,130,151	31,034,981

In June 2023, the Company reduced the leased office space with the Parent Bank, resulting in a lease modification. As a result, the net effect on the related right-of-use asset and lease liability amounts to P10,408,433 and P10,792,239 respectively. The loss from lease modification amounting to P383,806 is presented as part of other operating expenses in the statement of comprehensive income (Note 14).

The statement of comprehensive income for the years ended December 31 shows the following amounts relating to leases:

	Note	2023	2022
Depreciation expense			
Property and equipment - Office premises	6	53,715,637	24,160,533
Interest expense		16,998,120	3,383,667
Loss on lease modification		383,806	-
Expense relating to short-term leases (included in Operating expenses)		16,146,349	4,032,175
		87,243,912	31,576,375

The total cash outflow for leases subject to requirements of PFRS 16 as at December 31, 2023 is P42,704,767 (2022 - P29,905,296).

16 Related party transactions

In the normal course of business, the Company transacts with its Parent Bank and other related parties. These transactions such as deposit arrangements and advances for operating expenses are made in the normal operating activities and have terms and conditions that are generally comparable to those offered to non-related parties and to similar transactions in the market.

Significant related party transactions and outstanding balances as at December 31 are summarized below:

As at and for the year ended December 31, 2023	Transactions for the year	Outstanding balances Receivable/(Payable)	Terms and conditions
Parent Bank			
Dividend payments	950,000,000	-	Refer to Note 10.
Intercompany transactions, net	307,768,884	(29,669,529)	-Unsecured -Non-interest bearing -Payable in cash at gross amount on demand -Refer to Note (a) below for reimbursements.
Deposits, net	(583,095,169)	813,153,365	-These are demand deposits bearing an average annual interest of 0.25%.
Interest income on deposit	691,594	-	
Gain on write-off of payable	28,896,443	-	-Refer to Note (b).
Retirement benefit obligation	88,361,332	88,361,332	-Transfer of retirement benefit obligation. Refer to Note 9.
Refundable security deposit	500,560	8,244,189	-Refundable at the end of the lease term -Unsecured
Retirement fund			
Contributions	34,090,302	-	Refer to Note 9.
Trust funds and managed funds			
Trust income	479,148,555	128,256,741	Based on the following fee structure: (a) Previous day NAV (b) Average daily NAV (c) 0% Pooled Fund (d) Unit-based fund (NAV) (e) Fixed annual fee The above varies per fund in accordance with the individual agreement.
Other subsidiaries of Parent Bank			
Other expenses	40,999,142	-	Broker's fees based on transaction value or P500, whichever is higher.
Lease-related transactions	58,103,937	-	- These are unsecured, non-interest bearing, payable in cash on demand arising from the Company's lease arrangement entered into in 2023, which includes payments for lease, common area charges and utilities.
Retirement benefit obligation	14,199,171	14,199,171	Transfer of retirement benefit obligation. Refer to Note 9.

(Continued)

Other related parties			
Director's remuneration	2,425,000	-	P50,000 per diem for Board meeting and P25,000 per diem for Committee meeting.
Purchase of transportation equipment	18,147,251	-	Amount varies on subsidy limit per officer's rank.
Marketing fee expense	455,989,586	-	Presented as part of promotional and other selling expenses under other operating expenses in the statement of comprehensive income (Note 14)
As at and for the year ended December 31, 2022			
Parent Bank			
Dividend payments	930,000,000	-	Refer to Note 10.
Advances made for Company's expenses	(476,992,334)	(69,326,651)	-Unsecured -Non-interest bearing -Payable in cash at gross amount on demand -Refer to Note (a) below for reimbursements.
Intercompany transactions, net	243,750,159	-	-These are demand deposits bearing an average annual interest of 0.25%.
Deposits, net	(501,423,978)	1,395,556,940	-These are demand deposits bearing an average annual interest of 0.25%.
Interest income on deposit	1,400,061	-	
Refundable security deposit	555,864	7,743,629	-Refundable at the end of the lease term -Unsecured
Retirement fund			
Contributions	18,572,630	-	Refer to Note 9.
Trust funds and managed funds			
Trust income	344,977,944	153,692,894	Based on the following fee structure: (a) Previous day NAV (b) Average daily NAV (c) 0% Pooled Fund (d) Unit-based fund (NAV) (e) Fixed annual fee The above varies per fund in accordance with the individual agreement.
Other subsidiaries of Parent Bank			
Other expenses	51,524,678	-	Broker's fees based on transaction value or P500, whichever is higher.
Other related parties			
Director's remuneration	2,800,000	-	P50,000 per diem for Board meeting and P25,000 per diem for Committee meeting.
Purchase of transportation equipment	15,080,000	-	Amount varies on subsidy limit per officer's rank.

- (a) Intercompany transactions, net pertain to expenses paid by the Parent Bank on behalf of the Company. This is comprised of the following:

	2023	2022
Intercompany expenses	194,444,334	166,476,944
Staff benefits	9,769,123	3,855,268
Other expenses	103,555,427	73,417,947
	307,768,884	243,750,159

Staff benefits and other expenses are presented as part of salaries and other employee benefits and other operating expenses, respectively, in the statement of total comprehensive income.

- (b) In 2023, the Company written-off a portion of due to Parent Bank amounting to P24,114,314 as the Parent Bank confirmed that they will no longer collect this amount. This is recognized as part of other income in the statement of comprehensive income.

17 Financial risk management

The Company's activities expose it to a variety of financial risks, primarily credit risk and liquidity risk. As risk taking is core to the business, an effective risk management process is critical in ensuring that a proper balance between risk and return is achieved.

The risk management policies and procedures of the Company are designed to properly identify, measure, control, monitor and report the various risks arising from the conduct of its operations, proprietary investing activities, and fiduciary and investment management duties. These policies and procedures are expected to evolve as the Company's business grows, as the market structure and regulations change, as new financial products are introduced in the market and as management practices are modified.

Board oversight

The Company recognizes that effective risk management is a top-down process that starts with the BOD. The BOD has the ultimate responsibility of providing oversight of the Company's risk management process, which involves establishing strategic direction and providing risk tolerance standards for its operations and proprietary investing activities. It is responsible for ensuring that an effective risk management process and systems are in place at all times and that risks taken are always within the defined parameters. The BOD, through the Risk Management Committee, shall also approve and regularly review risk management policies, procedures and limits to ensure that these remain consistent with the Company's business and risk management objectives.

Risk management process

The risk management process of the Company has four elements, namely: (a) risk identification, (b) risk measurement, (c) risk management/control and (d) risk monitoring and reporting.

Risk identification involves recognizing and understanding the risks faced by the Company in the conduct of its operations, proprietary investing activities, and fiduciary and investment management duties. It also involves determining the appetite and tolerance of the institution (as defined by the BOD through the Risk Management Committee) for such risks.

Risk measurement involves applying measurement techniques or models to quantify identified risks. After risks are identified and measured, risk control processes and limits in line with the risk tolerance standards of the Company are established. Actual risk exposures are then monitored and compared against these limits and results are communicated to the BOD and the Risk Management Committee through the generation of reports.

Market risk

Considering the components of the financial assets and liabilities as at December 31, 2023 and 2022, the Company is not significantly exposed to market risk.

In accordance with BSP regulations, the Company shall not engage in any proprietary trading and speculative investing activities. Proprietary assets owned by the Company shall be for the purpose of engaging in the trust business and investment management activities and for maintaining the minimum capital requirement and basic security deposit requirement.

17.1 Credit risk

Credit risk arises from cash and cash equivalents, financial assets at FVOCI, trust and other receivables, as well as credit exposure from refundable security deposit. The Company's exposure arises from default of the counterparty, with a maximum exposure equal to the fair value of these financial assets.

To minimize credit risk, the Company transacts only with counterparties with good credit standing.

Cash and cash equivalents

The Company's cash and cash equivalents at December 31, 2023 amounting to P813,154,754 (2022 - P1,395,557,635) are deposited with top universal banks in the Philippines and are assessed to be performing (Stage 1) (Note 2). Accordingly, management deemed that credit risk is minimal.

Financial assets at FVOCI

The Company's financial assets at FVOCI pertain to Philippine government treasury bonds, bills and notes and are considered fully performing (Stage 1) (Note 3). These securities are rated "BBB+" with a "stable" outlook by Standard & Poor's as at December 31, 2023 and 2022. Based on this credit rating, management has assessed that the expected credit loss (ECL) provision is insignificant for financial reporting purposes.

Trust and other receivables

The Company applies the simplified approach, as permitted by PFRS 9, in measuring expected credit losses which uses a lifetime expected loss allowance for trust and other receivables.

To measure the expected credit losses, trust and other receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of receivables over a period of 24 months before December 31, 2023 and 2022, respectively, and corresponding historical credit losses experienced within this period. The forward-looking information on macroeconomic factors are considered insignificant in calculating impairment of trust and other receivables.

As at December 31, 2023, all of the trust and other receivables amounting to P551,734,068 (2022 - P432,114,345) are considered current or fully performing. Likewise, during the year the company incur write-off on receivables amounting to P149,767 (2022 - nil).

Refundable deposits

As at December 31, 2023, deposits amounting to P8,244,189 (2022 - P7,743,629) in connection with the lease of the Company's office space are refundable at the end of the lease term (Note 15).

None of the financial assets, that are considered fully performing as at December 31, 2023 and 2022, has been renegotiated.

17.2 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Working capital requirements are reviewed on a monthly basis through projection of cash flows from the Company's operating, investing, and financing activities.

The Company manages liquidity through reporting of liquidity risk exposures, monitoring compliance with liquidity risk policy and review of liquidity risk policy for pertinence and changing environment.

The table below presents the maturity profile of financial instruments based on undiscounted cash flows, including future interest, which the Company uses to manage inherent risk. The analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date the financial asset will be realized or the financial liability will be settled.

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
As at December 31, 2023				
Financial assets				
Cash and other cash items	813,154,754	-	-	813,154,754
Financial assets at FVOCI	700,665,500	1,001,203,014	400,454,699	2,102,323,213
Trust and other receivables	551,734,068	-	-	551,734,068
Refundable deposits	8,244,189	-	-	8,244,189
Total financial assets	2,073,798,511	1,001,203,014	400,454,699	3,475,456,224
Financial liabilities				
Due to Parent Bank	29,669,529	-	-	29,669,529
Lease liabilities	83,482,565	270,455,748	248,096,667	602,034,980
Other liabilities	227,902,725	-	-	227,902,725
Total financial liabilities	341,054,819	270,455,748	248,096,667	859,607,234
Total maturity gap	1,732,743,692	730,747,266	152,358,032	2,615,848,990
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
As at December 31, 2022				
Financial assets				
Cash and other cash items	1,395,557,635	-	-	1,395,557,635
Financial assets at FVOCI	732,533,589	690,419,178	-	1,422,952,767
Trust and other receivables	432,114,345	-	-	432,114,345
Refundable deposits	-	7,743,629	-	7,743,629
Total financial assets	2,560,205,569	698,162,807	-	3,258,368,376
Financial liabilities				
Due to Parent Bank	69,326,651	-	-	69,326,651
Lease liabilities	30,927,756	1,404,170	-	32,331,926
Other liabilities	146,785,679	-	-	146,785,679
Total financial liabilities	247,040,086	1,404,170	-	248,444,256
Total maturity gap	2,313,165,483	696,758,637	-	3,009,924,120

17.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company complies with the minimum paid-in capital required by Section 5 of Circular No. 710, Series of 2011 of the BSP upon approval to establish the trust corporation.

As at December 31, 2023 and 2022, the total paid-in capital of the Company is P1,502,066,145.

Total capital being managed by the Company is its total equity as shown in the statement of financial position.

As at December 31, 2023, the Company's equity amounts to P3,021,195,761 (2022 - P2,892,069,714).

The Company, being authorized to engage in trust and other fiduciary business, is also required under Section 4413Q of the Memorandum of Regulations for Non-Bank Financial Institutions of BSP to appropriate before the declaration of dividends, at least 10% of its net profits realized out of its trust, investment management and other fiduciary business since the last preceding dividend declaration until the retained earnings shall amount to 20% of the authorized capital of the Company and no part of such retained earnings shall at any time be paid out in dividends but losses accruing in the course of its business may be charged against surplus. Accordingly, the Company appropriated an amount of P13,250,745 for the year ended December 31, 2022 thereby bringing the total reserves for trust business to P400,000,000 which is already equivalent to 20% of its authorized capital as at December 31, 2022. No additional appropriation required for 2023.

17.4 Fair value estimation of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company ranks its financial instruments based on the hierarchy of valuation techniques required by PFRS 13, which is determined based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs lead to the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible.

The Company's financial instruments are principally either short-term in nature or have interest rates that periodically reset at market rates. Accordingly, the estimated fair value does not significantly differ from carrying value for each major category of the Company's recorded financial assets and liabilities.

The fair values of Philippine government treasury bonds under financial assets at FVOCI are classified under Level 1 as at December 31, 2023, while the treasury bills and notes under financial assets at FVOCI are classified under Level 2 as at December 31, 2023 and 2022.

18 Critical accounting estimates, assumptions and judgments

The Company makes estimates, assumptions and judgments that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. It is reasonably possible that the outcomes within the next financial year could differ from assumptions made at the end of the reporting period and could result in adjustment to the carrying amount of affected assets or liabilities.

18.1 Critical accounting judgments

Recognition of deferred income tax assets (Note 7)

The recognition of deferred income taxes depends on management's assessment of the probability of available future taxable income against which the temporary difference can be applied. The Company reviews at the end of each reporting period the carrying amounts of deferred tax assets. The carrying amount of deferred tax assets is reduced to the extent that the related tax assets cannot be utilized due to insufficient taxable profit against which the deferred tax losses will be applied. The Company believes that sufficient taxable profit will be generated to allow all of the deferred income tax assets to be utilized.

Classification of investment securities (Note 3)

The Company follows the guidance of PFRS 9 in classifying financial assets at initial recognition whether it will be subsequently measured at FVOCI, at amortized cost, or at fair value through profit or loss. The Company determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The Company determines whether the contractual cash flows associated with the financial assets are solely payments of principal and interest on the principal amount outstanding.

Determining the lease term (Note 15)

Extension and termination options are included in the lease of the Company. This is used to maximize operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable only by the Company and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

18.2 Critical accounting estimates

Impairment of trust and other receivables (Note 4)

Under PFRS 9, the measurement of the ECL allowance for financial assets measured at amortized cost and at FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The Company measures ECL using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL. Management consider the probability of default for trust receivables to be close to zero as the counterparties have a strong capacity to meet their contractual obligation in the near term. As a result, no loss allowance for trust receivables has been recognized based on 12-month ECL as any such impairment would be insignificant to the Company as at December 31, 2023 and 2022.

As at December 31, 2023, ECL amounting to P42,384,004 (2022 - P22,622,621) has been recognized for other receivables. The net balance of trust and other receivables amounting to P551,734,068 (2022 - P432,114,345) is deemed fully recoverable.

Determining the incremental borrowing rate (Note 15)

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; or
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held which do not have recent third-party financing; and
- makes adjustments specific to the lease (e.g. term, currency and security).

19 Subsequent event

Assignment of BPI's trust business acquired

Effective January 1, 2024, the trust business of Robinsons Bank Corporation (RBC) (the "Trust Business") has been transferred to BPI Wealth. BPI Wealth has accepted the contribution of the Trust Business from BPI as a result of the merger between BPI and RBC, with BPI as the surviving bank.

An external party was engaged to value the trust business of RBC. The Trust Business of RBC was valued using the Discounted Cash Flows (DCF) method under the Income Approach. Under this method, the future cash flows of the business were estimated and discounted using an appropriate discount rate. The Comparable Public Companies and Comparable Transactions methods under the Market Approach were likewise considered as a secondary method to check the reasonableness of the value derived under the DCF method.

The value was transferred in the books of the Company in 2024 in consideration of an additional paid-in capital from Parent Bank and recognized as an intangible asset. The intangible asset was estimated to have a useful life of 10 years and thus, will be amortized for 10 years.

The amortization of the intangible asset will not reduce the amount of the additional paid-in capital of the Parent Bank but will form part of other operating expenses under the statement of total comprehensive income.

20 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

20.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at FVOCI.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 18.

Changes in accounting policies and disclosures

(a) Amendments to existing standards adopted by the Company

The Company has adopted the following amendments to existing standards effective January 1, 2023:

- Amendments to PAS1, 'Presentation of Financial Statements', and PFRS Practice Statement 2

The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support these amendments, PFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The adoption of these amendments resulted to changes in the accounting policies disclosed.

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2023 that are considered relevant or expected to have a material effect on the financial statement of the Company.

20.2 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

20.2.1 Classification and subsequent measurement of financial assets

The Company classifies its financial assets, limited to debt instruments, in the following measurement categories: at FVOCI and at amortized cost.

Classification and subsequent measurement of debt instruments depend on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following measurement categories:

- *Amortized cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any ECL allowance recognized and measured. Interest income from these financial assets is included in "Interest income" using the effective interest rate method. Amortized cost financial assets include cash and cash equivalents, trust and other receivables, and refundable deposits.

- *FVOCI*

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, if any, on the instrument's amortized cost which are recognized in the statement of total comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

The Company's debt instruments amounting to P2,060,975,520 as at December 31, 2023 (2022 - P1,273,350,719) are classified as financial assets at FVOCI.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

20.2.2 Impairment of financial assets

The Company assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at fair value through other comprehensive income and amortized cost. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Credit impaired financial assets

Financial assets are assessed for credit impairment at each reporting date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment may include indications that the debtor is experiencing significant financial difficulty, probability of bankruptcy or other financial reorganization, as well as measurable decrease in the estimated future cash flows evidenced by the adverse changes in the payments status of the debtor or economic conditions that correlate with defaults. An asset that is in Stage 3 will move back to Stage 2 when, as at reporting date, it is no longer considered to be credit-impaired. The asset will transfer back to Stage 1 when its credit risk at the reporting date is no longer considered to have increased significantly from initial recognition, and when there is sufficient evidence to support full collection of principal and interest due. Prior to the transfer to Stage 1, the asset should have exhibited both the quantitative and qualitative indicators of probable collection.

When a financial asset has been identified as credit-impaired, ECL is measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate.

When a financial asset is credit impaired, interest ceases to be recognized on the regular accrual basis, which accrues income based on gross carrying amount of the asset. Rather, interest income is calculated by applying the original effective interest rate to the amortized cost of the asset, which is the gross carrying amount less related allowance for impairment. Following impairment, interest income is recognized on the unwinding of the discount from the initial recognition of impairment.

20.3 Financial liabilities

20.3.1 Classification and recognition

As at December 31, 2023 and 2022, the Company has only financial liabilities at amortized cost.

Financial liabilities at amortized cost include due to Parent Bank, lease liabilities and other liabilities (excluding taxes payable) in the statement financial position.

20.3.2 Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest rate method.

20.4 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of an asset which comprises its purchase price, import duties and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate cost or residual values over the estimated useful lives of the assets as follows:

Furniture and equipment	3 to 5 years
Transportation equipment	5 years

Major renovations are depreciated over the remaining useful life of the related asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value-in-use.

20.5 Impairment of non-financial assets

Assets that have definite useful lives are subject to depreciation or amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is calculated at the higher of the asset's fair value less cost to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

20.6 Provisions and contingencies

Provisions are recognized when: (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is more likely than not that an outflow of resources will be required to settle the obligation; and (c) the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to the passage of time is recognized as interest expense.

Provisions are derecognized when the obligation is settled, cancelled or has expired.

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

20.7 Revenue recognition

The Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer (i.e. an asset). An asset is transferred when (or as) the customer obtains control of that asset.

The recognition of revenue can be either over time or at a point in time depending on when the performance obligation is satisfied.

When control of a good or service is transferred over time, that is, when the customer simultaneously receives and consumes the benefits, the Company satisfies the performance obligation and recognizes revenue over time. Otherwise, revenue is recognized at the point in time of transfer of control of the good or service to the customer.

The Company recognizes revenue based on the rate/price specified in the service agreement and is only recognized to the extent that it is highly probable that a significant reversal will not occur.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

There are no warranties and other similar obligation and refunds agreed with customers.

Trust income and commission income is recognized in the statement of comprehensive income based on agreed terms and conditions and upon satisfaction of the performance obligation.

Interest income is recognized on a time proportion basis using the effective interest rate method, gross of applicable taxes.

20.8 Leases - Company as lessee

i. Measurement of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

ii. Measurement of right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the lease term of five (5) years on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

iii. Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

iv. Lease modification

Lease modifications are accounted either as a separate lease or not a separate lease. The Company accounts for the lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right of use to one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

v. Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Low-value assets comprise of IT and computer equipment.

20.9 Income taxes

Current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognized using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Company re-assesses at the end of each reporting period the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax liabilities are recognized in full for all taxable temporary differences in full for all taxable temporary differences.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

20.10 Employee benefits*(a) Short-term benefits*

The Company recognizes a liability net of amount already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses, and non-monetary benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and recognized as expense when the related service is provided.

(b) Defined benefit retirement plan

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The amount recognized in the statement of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. If the resulting difference is a pension asset, the asset ceiling is being observed. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

(c) Defined contribution retirement plan

The Company also maintains a defined contribution plan that covers certain full-time employees. Under its defined contribution plan, the Company pays fixed contributions based on the employees' monthly salaries. The Company, however, is covered under RA No. 7641, otherwise known as 'The Philippine Retirement Pay Law', which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641. Accordingly, the Company accounts for its retirement obligation under the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The Company determines the net interest income (expense) on the net defined benefit asset (liability) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit asset (liability) then, taking into account any changes in the net defined benefit asset (liability) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in the statement of total comprehensive income.

The defined contribution liability is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Actuarial gains and losses arising from the remeasurements of the net defined contribution liability are recognized immediately in other comprehensive income.

(d) Bonus plans

The Company recognizes a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholder after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

20.11 Foreign currency transactions and translation*Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Philippine Peso, which is the functional currency of the Company.

21 Supplementary information required by the BSP

Below is the additional information required by Section 13, Subsection 4190T.4 of the Manual of Regulations for Non-Bank Financial Institutions. The supplementary information is presented for BSP reporting purposes and is not required in the basic financial statements.

(i) Basic quantitative indicators of financial performance

	2023	2022
Return on average equity	37.80	35.79
Return on average assets	30.09	30.31
Percentage of trust fees to total assets under management	0.32	0.31

The calculation above is based on the prescribed formulas under Annex C of Subsection 4190T.4.

(ii) *Total outstanding investment, loans and other credit accommodations to Directors, Officers, all Stockholders and their Related Interests (DOSRI)*

Details of DOSRI balances:

	2023	2022
BPI		
Deposits in banks	813,153,365	1,395,556,940
Refundable security deposit	8,244,189	7,743,629
	821,397,554	1,403,300,569

All balances with DOSRI are unsecured and are fully performing.

(iii) *Large exposures*

	2023	2022
BPI		
Cash and cash equivalents	813,153,365	1,395,556,940
Refundable security deposit	8,244,189	7,743,629
	821,397,554	1,403,300,569
Philippine Government		
Treasury bonds	1,182,252,021	1,173,260,148
Treasury notes	191,445,431	100,090,571
Treasury bills	687,278,068	-

Large exposures refer to exposures to counterparty or a group of related counterparties equal or greater than five percent (5%) of the Company's combined capital account. Combined capital accounts shall mean the total capital stock, retained earnings, and profit and loss summary, net of (a) unbooked allowance for probable losses (which includes allowance for credit losses and impairment losses) on the allowable proprietary assets and (b) such other capital adjustments as may be required by the BSP.

(iv) *Nature and amount of contingencies*

There are no contingencies and commitments arising from off-balance sheet items as at December 31, 2023 and 2022.

(v) *Aggregate amount of secured liabilities and assets pledged as security*

The Company does not have assets pledged as security for secured liabilities as at December 31, 2023 and 2022.

22 Supplementary information required by the Bureau of Internal Revenue (BIR)

Below is the additional information required by Revenue Regulations (RR) No. 15-2010. This information is presented for the purposes of filing with the BIR and is not a required part of the basic financial statements.

(i) *Documentary stamp tax*

There were no documentary stamp taxes paid for the year 2023.

(ii) *Withholding taxes*

Withholding taxes paid/accrued and/or withheld for the year ended December 31, 2023 consist of:

	Paid	Accrued	Amount
Tax on compensation and benefits	170,359,133	17,202,131	187,561,264
Expanded withholding taxes	40,163,714	3,941,370	44,105,084
Final withholding taxes	16,806,316	1,640,010	18,446,326
Fringe benefits tax	2,287,961	696,405	2,984,366
Business taxes	14,017,865	1,269,502	15,287,367
	243,634,989	24,749,418	268,384,407

(iii) *All other local and national taxes*

All other local and national taxes paid for the year ended December 31, 2023 consist of:

	Paid	Accrued	Amount
Gross receipts tax	186,244,701	56,350,497	242,595,198
Municipal taxes	680,485	-	680,485
Total	186,925,186	56,350,497	243,275,683

These local and national taxes are lodged under Taxes, licenses and regulatory fees in the statement of total comprehensive income.

(iv) *Tax assessments*

The Company does not have any deficiency tax assessments as at December 31, 2023.

(v) *Tax cases*

The Company is not a party on any tax cases as at December 31, 2023.

Appendix A

Board of Directors

JOSE TEODORO K. LIMCAOCO Chairman

Filipino, 62 years old, became a member of BPI Wealth Board in April 2021. He is currently the Chairman of BPI Wealth Board of Directors and Executive Committee.

Mr. Limcaoco is the current President and Chief Executive Officer of the Bank of the Philippine Islands (BPI). Prior to this role, he was appointed as a Non-Executive Director from February 2019 to April 2021. He also serves as chairman of BPI Capital Corporation, BPI/MS Insurance Corporation, BPI AIA Life Assurance Corporation and BPI Europe PLC, ALFM Money Market Fund, Inc., ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., Philippine Stock Index Fund Corp., ALFM Global Multi-Asset Income Fund, Inc., ALFM Real Estate Income Fund, Inc.; director of BPI Wealth Singapore Pte Ltd; president and vice chairman of The Bank of the Philippine Islands Foundation, Inc., vice chairman of BPI Century Tokyo Lease & Finance Corporation and BPI Century Tokyo Rental Corporation, director and treasurer of Bankers Association of the Philippines, BAP Data Exchange, Inc., and director of Philippine Dealing System Holdings Corporation and Philippine Payments Management, Inc. Previously, he served as president of BPI Family Savings Bank from 2010-2015 and president of BPI Capital Corporation from 2007-2010. He was also director/treasurer of Ayala Life Assurance, Inc. in 2009, director/chairman of Ayala Plans, Inc. in 2010-2015, and director of Globe Fintech Innovations, Inc. in 2017-2022 and AC Energy International Inc. in 2019-2022. He also worked at BPI from 1989 to 1992 and at BPI Capital from 1995 to 1997.

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

industrial technologies.

Mr. Limcaoco joined Ayala Corporation as a managing director in 1998. His responsibilities prior to his secondment to BPI in 2007 included assistant treasurer of Ayala Corporation, trustee and treasurer of Ayala Foundation, Inc., president of myAyala.com, and director/treasurer of Azalea Technology Investments, Inc. from 2001-2006.

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

He is a director and treasurer of Just For Kids, Inc., a family-owned company. He graduated from Stanford University with a BS Mathematical Sciences (Honors Program) in 1984 and from the Wharton School of the University of Pennsylvania with an MBA (Finance and Investment Management) in 1988.

Directorship in PSE-Listed Company:
Bank of the Philippine Islands – President/
CEO & Executive Director

MARIA THERESA D. MARCIAL President and Chief Executive Officer

Filipino, 54 years old, Ms. Marcial is the President & CEO of BPI Wealth, the largest trust corporation in the Philippines with assets under management of PHP1.32 trillion. BPI Wealth is the asset and wealth management arm of Ayala-led Bank of the Philippine Islands.

Ms. Marcial is a seasoned banker with diverse experience spanning 29 years across various disciplines including investment management, trust, private banking, corporate banking, debt & equity capital markets, finance, corporate strategy and sustainability. She held key senior roles in BPI including a 5-year stint as Chief Finance Officer and Chief Sustainability Officer.

She also serves on the boards of multiple private corporations, listed companies and non-profit organizations, including BPI International Finance Ltd Hong Kong,

BPI Wealth Singapore Plc, BPI Europe Plc, BPI AIA Life Assurance Corporation, AREIT Corporation, Alternergy Holdings Corporation, WWF Philippines, Philippines Inter-Island Sailing Foundation, and Ocean Racing Club of the Philippines. She is a fellow of Foundation for Economic Freedom, a member of FINEX, MAP, HBS Club of the Philippines, NextGen Organization of Women Corporate Directors, and Filipina CEO Circle. She previously served as member of the National Advisory Council of WWF Philippines.

Ms. Marcial is an advocate of marine conservation and an outdoor enthusiast with interests in open water scuba diving, underwater photography, offshore sailing and yacht racing. She obtained the Royal Yachting Association Skipper training in Sydney, Australia. She has logged over 8,000 nautical miles sailing in offshore and coastal waters of the Philippines, New South Wales Australia, South China Sea, and Mediterranean Sea which includes her participation in the 2018 Rolex Middle Sea Race and 2023 Rolex China Sea Race.

She has a Master's Degree in Economics from the University of the Philippines Diliman and Bachelor's Degree in Economics (cum laude) from the University of the Philippines Los Baños. She completed the Advanced Management Program and the CFA Institute Investment Management Workshop at Harvard Business School. She was recognized as Outstanding Alumnus of the College of Economics and Management at UP Los Baños in 2006, one of Top 25 Most Influential Women in Asset Management in Asia by Asian Investor in 2014, CEM Centennial Outstanding Alumnus at UP Los Baños in 2019, Most Outstanding Alumnus of the University of the Philippines Los Baños in 2022, and Best CFO by Institutional Investor in 2023.

Directorship in PSE-Listed Company:
Alternergy Holdings Corporation –
Independent Director
AREIT, Inc. - Director

RENE G. BAÑEZ
Non-Executive Director

Non-Executive Director

Filipino, 68 years old, joined BPI Wealth's Board of Directors in August 2021. He also serves as a member of BPI Wealth's Audit Committee. Mr. Bañez currently holds positions as Director of Bank of the Philippine Islands (BPI) and BPI Capital Corporation.

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

In the private sector, he held several senior-level positions in PLDT until his retirement in 2016. His roles included Senior Vice President and Head of the Supply Chain, Asset Protection and Management Group, (2008 to 2016), Senior Vice President and Chief Governance Officer (2004 to 2007), Corporate Governance Advisor (2003 to 2004), Senior Vice President of Support Services and Tax Management (2000 to 2001), and first Vice President of Support Services and Tax Management (1998 to 2000). Prior to joining PLDT, he served as the Group Tax Director of Metro Pacific Investment Corporation until 1998.

Before his tenure at BIR in 1993, Mr. Bañez spent over 11 years at accounting firm, Isla Lipana & Co./PwC (formerly Joaquin Cunanan & Co.), beginning as a tax consultant in 1982 and progressing to a tax principal (Partner) from 1990 to 1993.

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

Mr. Bañez obtained his Bachelor of Laws degree in 1981 and his Bachelor of Arts degree in 1976, both from Ateneo de

Manila University.

Directorship in PSE-Listed Company:
Bank of the Philippine Islands – Director

RIZALINA G. MANTARING
Independent Director

Filipino, 64 years old, was appointed as an independent director of BPI Wealth in August 2023.

Currently, Ms. Mantaring also serves as an independent director of Bank of the Philippine Islands (BPI), Ayala Corporation, First Philippine Holdings Corporation, Universal Robina Corporation, PHINMA Corporation, Maxicare Healthcare Corporation, GoTYME Bank, and East Asia Computer Center Inc. She also serves as a director at Sun Life Grepa Financial Inc.

Ms. Mantaring brings extensive leadership experience, having served as the CEO & Country Head of Sun Life Financial Philippines from 2009 to 2018 and as the President of the Management Association of the Philippines in 2019. She was also the President of the Philippine Life Insurance Association in 2015. Additionally, she is a Trustee of the Makati Business Club and Philippine Business for Education, and a Fellow of the Foundation for Economic Freedom.

Throughout her career, Ms. Mantaring has received recognition from esteemed award-giving bodies. She was honored with the Asia Talent Management award at CNBC's 2017 Asia Business Leader Awards, named the 2018 Executive Champion of the Year, and received the Entrepreneurship Award (Financial Services, Philippines) in 2016. In 2010, by the UP College of Engineering as one of the 100 Most Outstanding Alumni of the Past Century. Ms. Mantaring also received the prestigious PAX award from St. Scholastica's College in 2019.

Ms. Mantaring holds a B.S. Electrical Engineering degree (cum laude) from the University of the Philippines, an M.S. in Computer Science from The State University of New York at Albany and is a distinguished Fellow of the Life Management Institute.

Directorships in PSE-Listed Companies:

Bank of the Philippine Islands –
Independent Director

Ayala Corporation – Independent Director

First Philippine Holdings Corporation –
Independent Director

Universal Robina Corporation –
Independent Director

GERARDO C. ABLAZA, JR.
Non-Executive Director

Filipino, 70 years old, joined BPI Wealth's Board of Directors in June 2022. He also serves on the Board of Directors for several esteemed organizations, including A.C.S.T. Business Holdings, Inc., AC Energy and Infrastructure Corporation (Formerly AC Energy, Inc.), AC Infrastructure Holdings Corporation (formerly Liveit Solutions, Inc.), Advanced Info Services, PCL (Thailand), Asiacom Philippines, Inc., Ayala Healthcare Holdings, Inc., Ayala Retirement Fund Holdings, Inc., BPI Direct Banko, Inc., A Savings Bank, IPeople, Inc., Liveit Investments Limited, Purefoods International, Limited, independent director of Roxas and Company, Inc., Holcim Philippines, Inc. and trustee of Ayala Foundation, Inc., Gawad Kalinga Foundation, and The Bank of the Philippine Islands Foundation, Inc.

From 2010 to 2017, Mr. Ablaza served as the President and CEO of Manila Water Company, Inc. He held various leadership positions in other companies, including Chairman of the Board of Directors for Manila Water Philippine Ventures, Inc., Boracay Island Water Company, Inc., Clark Water Corporation, Manila Water Total Solutions Corp., Manila Water South Asia Pacific Pte. Ltd., Manila Water South Asia Holdings Pte. Ltd., Thu Duc Water Holdings Pte. Ltd., Kenh Dong Water Holdings Pte. Ltd., and Manila Water International Solutions, Inc. Additionally, he was the President of Manila Water Consortium, Inc., and Manila Water International Solutions, Inc., and acted as Vice-Chairman of Laguna AAWater Corporation, and Chairman of the Board of Trustees of Manila Water Foundation, Inc.

Prior to his tenure at Manila Water, Mr.

Ablaza served as the Chief Operating Officer of Globe Telecom, Inc. in 1997, ascending to the role of President and CEO from 1998 to April 2009. During this time, he held the position of Chairman of the Board of Directors for Innove Communications, Inc. Subsequently, in April 2009, he assumed the role of Deputy CEO of AC Capital, later becoming its CEO the following year.

Before joining the Ayala Group, Mr. Ablaza held several key positions at Citibank, including Vice-President and Country Business Manager for the Philippines and Guam of Citibank, N.A. for its Global Consumer Banking Business (1994-1997), Vice-President for Consumer Banking of Citibank, N.A. Singapore (1994 – 1995), and Vice President for Consumer Account Management Group-Citibank Manila in 1986. Later, he represented the bank as a member of the board of directors of City Trust Banking Corporation and its various subsidiaries from 1987 to 1994.

In 2004, he was recognized by CNBC as the Asia Business Leader of the Year, being the first Filipino CEO to win the award. In the same year, Telecom Asia awarded him as the Best Asian Telecom CEO. In 2013, he was recognized for his consistent leadership and innovation across the banking, investment, telecommunications, and utility service industries through the Citi Distinguished Alumni Award for Leadership and Ingenuity, making Mr. Ablaza the first Filipino to be bestowed with this honor. In addition to his professional accomplishments, Mr. Ablaza actively contributes as a member of the Board of Trustees of various De La Salle Schools in the country, including De La Salle University-Manila, De La Salle University-Dasmariñas, and De La Salle Health Sciences Institute, where he served for six years until December 2019.

Mr. Ablaza graduated summa cum laude from De La Salle University in 1974, earning a Liberal Arts Degree, Major in Mathematics (Honors Program).

Directorships in PSE-Listed Companies:

IPeople, Inc. – Director
Roxas and Company, Inc. - Independent
Director

IGNACIO R. BUNYE
Independent Director

Filipino, 79 years old, serves as an Independent Director and has been an esteemed member of BPI Wealth's Board since November 2016. He holds the position of Chairman of the Company's Audit Committee and is a valued member of the Corporate Governance Committee. Additionally, Mr. Bunye serves as an Independent Director for Bank of the Philippine Islands, BPI Direct Banko, Inc., A Savings Bank, BPI Capital Corporation and TDF Holdings, Inc.

Mr. Bunye served as 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.

In earlier years, he worked at the Filipinas Foundation Inc. as Assistant Corporate Secretary from 1970 to 1975, Assistant Vice President of BPI Investment Corporation from 1976 to 1983 and Assistant Vice President for Corporate Banking and Treasury at the Bank of the Philippine Islands from 1983 to 1985. He also held various executive positions at the Ayala Group of Companies, including Assistant Vice President of the Ayala Investment and Development Corporation.

A former print and broadcast journalist, he now writes a regular weekly column for

Manila Bulletin, Tempo, People's Tonight, Sun Star, BusinessWeek Mindanao, Panay News and Filipino Reporter (in New York).

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

Mr. Bunye is a member of the Integrated Bar of the Philippines. He obtained his Bachelor of Arts degree and Bachelor of Laws degree from the Ateneo de Manila University in 1964 and 1969, respectively. He passed the Philippine Bar Examination in 1969 and also earned a Masters in Management from the Asian Institute of Management in 1976.

Directorship in PSE-Listed Company:

Bank of the Philippine Islands –
Independent Director

MARIANA BEATRIZ E. ZOBEL DE AYALA
Non-Executive Director

Filipino, 35 years old, became a member of BPI Wealth's Board of Directors in June 2021. She is also a member of the Company's Executive Committee. Mariana Zobel de Ayala is an Executive Director of Ayala Corporation and concurrently a Senior Vice President of Ayala Land, heading its Leasing and Hospitality Group, overseeing Ayala Malls, Ayala Land Offices, and Ayala Land Hotels and Resorts.

Mariana Zobel de Ayala previously worked for the Bank of the Philippine Islands (BPI) as a Senior Vice President, leading the development of its marketing and digital platforms for its Consumer Banking Group. Before this position, she served as the Deputy Head of Ayala Malls and initially as part of Alveo Land's project development team. She started working at the Ayala Group as a corporate strategy and business development associate at Ayala Corporation, supporting its portfolio reviews across the conglomerate and business development interests in the healthcare industry.

Ms. Zobel de Ayala started her career at J.P. Morgan in New York City as Analyst/Business Manager for two (2) years. She graduated from Harvard College in 2011 with a Bachelor of Arts in Social Studies (Philosophy, Politics, and Economics), and an MBA from INSEAD, France in 2020.

Directorships in PSE-Listed Companies:
AREIT, Inc. - Director
Ayala Land, Inc. - Director

MARIA DOLORES B. YUVIENCO
Independent Director

Filipino, 75 years old, Independent Director, became a member of the Board of Directors of BPI Wealth in July 2019. She serves as a member of the Risk Management Committee and holds the position of Chair of the Corporate Governance Committee. Additionally, Ms. Yuvienco is a member of the BPI Board of Directors.

She serves as Independent Director of First Consolidated Bank (Thrift Bank) and chairs the Nomination and Governance Committee.

Ms. Yuvienco worked for 41 years with the Bangko Sentral ng Pilipinas (formerly known as Central Bank of the Philippines) under various capacities until her compulsory retirement in March 2013. She held the post of Assistant Governor in the Supervision and Examination Sector when she retired. Her exposure at the BSP was largely in bank supervision where her responsibilities ranged from the crafting of policies/regulations on banking supervision to supervising on-site examination and off-site monitoring of BSP-supervised entities. As a ranking official in the BSP, she had opportunities to meet and share ideas with her counterparts in other central banks in the region. Owing to her experience, she was tapped as a resource speaker in various training programs of the Southeast Asian Center for Banking in Kuala Lumpur. Ms. Yuvienco attended the Ayala Integrated Corporate Governance, Risk Management

and Sustainability Summit (The Board's Agenda: Mindset Shifts for a Sustainable and Equitable Future) held by Institute of Corporate Directors (ICD) on 18 October 2022 to comply with the requirement of Bangko Sentral ng Pilipinas (BSP).

Ms. Yuvienco graduated from St. Theresa's College, Quezon City in 1967, earning a Bachelor of Science degree in Commerce, major in Accounting. Furthermore, she pursued postgraduate studies at the University of the Philippines Diliman. Ms. Yuvienco is a Certified Public Accountant and a distinguished Career Executive Service Professional.

Directorship in PSE-Listed Company:

Bank of the Philippine Islands –
Independent Director

JESSE O. ANG
Independent Director

Filipino, 64 years old, Independent Director, became a member of the Board of Directors of BPI Wealth in June 2018. He is a member of the Audit Committee and Corporate Governance Committee and Chair of the Risk Management Committee. He serves as Independent Director of BPI Capital Corporation, BPI MS Insurance Corporation, BPI AIA Life Assurance Corporation (Formerly BPI Philam Life-Assurance Corporation), ACEN Corporation, ACEN International and BPI International Finance Limited (IFL).

Mr. Ang spent 18 years with the International Finance Corporation (IFC). He entered IFC in 2000 as a Senior Investment Officer and he became the Resident Representative for its office in the Philippines in 2007, marking a significant milestone as the first Filipino to head the IFC Philippine Office.

Mr. Ang holds a B.S. Industrial Engineering degree, graduating summa cum laude from the University of the Philippines in 1981. He also earned his Master's degree in Business

Administration from the Wharton Graduate School of Business in 1985.

Directorship in PSE-Listed Company

ACEN Corporation – Independent Director

MA. LOURDES P. GATMAYTAN
Corporate Secretary

Atty. Gatmaytan, Filipino, 55 years old, is concurrently the Co-Head of Legal/Head of Corporate Legal Affairs and Corporate Secretary of BPI. She also serves as Corporate Secretary of various entities within the BPI Group, including BPI Wealth – A Trust Corporation, BPI Investments Inc. (Formerly: BPI Investment

Management, Inc.), BPI Direct Banko, Inc., A Savings Bank and BPI/MS Insurance Corporation. Atty. Gatmaytan earned her Juris Doctor degree from the Ateneo de Manila School of Law, graduating with honors in 1993. Prior to this, she completed her Bachelor of Science degree in Legal Management from the Ateneo de Manila University in 1989.

Appendix B

Senior Management

MARIA THERESA D. MARCIAL
President and Chief Executive Officer

Refer to Appendix A

CHRISTMAS G. SEVILLA

Ms. Sevilla heads the Business Services and Operations Division. As a registered financial consultant and a certified treasury professional, Ms. Sevilla has been with BPI for over 25 years and has held various trust positions including Head of Wealth Management, Head of Product Marketing and Development, Fund Manager, and Account Officer for Institutional Accounts. She also previously led BPI's Financial Planning and Control Division, reporting to the Chief Finance Officer.

She holds a Bachelor of Science Degree in Commerce majoring in Economics, from the University of Santo Tomas and a Master's Degree in Business Administration from De La Salle University, Manila.

YVETTE MARI V. DE PERALTA

Ms. De Peralta is primarily responsible for the overall supervision of the Institutional Business Division. General accountabilities include (a) Growth of the Institutional Business Division, (b) Business Development and (c) Client servicing standards. Prior to the acquisition of ING Investment Management by BPI in 2011, Ms. De Peralta was the Head of Relationship Management for Institutional Business.

She completed the one-year course on Trust Operations and Investment Management from the Trust Institute of the Philippines, graduating with distinction, and passed the Capital Markets module of the Securities Institute of London.

ROBERTO MARTIN S. ENRILE

Mr. Enrile heads the Private Wealth Customer Relationship Management. He previously served as the President of BPI Investment Management, Inc. With over 30 years of experience, Mr. Enrile has been in the banking and trust industry

particularly in the capital markets as Research Head, Investment Banking and Portfolio Management. Prior to joining BPI and BPI Wealth, he was the head of Investments at Security Bank AMG and was with the Research, Investment Banking and Asset Management of ATR Kim Eng, now Maybank-ATR.

Mr. Enrile was a graduate of FW Olin Graduate School of Business at Babson College where he earned a degree in Finance, minor in Entrepreneurship. He is also an alumnus of the Ateneo de Manila University with a Bachelor's Degree in Business Management.

IRENE L. ANG

Ms. Ang serves as the Head of Personal Wealth. Boasting a remarkable 26-year career in banking, with 8 years dedicated to risk management and a total of 17 years in trust, wealth management, mutual fund distribution, and private banking. She began her journey at BPI Asset Management in 2007 as a Product Manager and Investment Counselor. She has led key departments within BPI's subsidiaries, including the BPI Family Savings Bank Trust Department and the mutual fund distribution business of BPI Investment Management, Inc.

She holds degrees in Applied Economics and Management of Financial Institutions from De La Salle University.

GLADYS L. BUENAVENTURA

Ms. Buenaventura serves as the Head of Investment Solutions, Officer-in-Charge of Fixed Income, and Chief Engagement Officer at BPI Wealth. With 13 years in the investment management industry, she specializes in Fixed Income Fund and Portfolio Management, delivering diverse investment solutions to high-net-worth clients. She oversees global and alternative investments, has mentored junior traders, and has received prestigious recognitions, such as being named The Asset's #1 Most Astute Local Currency Bond Investor for multiple years. Ms. Buenaventura holds a degree in Finance and Accounting from The

University of Queensland, Australia, and completed the CPA Australia Program in 2008.

ENRICO FRANCISCO A. RECTO

Mr. Recto is the Head of Compliance Department. He has over 34 years of experience in Banking and Trust, starting with BPI in 2000 through a merger. Throughout his career, he has completed certifications like the Treasury Certification Program, Registered Financial Consultant, BPI Harvard LEAP Program, and Certificate Course in Strategic Compliance.

He holds a Bachelor's in Business Administration from the University of Santo Tomas.

MINETTE JOSEPHINE C. ROCAMORA

Ms. Rocamora, boasts a distinguished career spanning 19 years in banking, primarily focusing on investment risk management.

Ms. Rocamora's career highlights include roles as Investment Risk Officer and later overseeing performance measurement and attribution at BPI Asset Management, starting in 2011. Prior to this, she served as a Market Risk Officer at Metrobank Trust Banking Group. She holds a Bachelor's degree in Business Economics from the University of the Philippines Diliman.

MARIA ANGELA P. GATMAITAN

Ms. Gatmaitan is the Head of Operations Risk, leveraging 22 years of expertise spanning audit, offshore regulatory reporting, and banking. She holds a Bachelor's degree in Accountancy from De La Salle University Manila and is a Certified Public Accountant.





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