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ADVISORY TO DEPOSITARY PARTICIPANTS

Re: Submission of Notice of Election by and Treatment of Resulting Fractional Shares
for Scripless Stockholders

In reference to the Property Dividend Distribution Guidelines (the “Guidelines”) issued by the Bank of the Philippines Islands (“BPI”) pursuant to the property dividends (“Property Dividends”) declared by BPI’s Board of Directors on 15 March 2023, BPI is issuing this advisory to all relevant Depository Participants (the “Advisory”) to clarify the process of submission of the Notice of Election in relation to the payment of the final withholding tax (the “Property Dividend Tax”) and the treatment of resulting fractional shares, if any, for BPI’s scripless stockholders as of Record Date (i.e. 29 March 2023) (the “Scripless Stockholders”).

The process discussed herein shall only be applicable to Scripless Stockholders. Certificated Stockholders who wish to submit a Notice of Election and the corresponding Proof of Payment directly to BPI STO and the treatment of their resulting fractional shares, shall continue to be governed by the Guidelines. For the avoidance of doubt, all other provisions of the Guidelines that are not inconsistent with the procedures discussed in this Advisory shall remain in full force and effect, and this Advisory shall be read in conjunction with the Guidelines in such a manner as to produce a result that is harmonious and consistent with each other. Unless otherwise stated, capitalized terms not defined herein shall have the same meanings ascribed to them in the Guidelines.

For purposes of this Advisory, all references to “Stockholder” in this Supplement shall refer to the Scripless Stockholders only.

I. Submission of Notice of Election and Property Dividend Tax Payment for the Scripless Stockholder

In accordance with Section II (Payment of Final Withholding Tax) of the Guidelines, it shall be understood that BPI (or any of its affiliates) is expressly authorized by the eligible Stockholder to sell on behalf of such Stockholder (the "Authorizing Stockholder") a portion of the Property Dividend sufficient to reimburse BPI for the Property Dividend Tax due on such Property Dividend, excluding any fractional share (the “BPI Authorization”).

In the event that a Stockholder wishes to withhold the BPI Authorization (a “Non-Authorizing Stockholder”), the Stockholder shall notify its relevant broker, custodian bank, or depository participant of the Philippine Depository & Trust Corp. (“PDTC”) (each, a “Depository Participant”).

THIS ADVISORY, TOGETHER WITH THE INFORMATION HEREIN, IS NOT AND DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER, SOLICITATION OR INVITATION TO SELL, PURCHASE, OR SUBSCRIBE FOR ANY SECURITIES OF BPI IN THE PHILIPPINES, THE UNITED STATES OR IN ANY OTHER JURISDICTION IN WHICH SUCH OFFER OR SALE WOULD BE UNLAWFUL. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS OF THE UNITED STATES OR ANY OTHER JURISDICTION.

THIS ADVISORY HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. NEITHER HAS IT BEEN FILED OR REVIEWED BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY OF ANY COUNTRY.

STOCKHOLDERS OF BPI TO WHOM THIS ADVISORY IS ADDRESSED SHOULD SEEK THEIR OWN LEGAL, TAX, AND FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, FROM THEIR LEGAL, ACCOUNTING, FINANCIAL AND OTHER ADVISERS. THE DISTRIBUTION OF THIS ADVISORY AND OTHER INFORMATION REFERRED TO HEREIN MAY BE RESTRICTED BY LAW AND PERSONS WHO COME INTO THIS INFORMATION SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH RESTRICTION.

The Depository Participant shall coordinate with the Non-Authorizing Stockholders and provide the latter payment instructions for their respective Property Dividend Tax liability to ensure that the Depository Participant is able to remit the total amount of tax reimbursement to BPI STO within thirty (30) calendar days after the Payment Date (the “Tax Reimbursement Deadline”).

For this purpose, the relevant Depository Participant shall be required to coordinate with BPI STO, after Payment Date, to confirm the respective amount of Property Dividend Tax due (including from those Non-Authorizing Stockholders whose BPI shares were lodged with such Depository Participant as of Record Date) and the details of the BPI STO Settlement Account. The Non-Authorizing Stockholders shall obtain the information as regards their Property Dividend Tax Liability from such Depository Participant.

The Payment Date and additional details on the actual distribution of the Property Dividend shall be disclosed in a subsequent advisory once all relevant regulatory approvals have been obtained.

II. Submission Requirements from Depository Participants

The Depository Participant shall submit a schedule showing a breakdown of Authorizing and Non-Authorizing Stockholders, per their respective Tax Payer Classification, substantially in the form set out in *Annex A* and ensure receipt thereof by the BPI STO within thirty (30) calendar days after the Record Date (the “Schedule”).

The Depository Participant shall likewise consolidate the collection of Property Dividend Tax payments from its clients and deliver the aggregate payment amount to BPI STO no later than the Tax Reimbursement Deadline. Each Depository Participant shall ensure that all information in the Notice of Election submitted by the Non-Authorizing Stockholders and in the corresponding tax payment are verified and accurate before submission to BPI STO.

Further, the Depository Participant shall coordinate with BPI STO for any matter arising from the amount of aggregate Property Dividend Tax that shall be remitted by the Depository Participant on or before the Tax Reimbursement Deadline.

Once the aggregate payment has been made to BPI STO, on or prior to the Tax Reimbursement Deadline, the relevant Depository Participant shall be required to submit to BPI STO either of the following documents (each, considered as a valid “Proof of Payment”):

- (a) an electronic copy of the cash deposit slip evidencing full payment, in cleared funds, of the aggregate Property Dividend Tax collected from their clients who are Non-Authorizing Stockholders in the designated cash settlement account of BPI STO (the “BPI STO Settlement Account”); or
- (b) an electronic copy of the check deposit slip evidencing full payment of the aggregate Property Dividend Tax collected from their clients who are Non-Authorizing Stockholders in the BPI STO Settlement Account no later than one (1) business day prior to the Tax Reimbursement Deadline.

For the avoidance of doubt, non-receipt by BPI STO of the Schedule and/or the Proof of Payment from the relevant Depository Participant on the prescribed deadlines shall be deemed as a grant of the BPI Authorization by the relevant Stockholder under their respective Depository Participants, *provided* that the receipt of any Proof of Payment and the corresponding payment beyond the prescribed period shall be returned to the relevant Depository Participant together with the Excess Proceeds for onward crediting to the concerned Non-Authorizing Stockholder. Further, in case of non-receipt of Schedule, BPI STO shall have the authority to rely on the Tax Payer Classification of Stockholders as may be provided by the PDTC.

In this regard, we encourage immediate submission of the Schedule and copies of the Proof of Payment by the Depository Participant to facilitate timely receipt at the address indicated below:

BPI STOCK TRANSFER OFFICE

3/F BPI Buendia Center

372 Sen. Gil Puyat Ave.

Makati City 1209

Attention: Ms. Christine Gaile P. Malonzo / Mr. Richard C. Sanchez

Telephone Nos.: 8580 4693 to 95

Email: propertydividend@bpi.com.ph

III. Treatment of Fractional Shares for Scripless Stockholders

The disposition of any resulting fractional share, to which a Scripless Stockholder is determined to be entitled, and, in case applicable, the distribution of the proceeds thereof to the relevant Scripless Stockholder, net of any applicable withholding tax on such fractional share, shall be processed by the relevant Depository Participant in accordance with its respective internal policies and procedures for similar corporate actions.

ANNEX A – SCHEDULE

Date

BPI STOCK TRANSFER OFFICE

3/F BPI Buendia Center
372 Sen. Gil Puyat Ave.
Makati City 1209

Attention: Ms. Christine Gaile P. Malonzo

Gentlemen:

Pursuant to the declaration by Bank of the Philippine Islands (“BPI”) on 15 March 2023 of property dividends and the Property Dividend Distribution Guidelines (including the Guidelines on the Submission of Notice of Election by Scripless Shareholders), and the corresponding payment of the final withholding tax due thereon, [name of Depository Participant], an equities depository participant of the Philippine Depository & Trust Corp. and holder on record of [please insert the number of shares held] BPI common shares lodged with PCD Nominee Corp. as of 29 March 2023, do hereby submit the following schedule of BPI Scripless Shareholders entitled to the Property Dividends:

Taxpayer Classification	Number of Shares as of Record Date	
	Authorizing Stockholders*	Non-Authorizing Stockholders**
Individual citizen (10%)	[No. of shares]	[No. of shares]
Individual resident alien (10%)	[No. of shares]	[No. of shares]
Individual non-resident alien engaged in trade or business (20%)	[No. of shares]	[No. of shares]
Individual non-resident alien not engaged in trade of business:		
a. Applying for tax treaty relief (10% to 25%)	[No. of shares]	[No. of shares]
b. Not applying for tax treaty relief (25%)	[No. of shares]	[No. of shares]
Domestic Corporation (0%)	N.A.	N.A.
Resident foreign corporation (0%)	N.A.	N.A.
Non-resident foreign corporation		
a. Availing of tax exemption under the NIRC (0%)	[No. of shares]	[No. of shares]
b. Availing of tax sparing under the NIRC (15%)	[No. of shares]	[No. of shares]
c. Applying for tax treaty relief (10% to 25%)	[No. of shares]	[No. of shares]
d. Not availing of any tax exemption or relief (25%)	[No. of shares]	[No. of shares]
TOTAL	[No. of shares]	[No. of shares]

* Stockholders who did not express intention to withhold the BPI Authorization and thereby expressly authorized BPI to sell on behalf of such Stockholder a portion of the Property Dividend sufficient to reimburse BPI for the Property Dividend Tax due on such Property Dividend, excluding any fractional share (“BPI Authorization”).

**Stockholders who have expressed intention to withhold the BPI Authorization to its broker, custodian bank, or depository participant.

In view of the foregoing, [name of Depository Participant] hereby elect to pay for the account of the Non-Authorizing Stockholders, the final withholding tax due on the property dividends and shall transmit the required amount to BPI STO no later than the Tax Reimbursement Deadline.

If the amount required for the payment of the final withholding tax due on the property dividend is insufficient or is not duly received by BPI STO on or before the Tax Reimbursement Deadline (“Deficiency”), for any reason whatsoever, it is hereby fully acknowledged and confirmed that the Notice of Election submitted by the Non-Authorizing Stockholders, if any, shall be deemed without any force and effect to the extent of the Deficiency and BPI shall be authorized to sell such number of BPI common shares as may be necessary to cover the full amount of the final withholding tax due.

Signature over Printed Name of Depository Participant’s Authorized Signatory(ies):

(Name)

(Name)

Contact Number of Depository Participant: _____