

WE MAKE IT

EASY

As a bank, we aim to provide customer experience innovation, appropriate financial solutions and the power of choice to our customers.



for our customers

CUSTOMER EXPERIENCES INNOVATIONS

2012 saw a continuous push of the Bank's customer-centric organization towards enabling BPI clients to enjoy the most convenient banking experience possible. Our various innovations in this field has been warmly received by our publics and has earned accolades from institutions here and abroad.

Flexible banking solutions

In February 2012, we introduced BPI Advance, a savings account that offers advanced interest payment to allow depositors to enjoy the benefits of their savings ahead of time. Aside from enjoying higher interest rates than a regular savings accounts, depositors can add funds anytime. We generated 4,400 BPI Advance accounts with total volume of Php2.2 billion by end-December 2012.

To make investments easier, we built on the previous year's initiatives on democratizing investments by making a bold move of removing the holding period requirement on all our unit investment trust fund (UITF) products. This is expected to further break barriers on investing to make retail investing more inclusive and to serve as a differentiator in the market.

INNOVATION

To offer innovative financial solutions to more customers, we designed a Personal Loan variant specifically for seafarers. Loan terms are aligned with the borrower's employment contract, thereby matching the loan repayment with the borrower's cash flow. We also streamlined the application process by partnering with leading manning agencies in the credit documentation and verification process. This variant now accounts for almost 10.0% of all our Personal Loans.

BSFB also made it easier for more Filipinos to buy their own home through the launch of its Customize-a-Loan that provides housing loan borrowers a wide range of payment options up to 25 years.

BPLAC introduced Life Extreme Protect, an affordable product that allows client with the flexibility to change their coverage to suit their changing protection needs. We also launched Lifespan and the enhanced Group Hospitalization (GH) Plan to give more comprehensive set of benefits that are responsive to the needs of corporate clients. Lifespan provides critical illness benefits while GH Plan provides inpatient, outpatient and emergency care benefits that may be availed through cashless facility.

We also initiated the real-time activation of EOL enrollments through the ATM. With this enhancement, clients can already enjoy selected online services in an instant after they activated their EOL enrollment through the ATM.

For superiority in technical performance, social media visibility and game-changing innovations that redefined the concept of banking in the country, BPI EOL received the following recognition:

Banking and Payments Asia gave BPI EOL a Special Commendation for Channel Excellence in Internet Banking for introducing features that blazed the trails in Philippine online banking.

G SOLUTIONS



Anytime, anywhere banking

Our robust online presence has added a whole new dimension to banking with BPI, keeping up with the increasing pace of our customers' lives and making banking attuned to the latest innovations in technology.

For this year, BPI Express Online (EOL) was enhanced with the BPI Express Assist (BEA) Online facility, an online branch transaction appointment system. Through this facility, customers can fast-track their banking time by reserving a time slot in their preferred branch and submitting details of their transaction in advance through EOL.

Clients are given a queue number and all they have to do is to show up for their appointment at the branch.

- Top Internet Domain under the banking category at the 5th Digital Filipino and Search Profile Index Web Awards awarded by DigitalFilipino.com
- Special Commendation for Channel Excellence in Internet Banking from Banking and Payments Asia
- Website of the Year- Philippines in the 2012 Asian Banking & Finance Retail Banking Awards

To provide clients ease of access to BPI EOL for free, we have increased the total number of our Online Banking Kiosks to 141. These kiosks generated a total of 60,095 new enrollments or 116.0% over the same period last year and 35.0% more financial transactions processed.

Furthermore, BPI Investments Online was integrated with Investments via Mobile to add another channel where our customers can place investment transactions. For our corporate clients on BPI ExpressLink, we launched the email and SMS alerts on pending transaction reminders.

BFSB further improved its www.bpiloans.com website by simplifying the Auto, Housing and Ka-Negosyo Loan application forms. Our continued partnership with key industry leaders provided us a comprehensive directory of cars, properties, and businesses. Our online loan applications thus increased by 187.7% from the previous year.

Our almost 200 Express Deposit machines, which provide real time self-service cash deposit facility, are now enabled with cardless functionality. This feature allows anyone to make a deposit to a BPI account or payment to a BillsPay merchant without the need for a card, as long as he knows the beneficiary's account details.

Cashless payment solutions

Processing of applications for credit cards is now faster as the verification process takes only one to two hours versus 24 hours previously. This was the product of a positive credit data sharing with the banking industry, which paved the way for the country's first privately run positive credit card bureau through TransUnion. BPI played a significant role in spearheading this initiative. Our card Issuing business continued to provide cashless payment solutions and extending flexibilities to cardholders.

With Ayala Land, Inc., we launched our first-ever Visa credit card with exclusive privileges inside Ayala Malls, the BPI Amore Visa. Holders of this card will be awarded with 1-4-3% shopping rebates at BPI-affiliated establishments in Ayala Malls. They also enjoy mall perks and privileges in participating Ayala Malls merchants, unlimited use of customer and family lounges, invitations to special events and promotions, express lane for cinema ticket purchases, 5% discount on cinema tickets, and reserved seats to mall shows.

We also powered the Jollibee Food Corporation Happy Plus card, the first reloadable offline contactless card that offers convenient cashless payments and rewards customers with loyalty points. Almost 500,000 Happy Plus cards are in the market, and terminals have been installed in almost 1,200 Jollibee, Greenwich, Red Ribbon, Chowking and Mang Inasal outlets.

BPI Express Mobile launched a new offering, the BPI Mobile Wallet. Using Near Field Communication (NFC) Technology, the BPI Mobile Wallet turns a client's smart phone into a "virtual wallet." The BPI Mobile Wallet NFC devices are available for clients using BlackBerry Bold 9780 & 9700, BlackBerry Curve 8520 & 9220, iPhone 4/4S with iOS 4 and 5. All they have to do is reload through the BPI Express Mobile App and they can tap their phone over the TAP terminals at select stores to make a purchase.

Commitment to financial wellness

In a country of 39 million Facebook and Twitter users, we have chosen to advance the call for financial literacy by utilizing the most powerful online tool today: social media.

By making the most of our social networking presence, we imparted our 161 years of expertise on money management to the general public, as well as touchbase with its increasingly mobile customer base, through Facebook and Twitter.

Not only are our fan pages loaded with daily tips on such topics as personal savings, budgeting, investments, and other financial issues, our customers and non-customers alike can also post questions and expect answers in minutes from our professional BPI money managers.

Financial wellness was also at the core of our involvement with the Money Summit and Wealth Expo, which we co-presented in July 2012 at the SMX Convention Center. A number of financial experts, including Executive Vice-President Jose Teodoro Limcaoco of BFSB and Senior Vice-President Maria Theresa Javier of our BPI Asset Management, shared their expertise with participants on hot topics such as investments.

We also co-sponsored Philippine Realty TV and ANC's On the Money TV segments and allowed our senior officers

The Money Summit and Wealth Expo featured a number of financial experts at BPI, who shared their expertise on hot investment topics.



For a more secure and private transaction, a few clicks on our Facebook fan page give users access to BPI Bankers Online, a first-of-its-kind personal messaging app that allows them to chat with a bank professional. This guarantees that sound financial advice and account information are always within their fingertips. These platforms extend our advocacy of uplifting financial literacy in the Philippines.

BFSB likewise has its own Facebook (www.facebook.com/bpiloans) and Twitter account (@BPIloans) where customers may seek advice as well as find information, promos, and apply for loans.

A major event for the year was when BPI Asset Management brought to Manila for the first time the World's Most Listened to Personal Finance Expert and One of the World's 100 Most Powerful Women, Suze Orman, in February 2012. Over 1,000 BPI clients learned from her financial advice for attaining financial freedom.

to provide financial literacy to television viewers of these programs.

Delivering more fun and value

In support of the government's vision to spur tourism as a key anchor for economic development, we forged a partnership with the Department of Tourism (DoT) through the Banking on Tourism program.

As a starter initiative under the program, BPI installed new ATMs in DoT priority areas such as hotels, resorts and gaming establishments. Prospectively, BPI will introduce new innovative products and service offerings specially designed for the program such as affordable financing or guarantee facility for qualified tourism enterprises, deploying more point of sale terminals to tourism-related enterprises and the DOT-BPI More Fun Prepaid Visa Card.

As the banking industry goes into new and exciting directions, making it easy for our customers will always be a strategic component of our value proposition.

Financial inclusion is about providing access to the underserved and unbanked sectors so they can avail of financial services, such as our deposit products and loans, allowing people to take advantage of financial services, especially credit.

Consumers, including overseas Filipinos, micro, small and medium-sized enterprises, and those who belong to the largely 'unbanked' segment of the market, have been the focus of our initiatives. We continuously strive to bring more and more Filipinos to our formal channels so we assist them achieve financial security.

Empowering SMEs

Fueling the Filipino entrepreneurial spirit, BFSB continued to empower the micro, small and medium enterprise (mSME) sector through our Ka-Negosyo business loans.

For pre-qualified existing clients, we made financing a step easier by offering a zero collateral loan. For our first year of launch, zero collateral loans reached half a billion pesos in portfolio with 1.0% past due rate.

ACCESS TO

We further made a revolutionary enhancement to Ka-Negosyo business loans with the birth of Ka-Negosyo with ATM. This is an all-in-one money product which makes it easier for entrepreneurs to access emergency funds anytime: via ATM withdrawal, issuance of checks, funds transfer online and through mobile, and via Express Payment System (EPS).

It can also be used to pay suppliers via third-party funds transfer and even pay bills through BPI Express Online, Express Phone and Express Mobile.

BFSB has been the go-to name in the country's lively franchising industry. Our highly coveted Ka-Negosyo Best List, which debuted in the 2012 Franchise Asia Expo, is the roster of the country's best and brightest franchise brands. Our accredited brands are now at 61 compared to 19 of the previous year, from which potential franchisees and seasoned entrepreneurs can choose.

In 2012, BFSB was able to reach out to more Filipino entrepreneurs, driving its commercial loans portfolio to double-digit growth levels.

Assisting home buyers

To benefit home buyers, BFSB forged stronger partnerships through joint programs with key real estate organizations like Philippine Association of Real Estate Boards (PAREB), Real Estate Brokers Association of the Philippines (REBAP), and Subdivision and Housing Developers Association (SHDA).

Journeying with overseas Filipinos

BPI's operations had kept in step with Filipinos overseas who now number more than 10 million. Recognizing the needs of OFs in various life stages, we have positioned our products and services so that they remain relevant and easy to avail of. We also delivered more financial literacy programs to OFs and their beneficiaries, in partnership with the Overseas Workers Welfare Administration, Philippine Overseas Employment Agency and other private entities.

BPI Europe organized a gala dinner as a show of support to Filipino athletes competing in the 2012 London Olympics.



CREDIT FOR ALL

Its Housing Madness in Bacolod and Lipa showcased the projects of 14 national and local developers. Special offers from BPI and our partner developers were made available to potential home buyers during these events.

BPI was also the sole bank partner in the 3rd Property Festival of nine developers in Cagayan de Oro in December 2012, as well as in the Singapore Property Expo of eight Philippine developers in Singapore in July 2012 for overseas Filipinos looking to invest in the Philippines.

We are increasing our efforts to convert remitter-OFs to becoming bank customers.

In 2012, BPI Remittance Center Hong Kong Limited took part in the celebration of the annual Kababayan Karavan 2012 of Globe Telecom by imparting valuable knowledge on effective financial management to Hong Kong-based Filipinos and providing the facilities to support their needs.

One of our additional remittance options in 2012 was our strategic partnership with online money transfer company Remitly.com in the United States. This allows US-based Filipinos to transmit money securely and within minutes in over 10,000 cash-out locations in the US.

Increasing credit access

To make financing available to more Filipino entrepreneurs who traditionally lacked access to capital, we entered into a partnership in 2012 with the United States Agency for International Development (USAID) for an eight-year credit facility agreement.

Under the program, USAID will issue a US\$35-million credit facility for both BPI and BFSB. By acting as USAID's program conduit, BPI is able to address the critical issue of access to financing, especially for entrepreneurs based outside Metro Manila.

Serving the 'unserved'

BPI Globe BanKO (BanKO), our mobile-based microfinance banking arm continued to make headways in providing valuable economic assistance to micro-entrepreneurs.

As of end December 2012, we stepped up our lending activity with our loan portfolio increasing to Php2.5 billion to 55 microfinance institutions (MFIs) all over the country. This included rural banks, cooperatives, non-government organizations, and people's organizations.

Our holistic approach to microfinance included some value-added services on capacity building training through our partnership with Ateneo de Manila University's Development Studies Program and its partner-trainers from the Social Enterprise Development Partnership, Inc. (SEDPI). More than 1,800 participants from 279 MFIs, with over two million microfinance clients, attended the training programs.

Affordable and accessible financial services are still the driving spirit behind BanKO. We continued to utilize the community banking model by doubling our partner outlets to nearly 2,000 in 2012 from the previous year.

Through regular financial literacy caravans at the grass roots level, acquisitions, and exposure in a popular TV noontime show, BanKO managed to expand its customer footprint. Account holders in 2012 have grown to 280,000, enabling it to inch closer to its goal of reaching one million clients by 2013.

As we continue to operate in an emerging market economy where the majority remains unbanked and unserved, performing our role as a financial enabler becomes doubly significant. With initiatives like Ka-Negosyo, BanKO, and financial literacy caravans overseas, we will continue to seek ways, not only to broaden our impact, but also to make it easier for more and more Filipinos to achieve economic fulfillment.

Assisting the transport sector

In 2012, the Bank entered into a strategic partnership with the Department of Energy (DoE) that helped the nation's transportation sector weather rising fuel prices.

Around 220,000 jeepney drivers enjoying fuel subsidy from the government's Pantawid Pasada program were able to use our proprietary reloadable prepaid cards.

Once loaded by the DoE with money through BPI's ExpressLink real-time funds transfer system, the prepaid cards can be immediately used to buy fuel from at least 50.0% of the retail petrol stations nationwide.

The pioneering initiative was recognized by Banking and Payments Asia, a leading regional journal for retail banking and payments, which awarded BPI with a Trailblazer Award for its innovation and impact on business and society.

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2.5

Amount in billion Php loan portfolio of BPI Globe BankO as of end-2012

280,000

Total number of BPI-Globe BankO account holders as of end-2012

220,000

Number of jeepney drivers under the DoE's Pantawid Pasada Program who enjoyed BPI's reloadable prepaid cards

The number of BPI customers neared the six-million mark in 2012, an increase of 17.3% from the previous year's level. Behind these numbers is our strategic approach to building customer intimacy through various channels of engagement.

In 2012, we launched a campaign that enabled our customers to identify their key financial needs and consult BPI in seeking the best available and realistic options. Our campaign materials spoke directly to career starters and young professionals, new families or early nesters, growing families, the affluent market, as well as to entrepreneurs.

PRESENCE

As discussed in the Customer Experience Innovation section, our official Twitter account (@talktobpi) and Facebook fan page (www.facebook.com/bpi) disseminate and address customer service information and concerns.

By end-2012, BPI had over 5,000 Twitter followers and over 160,000 Facebook fans – the biggest social media community ever built by a Philippine bank. Our engagement – or the ratio of fans talking about BPI over our total fan base – peaked at 13.0% and averaged at 10.0% on Facebook.

Facebook users can consult directly with a BPI officer at BPI Bankers Online. Through the app's appointment-setting feature, consultations over BPI Bankers Online are brought to a BPI Branch for face-to-face consultation or availment of products and services. Our Relationship Managers and Service Officers at the branches will continue the conversation and deliver the required financial solution.

To deepen our understanding of the evolving needs of our customers and allow us to respond more efficiently and effectively, we will continue to lay down the infrastructure for enhanced customer experience through customer relationship management programs.

160,000



Facebook fans who viewed BPI's fan page in 2012

IN SOCIAL MEDIA

5,000



Twitter followers of BPI as of end-2012

CARING FOR CUSTOMERS

Delighting our customers is at the core of everything we do at BPI. This is why we continue to focus on how we can respond even more effectively to their financial needs through various programs on customer relations.

Tracking satisfaction

We monitor our progress in providing total customer experience through customer satisfaction surveys.

Through the Mystery Client Survey (MCS), we track our service standards at every point of customer interaction in all BPI branches and kiosks nationwide. In 2012, we scored 91.6% in the MCS survey, higher than the previous year's 90.8%.

We also used the Net Promoter Score (NPS) survey to know if clients would recommend BPI to their friends/relatives. In 2012, a total of 3,000 clients from personal banking and 496 from preferred banking participated in the survey. Our score continued to remain high at 58.0% (positive responses net of negative responses) from the 2011 level.

In addition, we commission third-party research agencies to conduct face-to-face interviews with respondents. These surveys mostly probe into customer satisfaction with BPI's products, services and personnel. These also include our problem handling and solicitation of suggestions or comments for improvement.

We likewise conduct telephone surveys through third-party agencies who call on our clients and ask questions, and online surveys through a questionnaire posted in BPI Express Online.

92%

BPI score in Mystery Client Survey in 2012 – higher than the previous year's 91%

1,019

Total number of customer concerns handled by our Customer Care Department in 2012 vs. 720 in 2011

Listening to our customers

Beyond satisfaction scores, what matters more is our ability to connect with our customers and address their questions and concerns. We strive to deepen our understanding of their varying expectations to allow us to improve the way we do business.

We continue to enhance our customer feedback system. By simply dialing 89-100 or sending us an email via BPI Express Online (expressonline@bpi.com.ph), customers can relay their inquiries or concerns on our products and services.

Customer feedback received by our BPI Contact Center is immediately forwarded by our Fulfillment Banking unit to the Customer Care Department (CCD), which is dedicated to attending and taking action on customer complaints. Other feedback channels include a personal visit to the concerned unit or department, letters to the department, and those sent directly to the Office of the President or to the Bangko Sentral ng Pilipinas.

As part of our continuing efforts to improve customer service, various support units regularly issue notices through bulletins and circulars to proactively share information on customer feedback and service rules. Simultaneously, concerned units institute measures to increase customer satisfaction. CCD publishes a quarterly issue of the Customer Care Expressions Bulletin which is reviewed by the Branch Service Rules (BSR) unit to ensure that the contents are consistent with prescribed policies and operating procedures.

Customer feedback pconcerning our branches that passed through CCD are referred to BSR, which reviews existing branch policy procedures to check if there are changes that can be made to improve service and attain customer satisfaction and convenience.

Complying with regulations

Being in the business of trust, BPI is committed to fully comply with regulations and voluntary codes concerning product and service information and labeling. Our Integrated Marketing Group (IMG) is responsible for ensuring this compliance.

The following regulations, among others, apply to us:

- Indicating the label “Insured by PDIC up to P500,000” on all our brochures and marketing materials on deposit products, as required by the Philippine Deposit Insurance Corporation (PDIC);
- Securing clearance from the Advertising Standards Council (ASC), the body that ensures that all materials abide by industry standards, prior to release of any advertising material;
- Getting approval from the Department of Trade and Industry (DTI) on advertising or related material that are promotional in nature; and
- Protecting the privacy of our clients, in accordance with Republic Act 10123, otherwise known as Data Privacy Act of 2012, which aims to ensure the security and integrity of personal data. Our Legal Department issued legal advisory bulletins on this newly enacted law for the information of our internal stakeholders.

BPI is not aware of substantiated complaints involving breaches of customer privacy, loss of customer data and failure to comply with laws or regulations on marketing communications (including advertising, promotion, and sponsorship) product and service information and labeling during the reporting period. The Bank also does not face any legal actions involving anti-competitive behavior and violations of anti-trust and monopoly legislation in 2012.

CUSTOMER CONCERNS

