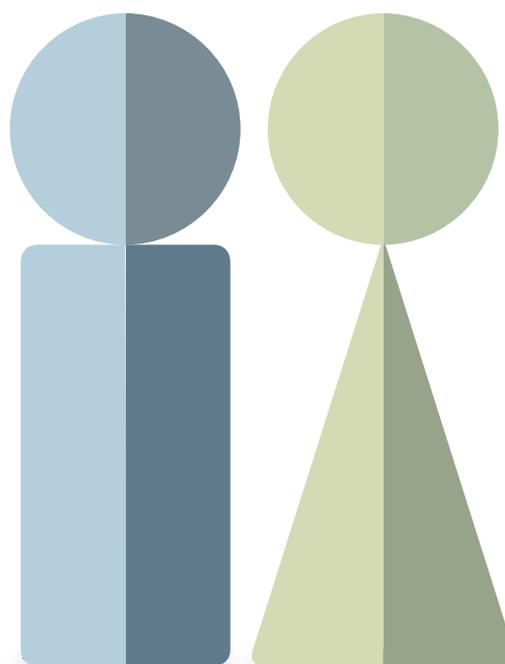


EMPLOYER OF CHOICE

Individual talent and collective strength form the lifeblood of the Bank's human resource. BPI in 2013 enjoyed another landmark year with the introduction of many product and service innovations, thanks in no small part to the skills, commitment and drive of BPI's 13,000-strong organization, fueled by the Bank's many employee engagement and talent management programs.

The Bank has, in fact, exceeded the Global Financial Institutions benchmark for Employee Engagement of the Asian Banking and Finance Awards, garnering an overall score of 82% and showing strength in three main engagement drivers: career development and opportunities, goal clarity, and leadership. Coming from this milestone, the Bank introduced more initiatives to boost competency development among its officers and staff; worked to accelerate promotions; and identified the right metrics to better align human resource measures with corporate strategy.

Moreover, it introduced a number of employee engagement efforts to sustain or further boost employee commitment.



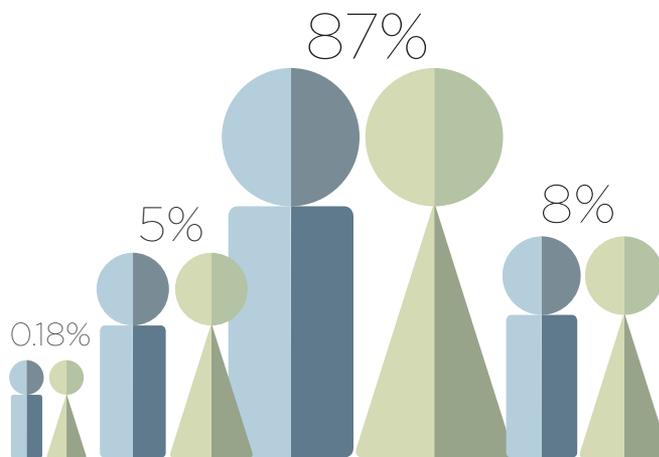
Total headcount: 13,024



Gender spread among employees

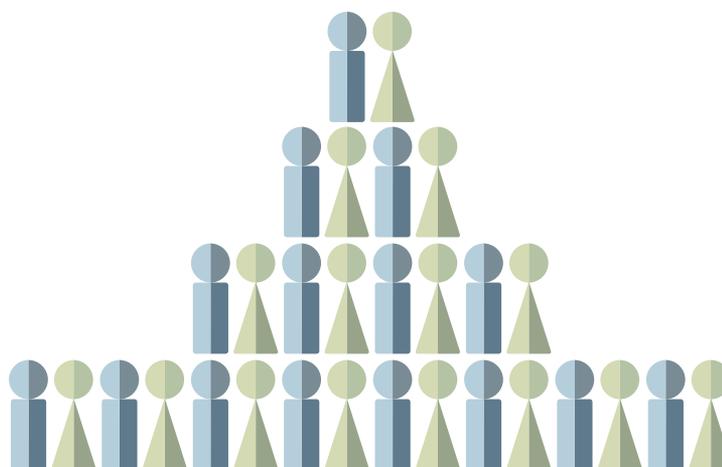
FEMALES: 70% (9,150)

MALES: 30% (3,874)



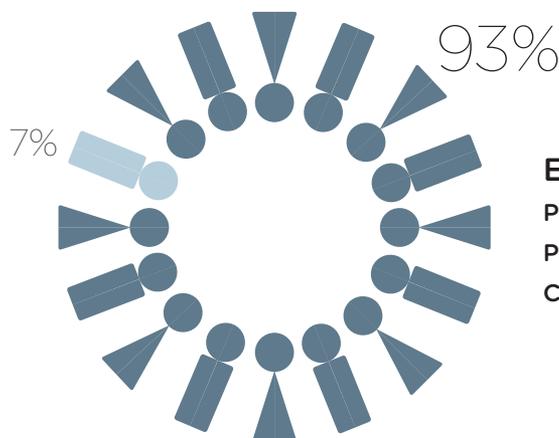
Geographic spread among employees

LUZON: 87% (11,298)
 VISAYAS: 8% (1,023)
 MINDANAO: 5% (679)
 OUTSIDE PH: 0.18% (24)



Employment type

SENIOR MANAGEMENT (VP AND UP): 1% (168)
 MIDDLE MANAGEMENT (SENIOR MANAGER TO AVP): 7% (855)
 JUNIOR SUPERVISORY (SPECIALIST, MANAGEMENT TRAINEE, ASST. MANAGER TO MANAGER): 29% (3,840)
 RANK AND FILE: 63% (8,161)



Employment contract

PERMANENT: 93% (12,177)
 PROBATIONARY: 7% (847)
 CONTRACTUAL: 0

New employee hires

Of the 1,934 employees hired in 2013, a majority were female and below 30 years old. Most of the hiring happened in Luzon. Below is the complete information:

| AGE GROUP | NUMBER | PERCENTAGE |
|----------------|--------|------------|
| Below 30 | 1,771 | 92% |
| 30-50 | 152 | 8% |
| Over 50 | 11 | 1% |
| GENDER | NUMBER | PERCENTAGE |
| Male | 604 | 31% |
| Female | 1,330 | 69% |
| REGION | NUMBER | PERCENTAGE |
| Luzon | 1,685 | 87% |
| Visayas | 132 | 7% |
| Mindanao | 115 | 6% |
| Outside the PH | 2 | 0% |

A learning organization

BPI has one of the most systematic employee training and development programs not only in the banking industry, but also in the entire business community. Unibankers—as BPI employees are called—are offered a wide range of mandatory, functional, leadership, and core courses to build their everyday competencies and prepare them for greater responsibilities.

At BPI, each employee is required to participate in at least five days' worth of training every year. In 2013, BPI employees logged more than 50,000 training days.

Training programs accompany a Unibanker from her first days in the company all throughout her career in BPI. Here are some of the programs that received an even bigger boost in 2013:

New Employee Orientation (NEO) and Values Orientation Workshop (VOW) programs. The NEO and VOW programs were revamped in 2013, making them more engaging for a new generation of Unibankers. New programs were also launched to boost personal effectiveness: the Personal Effectiveness (PEP) and Professional Enhancement (PEF) Programs.

Officers Training Program (OTP). In response to the Bank's growing need for more officers, the OTP was beefed up in 2013 to accommodate 328 Management Trainees (MTs)—an 80% jump from the previous year. Of the total number of MTs, 79% were internal staff candidates, a 10% increase from the previous year.

Sales Officers Training Program (SOTP). In 2013, 41 SOTP MTs were trained compared to 39 the previous year. Two tracks were offered for the SOTP: Asset Management and Trust and Consumer Banking.

Stepping Up to Management (SUM). One of the Bank's most important HR collaborations is Stepping Up to Management, a partnership with Harvard Business Publishing (HBP). Over the course of eight weeks, SUM participants are taught people management skills that would prepare them to proactively coach and empower their teams. In 2013, participation in SUM jumped by 59%, from 161 participants in 2012 to 256 in 2013. This program was also expanded to areas outside Metro Manila, with classes held in Cebu, Davao, Angeles (Pampanga), Negros and Dagupan (Pangasinan). This enabled BPI not only to boost the competencies of its provincial managers, but it also created an opportunity for managers to work more closely together and forge better teamwork and synergy.

Leadership Excellence Acceleration Program (LEAP). LEAP is another of BPI's award-winning programs, likewise developed in partnership with HBP. In 2013, 109 officers graduated from LEAP's 16-week Executive Development Program, bringing the number of people trained to almost 900 since 2009. LEAP was recognized by the People Management Association of the Philippines (PMAP) in 2012 as its People Program of the Year because of the huge impact it has brought to the Bank's level of innovation and leadership, and the way it has "democratized executive education in the country."

Relationship Managers (RM) Academy. The RM Academy is an intensive, six-module, two-month program built for Relationship Managers who help manage clients' financial portfolios. The program strengthens the role of Financial Advisory to help clients become more successful in their businesses and their financial management.

In 2013, the RM Academy moved to the next level with the successful holding of the RM Congress. More than 376 RMs for individual accounts and product managers from all over the country converged to discuss the latest relationship-management trends and initiatives. About 75% of the RMs for individual accounts are now certified with the Academy's Financial Advisory for Consumer Banking Course.

To make learning even more convenient for Unibankers, BPI introduced the **My eLearning** online platform, a portal that enables Unibankers to take online training courses, access educational materials, and administer their own learning programs. Over 80 online courses are now available through this portal.

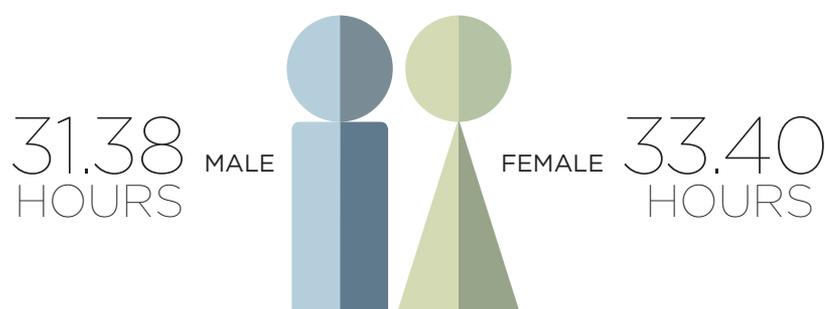
In 2013, online learning received another boost with the introduction of **Leadership Café**, a "blended" learning program that combines an employee's online learning experience with a

one-hour, face-to-face discussion with his Area Manager. These blended learning programs help increase the level of retention and insights derived from online lessons—thanks to face-to-face interactions, employees and managers alike are able to process these insights and manage their

application in real-life situations.

Aside from all of these learning programs, the Bank also helps employees due for retirement transition to the next phase in their lives, through annual seminars on **investment opportunities**, **entrepreneurial prospects**, and **estate planning**.

**Average hours of training per employee
BY GENDER**



By employment category

- SENIOR MANAGEMENT: 17.57 hours
- MIDDLE MANAGEMENT: 44.22 hours
- JUNIOR SUPERVISORY: 38.68 hours
- RANK AND FILE: 29.15 hours
- AVERAGE NO. OF TRAINING HOURS PER EMPLOYEE: 32.80**

Percentage of employees receiving regular performance and career development reviews

| GENDER | NUMBER | NUMBER OF EMPLOYEES WHO UNDERWENT PERFORMANCE REVIEW | | | | |
|--------------|---------------|--|---------------------|-------------|--------------|---------------|
| | | OFFICERS | NON-UNIONIZED STAFF | SPECIALISTS | TOTAL | PERCENTAGE |
| Male | 3,874 | 1,376 | 98 | 155 | 1,629 | 42.04% |
| Female | 9,150 | 2,624 | 248 | 229 | 3,101 | 33.89% |
| TOTAL | 13,024 | 4,000 | 346 | 384 | 4,730 | 36.32% |

Nurturing talent

BPI has one of the lowest voluntary attrition rates in the banking industry, at only 6% in 2013. The Bank employs a wide range of employee retention strategies and runs a wide range of health, wellness, communications, community development, and administrative programs to cater to Unibankers' various needs and promote a healthy work-life balance.

Health and wellness programs. BPI recognizes that health is the true wealth of its Unibankers; it therefore runs programs and seminars on illness prevention, risk control, cancer awareness and stroke prevention. Wellness fairs—where employees and family members are able to avail of physical examinations and vaccinations—are also regularly conducted in BPI offices and business centers.

“Keep fit, feed a child” program. This unique wellness program, now on its fourth year, engaged Unibankers who pledged to lose weight for the benefit of Kabisig ng Kalahi, a non-government organization that conducts feeding programs in elementary schools. From among Kabisig ng Kalahi’s numerous beneficiaries, BPI zeroed in on 30 kindergarten, grade 1 and grade 2 students from the Gregorio del Pilar Elementary School in Tondo, Manila. Every pound lost by an employee was matched by a Php 100 donation from the Bank to the feeding program. In 2013, BPI donated Php 60,000 to this program, providing healthy lunch and milk every school day for six months to each of the 30 school children. After six months in this feeding program, the children attained their ideal, age-appropriate weight.

Internal communications. Communication across the organization has been enhanced through the HR Intranet portal called myBPIonline. Aside from sharing information and company news, myBPIonline also houses employee self-help tools and articles on Unibankers’ most common concerns and interests. This editorial strategy has quadrupled the portal’s hits and improved employee engagement.

Another online platform that has made it easy for employees to manage their HR concerns is My e-HR. A Web-based self-service facility using the Oracle-Peoplesoft platform, My e-HR brings HR closer to Unibankers and allows them to view pay slips, loan applications, absence balances, timesheets, PLR and CBA letters, e-Clearance, BIR forms and employment benefits.

Interest clubs. BPI is one of the few companies in the country that maintain in-house interest clubs for its employees. In 2013, the Bank launched the **Interest Club Month**, a celebration that highlighted the different activities of the 12 interest clubs such as photography, culinary, singing, and sports.

Recognition programs. Employee recognition is a big part of BPI’s culture. Every year, the company organizes various events to celebrate the accomplishments and milestones of its corporate community. These include the Unibank Excellence Awards, the Corporate Anniversary, the Service Awards Night for Regular Retirees, and the Service Awards Night for 25-Year Awardees.

Rewarding excellence

A key component of BPI’s employee value proposition is to provide an attractive and competitive compensation package for its human resource.

Aside from offering a basic monthly salary that is above the mandatory minimum wage applied

uniformly across the country, BPI offers generous benefits that include quarterly bonuses (inclusive of 13th month pay), overtime pay, and various leave credits (vacation, sick, emergency and maternity/paternity).

BPI administers its compensation programs in a manner that would attract and retain quality individuals, and so that they would be encouraged and rewarded for high level performance. It maintains sound salary structures that recognize the potential, competence and responsibility levels of individuals, at the same time taking into account the prevailing pay levels in the area for equivalent work.

The Bank’s compensation packages are reviewed on a regular basis, while job evaluations are conducted at the beginning of the year to serve as the bases for salary adjustments and promotions.

One of the major incentives for employees is the grant of a performance bonus (PB), which is designed to correlate quality of performance with overall bank profitability by providing a one-time PB on a yearly basis to deserving officers. The PB is based not only on officers’ individual productivity and performance relative to their assigned targets, but also in comparison with their peers within their rank, taking due recognition of the individual’s overall impact on the Bank’s performance for the year.

It could be said, therefore, that BPI’s pay philosophy is anchored on the following key principles in compensation administration: reflective of internal equity, externally competitive, and emphasis on rewards based on performance.

Most of the 1,315 employees who left BPI in 2013 were below 30 years old, female and based in Luzon. The rest of the employee turnover information is as follows:

| AGE GROUP | NUMBER | PERCENTAGE |
|-----------|--------|------------|
| Below 30 | 849 | 65% |
| 30-50 | 315 | 24% |
| Over 50 | 151 | 11% |
| GENDER | NUMBER | PERCENTAGE |
| Male | 512 | 39% |
| Female | 803 | 61% |
| REGION | NUMBER | PERCENTAGE |
| Luzon | 1,205 | 92% |
| Visayas | 60 | 5% |
| Mindanao | 50 | 4% |

Employee attrition is at 10.1% (1,315 turnover/13,024 total workforce), but only 6% of these employees left voluntarily. The others left due to regular retirement and termination.

Ratio of basic salary and remuneration by employee category

| EMPLOYEE CATEGORY | MALE TO FEMALE RATIO* |
|--------------------|-----------------------|
| Senior Management | 56:44 |
| Middle Management | 36:64 |
| Junior Supervisory | 34:66 |
| Rank and File | 27:73 |

*Defined as total salaries per gender over total salaries (male + female)

Return to work and retention rates after parental leave

No. of employees entitled to parental leave in 2013: 5,965

| GENDER | NO. OF EMPLOYEES WHO TOOK PARENTAL LEAVE | NO. OF EMPLOYEES WHO RETURNED TO WORK AFTER PARENTAL LEAVE ENDED* |
|--------|--|---|
| Male | 114 | 107 |
| Female | 468 | 448 |
| Total | 582 | 555 |

*Employees whose parental leaves ended within 2013

Other financial benefits. There are currently 26 labor unions in BPI, and employees are free to join any of these unions. At present, **95%** (or 7,729 individuals) of the Bank's 8,161 rank-and-file employees are covered by Collective Bargaining Agreements (CBA).

BPI also offers a wide variety of financial products and services to its employees, at very affordable terms. The Bank offers low-interest rates for auto and housing loans, emergency loans, and other multi-purpose loans; employees also enjoy medical and group term insurance for additional security. It also offers a generous retirement benefit plan, which is determined by the employee's age, tenure with the company, and monthly compensation.

Another testament to BPI's commitment of aligning interests among external and internal stakeholders is the recent launch of the **Executive Stock Purchase Plans (ESPP)**. Through the ESPP, officers are given the opportunity to buy shares of stock in BPI, at a discounted price based on the volume weighted average of BPI's share price for the past 30 days. Management believes that a stronger alignment between BPI's officers and its shareholders will lead to improved financial results for the Bank. Indeed, improved financial results for the Institution are cascaded to Unibankers.

Performance management. All BPI employees undergo regular performance evaluations based on their individual key result areas (KRAs) and accomplishments. These include targets in earnings performance, asset quality, business volume, customer satisfaction, and corporate governance, among others. In 2013, all officers and specialists in the organization underwent regular performance evaluation.

Moreover, BPI is one of the few companies in the Philippines using a cloud-based performance management system. Called **MyPACT (Performance Alignment, Conversations and Total Development)**, the system allows officers to set KRAs and objectives at the start of the year, create developmental plans, record performance through online journals, and assess performance. Supervisors approve goals and appraisals of their individual team members via the online system.

Promotion to senior management. In 2013, BPI rolled out a new process to identify and select new Senior Officers, ensuring that the Bank would be able to promote its most deserving nominees given its increasing size and the market's increasing complexity. President Cezar P. Consing has formed Nomination Committees for vetting promotions for Vice Presidents and Senior Vice Presidents, using systematic and consolidated promotion data. Three new Senior Vice Presidents and 20 new Vice Presidents were chosen through the process.

Ensuring sound governance

BPI not only adheres to labor laws and regulations; it also implements best practices in workplace employee relations.

The Bank recruits qualified talent regardless of race, color, gender, religion, political stand, or social background. It maximizes local skills and talents in areas where there are BPI cash centers, branches and business centers meant to serve the local populace. It takes a proactive role in recruiting graduates of universities in the areas outside Metro Manila, giving BPI the competitive advantage of local market knowledge.

The Bank also believes that excellent communication, open dialogue, and cooperation

with employees results in good relations between management and labor. Thus, BPI maintains harmonious relations and constant communication with its 26 labor unions.

To this end, activities involving management and the unions are regularly held. These activities include quarterly Management Conferences, formal and informal huddles on urgent issues, team-building workshops, learning sessions and knowledge sharing. These activities have helped create a conducive and open atmosphere for offering feedback, settling disputes, if any, and keeping updated on labor trends and regulations.

BPI also has a grievance mechanism embedded in the CBA to promptly dispose and amicably settle grievances. Clear steps are defined to allow arbitration at every level possible. The Bank's Labor Management Council meets regularly at the regional level in order to take a proactive role in resolving possible issues that might arise due to changing workplace conditions.

Empowering volunteers

Social accountability and corporate citizenship are deeply embedded in BPI's DNA and are very much a part of the Bank's mission and corporate strategy.

DIVERSE TALENT BASE

Board of Directors



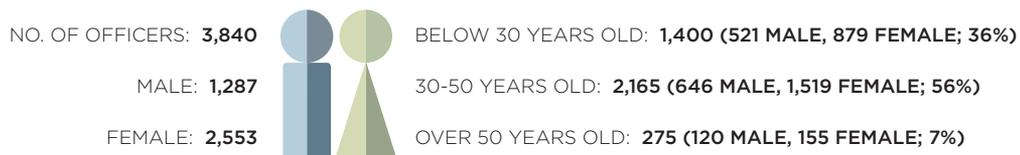
Senior Management



Middle Management



Junior Supervisory



Rank and File



The Bank takes pride in its employee volunteerism program, called BPI Bayan, which stands for Bayanihan Para sa Inang Bayan, which encourages Unibankers to create sustainable volunteer programs for their respective communities. First launched in 2011, BPI Bayan activities range from social services to entrepreneurship, educational and environment-related projects.

Over the past two years, BPI Bayan has involved a total of 4,961 employees who put in a total of 47,890 volunteer hours and impacted 137 communities nationwide. In 2013 alone, 42 BPI Bayan projects were implemented.

On its 162nd Anniversary in 2013, the Bank through BPI Bayan started the Nationwide Volunteers Day, which enabled BPI employees to do volunteer work in their adopted beneficiaries, all in one day. Unibankers brought the effort online, using the hashtags #VolunteersDay and #BPIBayan, generating additional support from netizens.

In late 2013, when a series of catastrophes hit the country—an insurgent uprising in Zamboanga in September, a series of earthquakes in Bohol and Cebu in October, and super-typhoon Yolanda devastating several provinces in the Visayas in November—Unibankers stepped up to help. Unibankers sent cash and in-kind donations, and volunteered to prepare relief packages. Many employees joined The Ayala Group's One Big Ayala Volunteer Night in various relief centers of the Department of Social Welfare and Development (DSWD).

Because of the severity of the damage wrought by supertyphoon Yolanda, BPI launched the 10M+10M Campaign to raise funds for the badly hit communities. Unibankers were challenged to raise Php 10 million, with the Bank pledging to match donations peso-for-peso. Employees launched their own fund-raising efforts, with some choosing to donate their Christmas Party budgets. In a span of 17 days, Unibankers were

able to raise over Php 11 million, equally matched by the Bank. (See Special Feature, "A United Front")

Reaping rewards

2013 was a "grand slam" year for BPI Human Resources, proving that beyond its technological, service, and product innovations, the Bank is also a leader in human resources and an employer of choice.

In June 2013, BPI was named Grand Winner in the Kapatid Awards by the Employers Confederation of the Philippines (ECOP), besting well-known multinational corporations for the coveted prize. ECOP is an umbrella organization of Philippine business organizations, acting as a single voice for the business community on important national issues related to employment, industrial relations, labor and related social issues. Overall, BPI was recognized for having balanced work practices in four categories: Strategic Visioning, Productivity and Quality, Social Accountability, and Partnering for Business and Job Survival, Industrial Peace and Harmony.

A month later, in July 2013, BPI also won the Employer of the Year-Gold, the highest award in its category, in the 2013 Asian Banking & Finance Retail Banking Awards given by *Asian Banking and Finance Magazine*. The Bank bested all other competitors from all over the Asia Pacific.

In October 2013, the efforts of the Bank in human resource and development were further recognized when HR Group Head Fidelina A. Corcuera was named the 2013 PMAP People Manager of the Year by the People Management Association of the Philippines (PMAP), the largest organization of human resource management practitioners in the country.

ZERO'S NOT A
BAD NUMBER
AFTER ALL

In 2013, there were **NO HEALTH INCIDENTS** reported among BPI Unibankers.
NO INJURIES
NO OCCUPATIONAL DISEASES
NO SERIOUS WORK-RELATED DISEASES
NO WORK-RELATED ACCIDENTAL DEATHS

There were also **NO LABOR INCIDENTS** reported in 2013.
NO LABOR DISCRIMINATION
NO COMPULSORY LABOR
NO CASES OF ABUSE,
INCLUDING CHILD ABUSE
NO CASES OF GRIEVANCES RELATED TO HUMAN RIGHTS

All security personnel under third-party security agencies and 70% of security personnel directly hired by BPI have received formal training in BPI's policies and specific procedures for human rights issues and their application to security.