



TRANSFORMING THE LANDSCAPE



BPI CAPITAL IS MOVING TOWARDS PROGRESS FOR A THRIVING NATION

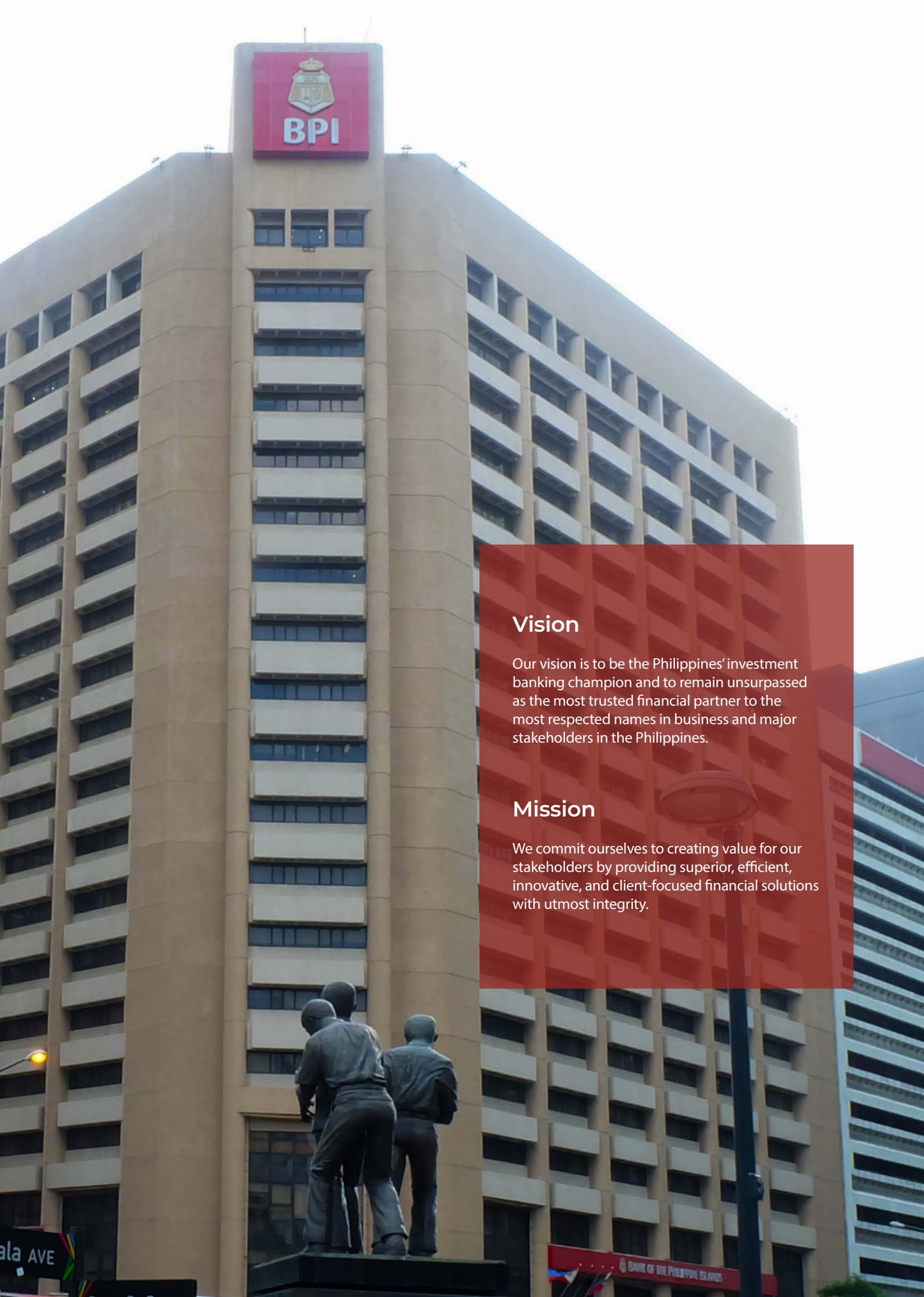
With the trust and confidence of our clients,
we continue to lead the way in investment banking.

With more than four decades of experience—
and reinforced by over 160 years of our parent bank's
strong foundation—we continue to innovate
and leverage on new challenges and opportunities.



BPI Capital
Corporation

Annual Report 2017



Vision

Our vision is to be the Philippines' investment banking champion and to remain unsurpassed as the most trusted financial partner to the most respected names in business and major stakeholders in the Philippines.

Mission

We commit ourselves to creating value for our stakeholders by providing superior, efficient, innovative, and client-focused financial solutions with utmost integrity.

ala AVE

BANK OF THE PHILIPPINE ISLANDS

BPI Capital's Four Pillars of Strength

Because of our strong ties to BPI, our values are guided by a rich heritage and are deeply rooted in BPI's culture of service and excellence.



Client Focused and Solutions Driven Approach

BPI Capital highly values the trust given by the most respected names in Philippine business. Our clientele includes conglomerates, small to mid-sized businesses, entrepreneurs, institutional/individual investors, and future Philippine champions. We work closely with them in achieving their financial objectives.



Full Service Operations

We provide an exceptional and comprehensive suite of capabilities in corporate finance and capital markets advisory, debt and equity underwriting, loan syndication, project finance, corporate restructuring, pre-IPO restructuring, mergers and acquisitions, merchant banking, securities distribution and trading, and other investment banking solutions.



Excellent Execution

Headed by banking and finance experts and professionals with decades of corporate finance and strategic advisory experience, we have successfully executed landmark and complex transactions for our clients. Year on year, our transactions and deals earn nationwide and regional recognition.



Strong Shareholder Support

As a wholly-owned investment banking subsidiary of the Bank of the Philippine Islands, BPI Capital has access to an extensive network and clientele coverage that ensures strong stakeholder support.

About BPI Capital Corporation

On February 5, 1977, BPI Capital was incorporated in the Philippines as a wholly-owned subsidiary of the Bank of the Philippine Islands (BPI), the first bank in the Philippines and in the Southeast Asian region. For over 40 years, BPI Capital has maintained its leadership in the banking and finance industry, making it the most trusted financial partner to the most respected names and major stakeholders in Philippine business.

Through solid collaboration with BPI, BPI Capital is able to harness the placement power of BPI's institutional, corporate, high net worth, and retail customers. We leverage on and have access to the robust client network and existing platforms of BPI. With 942 branches and micro-banking offices nationwide, BPI boasts one of the largest networks across the country and takes pride in its presence overseas through its extended offices and remittance centers around the world. The bank has a customer base of over eight million customers, and manages approximately PHP 591.0 billion in trust and mutual assets.

With the country's continued economic growth, Philippine companies have developed a need for more intricate financial solutions. In response to this emerging challenge, BPI Capital commits to continuously innovate and significantly create value for its clients by tailoring and executing financial solutions, especially as their needs become increasingly complex. The team brings a wealth of knowledge, extensive corporate finance experience, a sharp understanding of the markets, and prudent corporate governance practices, allowing it to assume the most meticulous and demanding investment banking transactions. Our client-focused solutions include financial advisory, mergers and acquisitions, asset financing, private equity and venture capital deals, equity and debt underwriting, loan syndication, project finance, merchant banking, securities trading and distribution, strategic advisory, brokerage, and other investment banking solutions.

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MOVING TOWARDS PROGRESS





Joint Message from the Co-Heads

BUILT FOR THE PATH AHEAD

Dear Fellow Shareholders, Stakeholders, and Partners:

After more than forty years of partnering with you, we are proud to present to you BPI Capital's very first annual report.

BPI Capital is pleased to have been given the opportunity to be an essential part of our country's journey towards advancement—for being part of your story, through the most demanding and thriving of times. We continue to commit ourselves to challenge the odds and break boundaries to enable those who have also committed themselves to support our growing economy.

Reinforced Optimism

The fundamentals of the Philippine economy remains strong. Philippine GDP grew by 6.7% in 2017 and is expected to grow by 6.9% and 6.8% in 2018 and 2019, respectively. While economic growth will continue to be driven by consumption, it will be boosted by infrastructure and capital spending through the “Build, Build, Build” program of the Duterte administration.

Our country’s focus on energy and infrastructure developments has contributed to the Philippines being ranked as one of the fastest growing economies in Asia. In 2017, we began to see a shift to renewable energy and saw many new projects in the transportation and infrastructure space.

Our work at BPI Capital is inspired by our commitment to be an advocate of the country’s economic development. We are pleased with the economic impact of the transactions we have executed in 2017 and are very excited to leverage on this momentum to carry it on to the year ahead.

Brand and Franchise

We continue to be one of the leading investment banking firms in the country and one of the most trusted advisers in the capital markets. We see our year as filled with opportunities to help our clients achieve their financial objectives. More than that, we aim to contribute to Philippine capital market development by developing new investment products and innovative ways of doing things.

In response to the challenges that come with a growing economy, we look to pursue beyond the traditional ways—to help push our clients’, our nation’s, and our company’s progress forward.

BPI Capital is at the forefront of the investment banking space due to the excellence evident in the deals that we want to do and that we can do. Our capacity to deliver even in the most complex and meticulous of transactions is made possible because of the expertise that is ingrained in our DNA. BPI Capital is further fortified by over 160 years of rich culture and heritage that are embodied by our parent bank BPI. With this in mind, our principles and actions are guided by our goal for a seamless coordination between BPI and BPI Capital.

Our clients are assured of the best execution, as consistently exemplified in our structured products, project finance loans, local and foreign denominated debt financings, equity, and advisory transactions.

Leveraging on the Country’s Growth

The investment banking business is generally a reflection of the projects undertaken by our clients and our government. BPI Capital’s activities in 2017 were no exception to that.

Project Finance

A very significant part of our business in 2017 was in the energy and infrastructure space. We saw this in mainly two parts.

The first part was continuing to help fulfill our country’s growing energy requirements and the urgency to make it more affordable. It is notable that we began to see a meaningful movement and shift from our clients and stakeholders to focus more on renewable energy. While we expect there will continue to be traditional energy projects and deals, we also expect acceleration of activity from our clients in the renewable space, both in the Philippines and abroad.

The second part was helping our clients’ position to participate in the government’s “Build, Build, Build” program for various infrastructure projects all over the country. We have helped prepare our clients for PPP-type projects (Private Public Partnerships) as well as for the government’s initiative to incorporate ODA financing. We have also been studying other innovative capital markets instruments that could help finance the large number and large-sized future infrastructure projects of the Philippines.

Capital Markets and Acquisition Financing

Philippine companies remain optimistic of their growth prospects in the near future. However, funding that growth is becoming more complex and expensive. Moreover, significant growth of our country creates stress in our economy such as inflation, interest rates, and pressure on the Philippine Peso to depreciate.

Hence, we saw significant increased financing activity in the fixed income space as clients try to lock in interest rates in a rising rate environment, refinance US dollar liabilities to peso, and raise US dollar denominated financing, depending on their requirements. The government was no exception as it raised record financing in the domestic and international markets in 2017. We also saw increased activity in acquisition financing as clients try to take advantage of growth opportunities locally and abroad. We expect more capital raising activity in the fixed income space over the next couple of years.

While domestic bank liquidity remains high and serves as the primary source of funding for many corporates, especially with banks raising or planning to raise capital through investments and stock rights offerings, banks have begun to realize the need to increase their discipline and focus on profitability. The capital markets continue to grow, but the fixed income market in particular has mainly served the larger and more familiar corporate names. We have done significant work to introduce new names and medium-sized companies to the capital markets. We work with clients of any size to advise them on their funding options and best execution to achieve their financial objectives.

Advisory

Our advisory team is the genesis and interconnection for many of our deals and ideas. While some of these transactions and activities may not readily make it to the front page of the news—although sometimes they have—they do transform businesses and the markets. Our team has been active in the education, healthcare, consumer, utilities, infrastructure, and financials space.

Paving the Way

We have invested in and built an investment bank that is strong and relevant in the core and key disciplines of investment banking: Project Finance, Structured Finance, Debt and Equity Products, and Advisory.

We are prepared for what the future brings as we are built for scale, change, and flexibility. We expect the Philippines to continue to grow; our clients want to be part of that growth as well. We believe the path to growth has become more complex and uncertain but our unwavering commitment to serve our country and our clients is stronger than ever. Our focus on providing our clients with the best financial advice and execution enables us to take on any market condition and to leverage on the challenges and opportunities that may come our way.

We expect continued significant activity in the energy and infrastructure space as it is apparent that our growing country desperately needs these investments. However, these deals are very complex and generally take a few years to complete so the timing to close these projects remains uncertain. What is important is that we do what we can to get them going. We are confident that there is no stopping our momentum towards growth—and BPI Capital will not stop moving towards enabling a better future for Filipinos.

We expect the fixed income market to accelerate as clients try to adapt their financing needs to a rapidly changing market environment. Best advice and execution will test and differentiate companies and investment houses in this challenging environment.

BPI Capital is built for times like these.

Equities has been challenging and opportunistic in the last few years and we expect that it will continue to be so. But we believe that in the long term, equities remains a vital asset class for issuers and investors. We believe the markets will be selective, so preparation, timing, and capital will be critical. Our clients have compelling businesses that have inspiring stories that go with them. It is our job to rally around them and help share their hopes and aspirations with stakeholders and investors.

As our clients seek to grow both organically and inorganically, we expect continued activity in the mergers and acquisitions by strategic investors and financial sponsors.

Overall, we remain optimistic about the growth and future for the Philippines. But we realize that the dynamics have changed and the path to growth has become much more complex and uncertain. Again, we are built for times like these and we are excited to take on what the future holds in store for us. We are looking forward to working with all of you towards a brighter future for the Philippines.

Our success is fueled by yours. Your unwavering trust and confidence are testaments to the strength of our franchise. Our invaluable partnership with you continues to inspire us to keep moving forward.

We would also like to take this opportunity to express our gratitude for the support and dedication of our Board of Directors, our management, and our team. Your vital contributions enable BPI Capital to thrive for the advancement of the Filipino.



Juan Carlos Syquia

President and Co-Head of Investment Banking



Reginaldo Anthony Cariaso

Senior Managing Director and Co-Head of Investment Banking

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE

In 2017, BPI Capital Corporation and its subsidiary (the Group) generated PHP 611 million in consolidated Net Income, down 5% from the previous year. Major contributors to our results are as follows:

- The Group posted a total revenue of PHP 1.45 billion (excluding Gross Receipts Taxes of PHP 76.95 million), with approximately 83% coming from fees and commissions. Our revenues were primarily derived from over 38 landmark deals and transactions, which have resulted to solid competitive positions and stronger strategic impact that ultimately helped advance the country's economic potential.
- Fees and commissions, accounting for approximately 83% of the total revenues, went down by about 3% (PHP 39.6 million). This year's net interest income of PHP 116 million, derived from lending and borrowing activities, also went down by 16% (PHP 21.6 million). Another contributor to the decrease in overall net income is the drop in dividend income from BPI Capital's investments in equity securities, going down by 30% (PHP 12.8 million).
- Proceeds from disposal of certain investments in mutual funds, government securities, and listed equity securities contributed to a 212% increase in gain on available-for-sale securities, which amounted to PHP 95 million.
- Total expenses went up by approximately 8% due to the increase in overall compensation, fringe benefits, and other management and professional fees, amounting to PHP 35.3 million.
- The Group's cost to income ratio and return on average equity is at 40% and 12.96%, respectively.



1% Distribution Sales

16% Treasury Capital Market

**19% Commission and Other
Income - BPI Securities**

64% Corporate Finance



4% Underwriting Equity

4% Financial Advisory

38% Underwriting Debt

**54% Project Finance/
Structured Finance**



2% Others

12% Dividend Income

40% Gain on Sale of AFS

46% Interest Income

Others include Net Trading Loss, Net Foreign Exchange Gain, and Miscellaneous Income

Corporate Finance generated PHP 932 million, accounting for 64% of 2017's total revenues. The biggest revenue contributor in Corporate Finance is the Project Finance/Structured Finance segment, amounting to PHP 507 million.

FINANCIAL POSITION

The Group closed the year with PHP 4.6 billion in total assets, 26% lower than 2016's PHP 6.2 billion.

- Deposits maintained with the Bangko Sentral ng Pilipinas (BSP) amounted to PHP 541 million, 81% lower than PHP 2.9 billion in 2016. This includes BPI Capital's placements in special deposit accounts with BSP, short-term lending to BSP under a reverse repurchase agreement, and mandatory reserve deposits.
- Financial assets at fair value through profit or loss totaled PHP 1.53 billion, with a PHP 730 million increase in investment in various government securities and a PHP 206 million increase in investment in listed equity securities.
- Investment in available-for-sale securities decreased by 36% from 2016's PHP 964 million due to the sale of various mutual funds and government securities.
- The parent company's Investment in equity, amounting to PHP 202 million, pertains to the carrying cost of BPI Securities, BPI Capital's wholly-owned subsidiary.
- Trade and other receivables substantially decreased from 2016's PHP 647 million down to 2017's PHP 537 million due to the collection of the previous year's accrued fees.

On the other hand, total liabilities increased to PHP 760 million due to the increase in trade accounts payable pertaining to the proceeds due to retail treasury bonds and customers arising from brokerage transactions.

On the capital side, retained earnings decreased by 39% substantially due to the PHP 2.5 billion cash dividend declared and paid in the third quarter.

BPI SECURITIES' HIGHLIGHTS

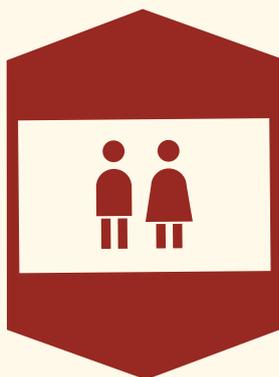
- 2017 was a period of growth for BPI Securities. BPI Securities rose in rank from 14th in 2016 to 11th among Philippine brokerages, capturing 4% of the market. In December, BPI Securities rose to rank second in volume, with 8% market share.
- Year-on-year volume growth in the client segment group declined 3%, making up 28% of our total volume. However all our other client bases increased in volume growth, the active advisory group growing 70% (18% of our total volume), domestic institutions growing 94% (47% of our total volume), and foreign institutions growing at 286% (7% of our total volume). We achieved total volume growth of 63% in 2017.
- With our expansion to accommodate dollar-denominated securities accounts in November, our total number of accounts increased from 50,553 in 2016 to 56,452 in 2017.
- Our growth would not have been possible if not for our initiatives focusing on digitalization and operational efficiency.

	Consolidated		Parent Entity (Solo)	
	Current Year	Previous Year	Current Year	Previous Year
PROFITABILITY				
Total Revenue, net of GRT	1,377,088,474	1,389,813,381	1,103,500,060	1,163,463,345
Total Expenses	553,360,298	511,115,676	296,763,818	332,009,642
Income before Tax	823,728,176	878,697,705	806,736,242	831,453,703
Net Income	610,947,583	645,808,898	598,223,489	611,354,476
SELECTED BALANCE SHEET DATA				
Assets	4,586,882,313	6,232,422,892	3,459,333,812	5,369,277,772
Liabilities	760,024,555	648,211,452	101,008,725	238,279,684
Total Equity	3,826,857,758	5,584,211,440	3,358,325,087	5,130,998,088
SELECTED RATIOS				
Return on Average Equity	12.96%	10.62%	14.02%	10.83%
Return on Assets	8.99%	8.38%	13.16%	10.05%
CET 1 capital ratio	63%	110%	77%	138%
Tier 1 capital ratio	63%	110%	77%	138%
Capital Adequacy Ratio	63%	110%	77%	138%
Cash Dividends declared	2,500,000,000	1,000,000,000	2,500,000,000	1,000,000,000
Headcount	110	106	61	58

THE BUSINESS MODEL

OUR CAPITAL

Human



61

BPI Capital
Employees

49

BPI Securities
Employees



Continuous professional
development through
an average of

40

training hours
per person

Intellectual



Best Corporate and Investment
Bank from The Asiamoney
Banking Awards 2017

Cesar E.A. Virata Award Best
Securities House (Investment
House Category) from PDS
Awards 2017 (3 years in a row)

Ranked 1 as Top Investment
House, Philippines from The
Asset Benchmark Research
Awards - Asian Local Currency
Bonds 2017

Financial



Reinforced by BPI's healthy financial position



BPI Capital's healthy balance sheet and strong financial performance

Social

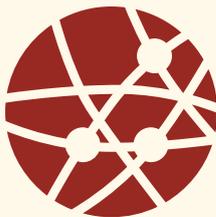


Over **40 years** of providing superior, efficient, innovative and client-focused financial solutions with utmost integrity



Backed by BPI's 166 years of providing quality service and trusted advice

Manufactured



BPI Capital Head Office

BPI Trade Online Trading Platform

Over 900 BPI branches and micro-banking offices nationwide

THE BUSINESS MODEL

OUR BUSINESS

Our leadership in the debt and equity capital markets, project finance, structured finance, advisory, and mergers and acquisitions guarantees that BPI Capital can deliver even the most meticulous and complex investment banking needs.

Equity Capital Markets

BPI Capital has proven its placement power and formidable track record in the equity capital markets through its services, which include equity underwriting and syndication. Our clients gain strong competitive positions and are able to maximize shareholder value because they are backed by BPI Capital's wealth of knowledge, extensive corporate finance experience, a sharp understanding of the markets, and prudent corporate governance practices.

Debt Capital Markets

BPI Capital has established its place as a leading bond house and has proven its extensive experience providing solutions-driven and innovative structured finance services. We provide advice in raising debt and render loan syndication services covering various fixed income products for different corporate purposes, including acquisitions, capital expenditures, and refinancing of existing debt. Our expertise spans across different major organizations, conglomerates, holding companies, and institutions in industries such as micro-finance, power, telecommunications, real estate, pharmaceuticals, and construction.

Loan Syndication

We have served as arranger for high profile syndicated loan deals and have extensive experience in executing a wide range of transactions, from plain vanillas to highly complex transactions for onshore and offshore clients, spanning bilateral loans, short-term notes, and leveraged buyout financing.

Project Finance

Year-on-year, BPI Capital has led the development of the Project Finance space in the Philippines. BPI Capital continues to break ground and change the landscape of Philippine project finance through several of its landmark transactions which are significant, not only in size or project type, but also because of their ability to create

value for clients, lenders and other stakeholders in the project. BPI Capital continues to be the first mover in bringing about market changing activities by introducing more innovative solutions tailored to the needs of each project. Because of our notable accomplishments in the Project Finance space, BPI Capital has been repeatedly recognized by many institutions and awarding bodies.

Mergers and Acquisitions

We provide comprehensive advice on buy-side and sell-side M&A transactions by offering our clients a diversified view and a holistic approach to various financial projections. Intensive valuation and analyses are conducted for private individuals, businesses, corporations, and families with goals to further enhance their current financial structures and open opportunities for market growth.

Financial Advisory

Complementary to its traditional equity and debt underwriting roles, BPI Capital has provided exclusive financial advisory services to its clients, uniquely positioning each for industry leadership, strategic international joint ventures, and national endeavors.

BPI Capital provides a full range of Financial Advisory services covering mergers and acquisitions, valuation services, rendering of fairness opinions, and strategic advisory services in preparation for a capital markets transaction.

As a trusted advisor, BPI Capital works in partnership with our clients to understand their priorities and needs, and to tailor the appropriate advice and services to meet their objectives.

Securities Distribution

Our client-centricism enables BPI to maximize its investor network. BPI Capital is able to leverage on its ties to BPI to build and maintain relationships with Philippine investors. Our distribution network spans institutional investors, corporations, high net worth individuals, and retail investors. Because of the intensive scope of our investor reach, our sales force has consistently raised some of the highest transaction volumes of fixed income and equity securities in the country.

OUR IMPACT

In our commitment to create value and significant contribution to the development of the Philippine economy, BPI Capital continues to be a champion of nation-building through our various initiatives. We support the country's key economic players by promoting inclusive growth and providing them with financial solutions that have stronger strategic impact.

BPI Capital's business does not only take pride in creating progressive financial impact but also in advocating for positive change in the nation. Our 2017 transactions are reflective of our desire to guide our business to drive growth in the country.

BPI Capital was the sole lead arranger and bookrunner in **ASA Philippines'** PHP 2 billion corporate notes issuance, the largest issuance by a single microfinance institution. The proceeds were used to strengthen ASA's lending capacity and extend its activities to fuel about two million women-led micro, small and medium enterprises (MSMEs) across the country.

BPI Capital's partnership with the Bureau of the Treasury (BTr), particularly on the **19th and 20th Retail Treasury Bond (RTB)** issuances, attracted strong demand and robust retail participation. These RTB issuances sought to further the Philippine Government's initiative to promote financial inclusion in addition to augmenting the funds available for the President's ten-point socioeconomic agenda.

BPI Capital's leadership in the **Star Energy Consortium's** acquisition of Chevron Group's geothermal assets in Indonesia was pivotal in driving the deal to a strong finish. BPI Capital's expertise in project financing served as a key driver in bringing Philippine energy projects to life.

In line with our commitment to support nation-building, BPI Capital raised capital for **Unisys Managed Services Corporation** ("Unisys") for a project on the system upgrade of the Philippine Statistic Authority's civil registry system. It was the first Public-Private-Partnership (PPP) project awarded under the Duterte administration and the first IT PPP project in the Philippines under the PPP law.

We value our **stakeholders**. Our excellence is a product of the unrivaled professionalism of our team. We equip our people with the tools to empower them to deliver only the best solutions to our clients. Our clients range from large and established conglomerates to up-and-coming firms looking to grow into big names in Philippine business. We also cater to the needs of individuals who want to reach their investment objectives. And more than that, we guide our clients and make them realize how much more they can grow. We pride ourselves in having the flexibility to serve clients of varying profiles and in establishing our role as a growth catalyst in our stakeholders' stories.



THE PATH TO GROWTH



SELECT TRANSACTIONS

Innovation is in BPI Capital's DNA. We strive to advance the Philippine capital markets by executing innovative transactions. The importance that we place in our clients' success is ingrained in our strong belief in supporting enablers of progress and development. BPI Capital is driven to empower those who trigger economic growth by providing them with groundbreaking financial solutions.

The Star Energy Consortium Acquires Chevron Group's Geothermal Assets in Indonesia

In 2017, BPI Capital found itself at the core of one of the largest ever acquisitions in the geothermal energy space. Chevron's geothermal assets in Indonesia consist of two longstanding power generation operations with a gross power generation capacity of 412.8MW and steam capacity of 235MW, making it one of the largest geothermal power portfolios worldwide.

The buyers comprise a consortium of three energy powerhouses in Southeast Asia. The Star Energy Group is a leading player in the energy sector of Indonesia with a portfolio of geothermal and oil and gas assets in the

country. Electricity Generating Public Co. Ltd. (EGCO) is a major player in the energy sector of Thailand with several energy portfolios across the Asia-Pacific region. The Ayala Group, through its energy investment arm, AC Energy Holdings, Inc., is one of the biggest conglomerates in the Philippines with a portfolio of conventional and renewable assets in the Philippines and Indonesia.

BPI Capital was appointed to lead a syndicate of banks in arranging a USD 1.25 billion secured term loan facility in favor of the Star Energy consortium.

BPI Capital's ability to craft innovative financial solutions led to a cross-border deal which allowed the Star Energy consortium to optimize its debt-servicing ability throughout the tenor of the loan. In addition, this deal was also structured such that the refinancing risk will be largely eliminated by select lenders.

Triumphs of this magnitude do not come without immense challenges. The Star Energy consortium's acquisition followed a highly contested and competitive bidding process. Adding to that, the compressed timeline required



by the parties imposed further challenges upon the lending syndicate. With BPI Capital taking the lead in negotiations and discussions with the consortium on the terms of the loan facility on behalf of the lenders, the arrangement resulted to a timely turn-around time and allowed the consortium to maintain its competitive edge over the other bidders, while still providing the necessary protections and comfort to the lenders.

The multi-awarded acquisition by the Star Energy Consortium solidifies BPI Capital's leadership in Project Finance. BPI Capital was able to lead, understand, guide, and successfully navigate through a series of complex issues and to rapidly respond with well-crafted solutions customized to the evolving nature of the deal.

ASA Philippines Foundation, Inc. Raises PHP 2 Bn via Corporate Notes

BPI Capital believes that fostering financial inclusion is a key growth strategy that will drive economic development in the country. We want to create strategic connections with institutions that will allow us to support the underserved segments through customized products and services.

In 2017, BPI Capital's commitment to significantly contribute to the development of the Philippine economy was further exemplified in our collaboration with ASA Philippines Foundation, Inc. (ASA). ASA, a non-profit, non-stock corporation specializing in microfinance, is committed to empowering poor Filipino families by providing microfinancing support to help them establish or grow their own micro, small, and medium businesses. The foundation caters to more than a million clients and operates through three major service products: loans, capital build-up, and locked-in capital build-up.

ASA Philippines President and CEO Kamrul Hasan Tarafder said that tapping the capital markets with the inaugural PHP 2 billion 5-year corporate notes issue marks a significant step in ASA's corporate maturity, graduating from a purely bank financing to a capital markets issuer, and extending the duration of its liabilities to more closely match its profile.

Notable Recognitions:

Asia Pacific M&A of the Year

IJGlobal Awards

Best Deal in Southeast Asia

Alpha Southeast Asia 11th Annual Best Deal & Solutions Awards

Best Leveraged Finance Backed M&A Deal in Southeast Asia

Alpha Southeast Asia 11th Annual Best Deal & Solutions Awards

Best M&A/Best Acquisition Financing - Indonesia

The Asset Triple A Country Awards 2017

Best Project Finance Deal

3rd IHAP Awards

Indonesia Capital Markets Deal of the Year

IFR Asia Awards

Renewable Deal of the Year – Asia Pacific

PFI Awards

Renewable Energy Deal of the Year - Regional

The Asset Triple A Asia Infrastructure Awards

Renewable Energy Deal of the Year - Indonesia

The Asset Triple A Asia Infrastructure Awards



The issuance not only allowed ASA Philippines to support its noble cause but to also realize exceptional milestones. The corporate note transaction is considered to be the largest issuance by a single micro-finance institution in the country to-date. The transaction was also guaranteed by the Credit Guarantee and Investment Facility (CGIF), marking its first guaranteed corporate note in the domestic market.

BPI Capital acted as the lead arranger for the transaction, providing structuring and advisory advice to ASA and CGIF in ensuring that the deal met the required parameters.

By providing this type of support, these Filipino families will be able to have access to a greater range of goods and services due to an increase in their means of livelihood. ASA intends to open over 120 branches annually until 2021 to allow more access to women entrepreneurs. As of August 31, 2017, the ASA Philippines Foundation has about 1.5 million clients, giving them a total loan portfolio of approximately PHP 12.03 billion.

It is with great honor that, through the partnership with ASA Philippines, BPI Capital was able to promote financial inclusion and touch the lives of over 2 million enterprising women across the country and provide assistance for the improvement of their economic condition.

Notable Recognition:

Best LCY Microfinance Bond –Philippines
The Asset Triple A Country Awards

AYC Finance Limited USD 400 Mn Perpetual Notes

It takes a great deal of daring, and an even greater deal of expertise, to initiate change and this is why BPI Capital takes the lead in crafting some of the most progressive deals in the industry. Our ability to execute innovative solutions for our clients is evident in our deals, one of which is the AYC Finance Limited USD 400 million fixed-for-life bond issuance, awarded as the Best Corporate Bond in the Philippines by The Asset, International Financing Review Asia (IFR Asia), and the Investment House Association of the Philippines (IHAP).

The country's pioneering business house Ayala Corporation (AC) made its presence felt in the overseas perpetual bond market with its issuance of its USD 400 million senior notes, the first fixed-for-life corporate debt deal in Southeast Asia.

The perpetual notes were guaranteed by the Ayala Corporation and issued by its wholly-owned subsidiary AYC Finance Limited. AYC Finance Limited operates as an investment and holding company conducting business in the Cayman Islands.

According to AC's chairman and CEO Jaime Augusto Zobel de Ayala, "This successful launch of fixed-for-life notes provides us with the financial flexibility to manage our balance sheet and diversify our sources of capital. We are grateful for the continued support we have received from our investors that is clearly reflected in this issuance."

This is a fixed-for-life perpetual issuance, which means that the rate stays the same through the life of the notes. AC CFO Jose Teodoro Limcaoco explained that this is in contrast to other perpetuals, which have coupons or dividend rates that step up, thus encouraging the issuer to redeem.

The pricing of the notes reflected a 50 basis point compression from initial price guidance. The offering was more than five times oversubscribed, with investors' confidence reflecting the high quality of the Ayala signature. The perpetual notes also constitute a senior debt and are accounted for as such given the fact that Ayala Corporation cannot defer the coupon payments.

Not only do the features prove to be promising for the investors, the issue also reflects the level of confidence and support of the investing community for the Ayala brand and its commitment to sustainable businesses and good governance.

The 20th RTB also aims to further promote financial literacy and inclusion of individual investors as part of the Philippine government's funding program. It is also in line with the Bureau of the Treasury's (BTr) objective to hit its target volume in support of the government's "Build! Build! Build!" initiatives.

The issuances were able to achieve an issue size of PHP 181 billion and PHP 255 billion respectively, two of the largest since the BTr started issuing RTBs.

Notable Recognitions:

Best Corporate Bond – Philippines
The Asset Triple A Country Awards

Best Fixed Income Deal
3rd IHAP Awards

Philippine Capital Markets Deal of the Year
IFR Asia Awards

Debt Deal of the Year
ABF Corporate and Investment Banking Awards



Bureau of the Treasury issues the 19th (Php181 Bn) and 20th (PHP 255 Bn) Retail Treasury Bonds

Our strong participation in the two Retail Treasury Bond (RTB) issuances, both recognized as the Best Fixed Income Deal, proves our continuous support to promote financial inclusion and economic growth in the Philippines.

As the first issuance of National Treasurer Rosalia de Leon since returning to office, the 19th RTB issuance sought to further the Philippine Government's initiative to reach a wider retail investor base and to promote financial inclusion and literacy. The RTB also aims to augment the funds available for the President's 10-point socioeconomic agenda, with particular emphasis on infrastructure projects.

Notable Recognitions:

Best Bond Deal for Retail Investors in Southeast Asia (RTB 19)
Alpha Southeast Asia 11th Annual Best Deal & Solutions Awards

Best Fixed Income Deal (RTB 20)
3rd IHAP Awards

Deal of the Year (RTB 20)
3rd IHAP Awards

CRS-ITP2 Public Private Partnership (Unisys Managed Services Corporation)

One of the significant Project Finance milestones of BPI Capital is in fulfilling its role in the first IT PPP project in the Philippines.

Unisys Managed Services Corporation (Unisys) is a global information technology company that creates high-performance, security-centric solutions for the world's most digitally demanding businesses and governments. In the Philippines, they have partnered with key government agencies to strengthen their respective information systems and platforms.

In March 2017, Unisys obtained a PHP 750 million 10-year loan facility from BPI to partially finance a project involving the system upgrade of the civil registry system of the Philippine Statistics Authority (PSA). In September 2016, Unisys, with BPI Capital acting as Financial Advisor, was awarded by the PSA with a 12-year concession agreement for the Civil Registry System – Information Technology Project Phase II (CRS-ITP2), which is the second phase of the PSA's civil registry modernization project. Serving as a significant milestone for both Unisys and BPI, the Project is the first PPP project of Unisys in any of the countries that it is present in and the first IT PPP loan of BPI. CRS-ITP2 is capable of collecting, accessing, storing, maintaining, and managing civil registry documents and the specimen signatures of all city and municipal registrars using imaging technology. It can also produce vital statistics and provide civil registry services nationwide through civil registry system outlets and other authorized partners.

CRS-ITP2 is the first PPP project to be awarded during the Duterte administration and the first IT PPP project in the Philippines under the PPP law. As the private sector partner, Unisys is committed to improve the current service level provided by the agency in the issuance of various civil registry documents. The Project involves the financing, design, and development of an upgraded civil registry system with higher specifications and service level requirements and thereafter, operating and maintaining it for a period of 12 years. It also requires Unisys to construct a new building that will house the servers of the upgraded system. The total cost of the Project is PHP 1.7 billion, with roughly PHP 1 billion allocated towards systems development and PHP 700 million towards civil works.

BPI Capital acted as the sole Financial Adviser to Unisys during the bidding process and as Mandated Lead Arranger for the Loan Facility. As Financial Adviser, BPI Capital leveraged on its expertise in the PPP process and familiarity with local practice to play a crucial role in the negotiations of certain commercial terms of the concession agreement between Unisys and the PSA, with both parties agreeing to terms that are acceptable to the PSA and commercially viable to Unisys. BPI Capital developed a bankable financing structure that married the dual objectives of managing inherent limitations under the concession agreement while providing the bank adequate economic returns to compensate for the risks. This highlights the ability of BPI Capital to support its clients in every stage of the transaction – from providing crucial advice during the early bidding stage, assisting

the client in negotiating with counterparties for favorable terms, structuring a specialized financing package suited to the specific needs of the projects, to managing the smooth execution of the transaction until financial close.

Notable Recognition:

PPP Project of the Year – Philippines
The Asset Triple A Asia Infrastructure Awards

Cirtek Holdings Philippines Corporation issues preferred shares amounting to USD 67.0 Million

BPI Capital is proud to be part of the growth process as we continuously aim to support entrepreneurial companies which help boost economic development. The Cirtek preferred share deal is an excellent representation of that.

Cirtek Holdings Philippines Corporation (CHPC) is the holding company of Cirtek Electronics Corporation, Cirtek Electronics International Corporation, Cirtek Advanced Technologies and Solutions, Inc., and Quintel Technology Ltd. Through its subsidiaries, the Company is primarily engaged in the design, production and delivery of state of the art base station antenna systems for wireless communication. Cirtek also provides full service/turnkey solutions including wafer probing, wafer back grinding, assembly, packaging and final testing of semiconductor devices. CHPC, through its subsidiaries, harnesses more than 54 years of combined operating track record.

On December 8, 2017, CHPC successfully listed its USD 67 million preferred shares with BPI Capital as the Sole Issue Manager, Sole Bookrunner, and Joint Lead Underwriter. The Offer was oversubscribed with CHPC pricing the shares at 6.1250%, which shows the strong support from the capital market.

The transaction is the first of its kind, with CHPC as the first domestic corporation to issue a dollar-denominated preferred shares offering in the Philippines. CHPC's USD Preferred Shares is a benchmark transaction in the Philippine capital markets being able to secure regulatory approval in record time within 6.5 weeks.

2017 INVESTMENT BANKING DEALS

Leading Local Equity House



CIRTEK
Holdings Philippines Corporation

Cirtek Holdings Philippines Corporation
USD 67 Mn Preferred Shares
Sole Issue Manager, Sole Bookrunner and Joint Lead Underwriter

CEBU LANDMASTERS

Cebu Landmasters, Inc.
PHP 2.90 Bn Initial Public Offering
Joint Lead Underwriter and Bookrunner

GNPower

GNPower Dinginin Ltd. Co.
PHP 22 Bn
Project Finance Facility
Joint Mandated Lead Arranger, Bookrunner and Issue Coordinator

Market Leadership in Project Finance

UNISYS

Unisys Managed Services Corporation
PHP 750 Mn Lending Facility
Sole Financial Advisor and Sole Mandated Lead Arranger

EGCO
GROUP



AC Energy

Star Energy Geothermal B.V.
USD 1.25 Bn Acquisition Financing
Joint Coordinator and Joint Mandated Lead Arranger



SMC CONSOLIDATED POWER

SMC Consolidated Power Corporation
PHP 44 Bn Project Finance Facility
Joint Lead Arranger and Bookrunner

Dominance in the Fixed Income Market



Ayala Finance Limited
USD 400 Mn Perpetual Notes
Domestic Lead Manager



SMC GLOBAL POWER
SMC Global Power Holdings Corporation
PHP 20 Bn 5, 7 and 10 Year Bonds
Joint Lead Underwriter and Joint Bookrunner



Bureau of Treasury
PHP 255.40 Bn
5 Year Retail Treasury Bonds
Joint Issue Manager



Bank of the Philippine Islands
PHP 12.24 Bn Long Term
Negotiable Certificates of Deposits
Selling Agent



Double Dragon Properties Corporation
PHP 9.70 Bn 7 Year Bonds
Joint Lead Underwriter and Joint Bookrunner



Cyberzone Properties, Inc.
PHP 6 Bn 5.5 Year Bonds
Joint Issue Manager, Joint Lead Underwriter, and Joint Bookrunner



AboitizPower

Aboitiz Power Corporation
PHP 3 Bn 10 Year Bonds
Sole Issue Manager, Sole Underwriter, and Sole Bookrunner

ROBINSONSBANK

Robinsons Bank
PHP 4.18 Bn Long Term Negotiable
Certificates of Time Deposit
Sole Lead Arranger and Selling Agent



PRIME HOLDINGS

SM Prime Holdings, Inc.
PHP 20 Bn 7 Year Bonds
Joint Lead Underwriter and Bookrunner



Bureau of Treasury
PHP 181.93 Bn 3 Year Retail
Treasury Bonds
Joint Issue Manager



San Miguel Corporation
PHP 10 Bn 5 Year Bonds
Joint Lead Underwriter and Bookrunner



Ayala Corporation
PHP 10 Bn 8 Year Bonds
Joint Issue Manager, Joint Bookrunner, and Joint Lead Underwriter



San Miguel Corporation
PHP 20 Bn 5, 7 and 10 Year Bonds
Joint Lead Underwriter and Bookrunner



ASA Philippines Foundation, Inc.
PHP 2 Bn 5 Year Corporate Notes
Mandated Lead Arranger and Bookrunner

MILESTONES AND ACHIEVEMENTS

In 2017, BPI Capital has once again proven that it remains to be the epitome of excellence.

Asiamoney Banking Awards 2017

The Asiamoney Banking Awards recognize the banks in each country which have excelled across a range of core banking activities. For 2017, BPI Capital, together with its parent bank BPI, was recognized as the country's Best Corporate and Investment Bank.

According to Asiamoney, "BPI is a clear winner in this category. BPI has long been the best financial institution for corporates, banking the country's largest firms, as well as many foreign multinationals. Well run, focused and steady, BPI is the epitome of stability in an often-turbulent world."

This award is a testament to the ability of the Bank to consistently exceed our clients' high expectations and to deliver nothing but the best financial services in the capital markets space.

PDS Awards 2017

The PDS Group hosted the 2018 Annual Awards Night, its biggest event of the year, gathering market participants and stakeholders across different sectors of the financial market to celebrate the achievements of the capital market community in 2017.

BPI Capital continued its three-year winning streak as Cesar E.A. Virata Awardee for Best Securities House (Investment House category) for 2017. This award is given to the Trading Participant that has focused on fixed-income securities business as evidenced by its exceptional performance in trading, distribution and settlement activities for the year. In addition to this esteemed honor, BPI Capital was also recognized as one of the Top 5 Fixed-income Brokering Participants and one of the Top 5 Corporate Issue Manager/Arranger for the Investment House Category.

PFI Awards 2017

The Project Finance International (PFI) Awards is considered to be the most prestigious event in the global project finance calendar. The event hosts over 800 of the world's most senior and successful professionals from the project finance industry.

BPI Capital has reached the 20th spot in the global rankings for project finance deals in 2017, and the 6th spot in Asia Pacific, the highest rankings achieved by a Philippine bank so far.

In the recent Thomson Reuters PFI annual league tables, a comprehensive and accurate report on global project finance activity, BPI Capital, a newcomer in the rankings, was among the top investment banks in the world who arranged the biggest financing deals.

“One surprise (is) the appearance of a Philippine bank in the top 10. Bank of the Philippine Islands, with its investment arm BPI Capital, is ranked sixth (in Asia Pacific), with six deals worth US\$2.8bn. The bank, possibly the oldest lender in the country, is part of the huge Ayala conglomerate,” said the report.

“We are honored to be ranked among the best in the world, in arranging project finance deals for projects that make a positive impact in our society,” said BPI President and CEO Cezar P. Consing.

“We have worked hard to support projects that will redound to the country’s benefit in the long run. We hope to make more of these deals in the future as we fulfill our mission and role in nation-building,” he added.

The Asset Triple A Asia Infrastructure Awards 2017

The energy and infrastructure sector plays a crucial role in a country’s development. Energy and infrastructure are fundamental components that allow Asia to sustain its economic growth momentum. The energy and infrastructure space presents numerous obstacles and complexities, which is why The Asset recognizes those who have risen to the challenge.

The Asset, in support of the importance of energy infrastructure to the region’s future, shines the spotlight on this sector by honoring the institutions and the deals in Asia that made significant contributions to the economy.

In The Asset Triple A Asia Infrastructure Awards 2017, BPI Capital clinched five major awards: Renewable Energy Deal of the Year (Asia); Most Innovative Deal (Asia); Project Finance House of the Year (Philippines), Project Finance Deal of the Year (Philippines); and Most Innovative Deal (Philippines).

The Asset, Asia’s leading financial publication focusing on infrastructure and energy, noted BPI Capital’s major role in the groundbreaking AP Renewables Climate Bonds deal. BPI Capital served as the deal’s mandated lead arranger and bookrunner.

The PHP 12.5 billion AP Renewables climate bond is the first climate bond in Asia-Pacific and the first ever climate bond for a single project in emerging markets as certified by Climate Bonds Initiative. It is also the first project finance bond ever issued in local currency in the power sector in the Philippines and the first credit-enhanced project bond in Southeast Asia, excluding Malaysia, since the 1997-1998 Asian financial crisis.

Furthermore, BPI Capital's lead role in the syndication process of the Angat Hydropower Corporation facility was also cited by *The Asset* as the Renewable Energy Deal of the Year – Highly Commended. The bank also received the Power Deal of the Year – Highly Commended award for the Redondo Peninsula Energy project, which is the largest greenfield financing facility in 2016, involving the construction of a new 300 megawatt circulating fluidized coal-fired power plant and related facilities.

FinanceAsia Country Awards 2017

In the FinanceAsia Country Awards 2017, BPI Capital brought home the Best Debt Capital Markets House in the Philippines award. FinanceAsia is a renowned financial publication based in Hong Kong.

"These wins serve as further recognition of the bank's innovation in debt capital markets and project finance, and its important role in some of the country's landmark transactions in spaces such as energy, which fuels the economy. This affirms our extensive experience in providing solutions-driven, innovative structured finance services and expert financial advice," Reggie Cariaso, Senior Managing Director and Co-Head of Investment Banking Group, said.

BPI Capital President John-C Syquia said these awards inspire them even more to deliver greater value to clients. "The confidence in BPI Capital has fueled our desire to contribute further in nation building through various projects in energy and infrastructure during this critical developmental stage of the country towards inclusive growth."

Alpha Southeast Asia - 11th Annual Best Deal & Solutions Awards 2017

BPI Capital won three major awards from Alpha Southeast Asia, one of the region's most respected finance magazines.

BPI Capital won the Best Deal in Southeast Asia 2017 and the Best Leveraged Finance Backed M&A Deal in Southeast Asia 2017 for the Star Energy Consortium's acquisition of Chevron Group's geothermal assets, the Salak and Darajat projects, in West Java, Indonesia.

Furthermore, BPI Capital won the Best Bond Deal for Retail Investors in Southeast Asia 2017 for its work with the PHP 181 billion 3-year retail treasury bonds issued by the Bureau of the Treasury of the Philippines.

Alpha Southeast Asia, a leading finance magazine focused on institutional investment in Southeast Asia, gives these yearly awards according to rigorous criteria.

Juan Carlos L. Syquia, BPI Capital President, said these awards are a product of the excellent work of the company and the fruitful collaboration with key partners. "These awards reflect the strength of partnerships that we continue to cultivate, and our focus on delivering what is best for our clients and the public. We hope to have more of these deals that deliver the beneficial impact that we want for our various stakeholders," said Mr. Syquia.

"BPI Capital has steadily climbed its way to the top of its league with the PHP 181 billion retail treasury bonds and notable cross-border Star Energy Consortium's M&A of Chevron's Geothermal Assets in Indonesia (US\$1,250 million Acquisition Financing & US\$660 million Leveraged Re-Cap Facility) illustrating its versatility and investor network at both opposite ends of the spectrums. Having raised the bar, it is only fair to expect more from BPI Capital ahead."

Siddiq Bazarwala, Publisher, Alpha Southeast Asia

AWARDING BODY	AWARDS	YEAR
Alpha Southeast Asia	Best Bond Deal for Retail Investors in Southeast Asia 2017: Republic of the Philippines, Bureau of the Treasury's PHP181 billion (equiv. US\$2.3 billion) Retail Treasury Bonds	2017
	Best Deal in Southeast Asia 2017: Star Energy Consortium's M&A of Chevron's Geothermal Assets in Indonesia (US\$1,250 million Acquisition Financing & US\$660 million Leveraged Re-Cap Facility)	2017
	Best Leveraged Finance Backed M&A Deal in Southeast Asia 2017: Star Energy Consortium's M&A of Chevron's Geothermal Assets in Indonesia (US\$1,250 million Acquisition Financing & US\$660 million Leveraged Re-Cap Facility)	2017
	Best Equity House in the Philippines	2015
		2014
	Best Bond House in the Philippines	2014
Asiamoney	Best Corporate and Investment Bank	2017
Asian Banking & Finance	Domestic Project Finance Bank Of The Year - Philippines Award: for the project "Star Energy Consortium's Acquisition of Chevron's Geothermal Power Operations"	2018
FinanceAsia	Best DCM House in the Philippines	2017
		2016
	Best Investment Bank in the Philippines	2015
	Best ECM House in the Philippines	2015
		2014
IFR Asia	INDONESIA CAPITAL MARKETS DEAL: Star Energy's US\$1.91bn acquisition financing	2017
	PHILIPPINES CAPITAL MARKETS DEAL: Ayala's US\$400m 5.125% perpetual bond	2017

AWARDING BODY	AWARDS	YEAR
IHAP	Best Fixed Income Deal: AYC Finance Limited USD400 Million Guaranteed Undated Notes	2017
	Best Fixed Income Deal: Republic of the Philippines - Retail Treasury Bonds 20th tranche	2017
	Best Project Finance Deal: Star Energy Geothermal (Salak-Darajat) B.V. USD1.25 Billion Secured Term Loan	2017
	Deal of the Year: Republic of the Philippines - Retail Treasury Bonds 20th tranche	2017
	Advisory Deal of the Year: Merger of BPI's Merchant Acquiring Business with Global Payments Asia-Pacific Philippines, Inc. (GPAP)	2015
	Advisory House of the Year	2015
	Deal of the Year: Republic of the Philippines' Bureau of the Treasury launched a domestic bond exchange as part of the "2015 Liability Management Transaction"	2015
	Equity House of the Year	2015
	Investment House of the Year	2015
IJGlobal	Asia Pacific M&A of the Year – Acquisition of Chevron's Indonesian Geothermal Assets	2017
	Asia Pacific Project Bond of the Year – Tiwi-Makban Geothermal Complex Refinancing	2016
	Asia Pacific PPP of the Year – Mactan Cebu International Airport	2015
	Asia Pacific Wind Deal of the Year – Burgos Wind	2014
PDS Group		2017
	Cesar EA Virata Award Best Securities House (Investment House Category)	2016
		2015
		2017
	Top 5 Corporate Issue Manager/Arranger (Investment House Category)	2016
		2015
	Top 5 Depository Brokering Participant	2016
		2015
	Top 5 Fixed-income Brokering Participant	2017
	2015	
	Top Brokering Participant for Corporate Securities	2015
PFI	Renewable Deal of the Year, Asia Pacific: Star Energy	2017
	Thomson Reuters Project Finance International (PFI) ranked BPI 20th in global rankings and 6th in Asia-Pacific in terms of project financing deals	2017
PSE	BPI Securities: Best in Retail Investor Program – Trading Participants	2017
	Pilipinas Shell: best in initial public offering program for small investors	2017

AWARDING BODY	AWARDS	YEAR
The Asset	Renewable energy deal of the year, Regional - Star Energy consortium's acquisition of Chevron's geothermal and power business in Indonesia and the Philippines	2018
	Renewable energy deal of the year, Indonesia - Star Energy consortium's acquisition of Chevron's geothermal and power business in Indonesia and the Philippines	2018
	PPP project of the year, Philippines - Unisys Managed Services Corporation	2018
	Best Corporate Bond, Philippines for in which BPI Capital Corporation has acted as domestic lead manager: Ayala Corporation US\$400 million fixed-for-life bonds	2017
	Best Individual in Research, Philippines, Rank 3	2017
	Best LCY Microfinance Bond, Philippines for in which BPI Capital Corporation has acted as lead arranger and joint lead underwriter: ASA Philippines 2 billion pesos microfinance bonds	2017
	Best M&A/Best Acquisition Financing, Indonesia for in which BPI Capital Corporation has acted as coordinator and mandated lead arranger (financing): Star Energy consortium's acquisition of Chevron's geothermal and power business in Indonesia and the Philippines	2017
	Power deal of the year – Highly commended, Philippines , for Redondo Peninsula Energy 31.5 billion pesos facility, in which Bank of the Philippine Islands has acted as the lender	2017
	Power deal of the year – Highly commended, Philippines, for Redondo Peninsula Energy 31.5 billion pesos facility, in which BPI Capital Corporation has acted as the sole mandated lead arranger and bookrunner	2017
	Power deal of the year, Philippines, for GNPowr Dinginin Limited Company US\$670 million/7.5 billion pesos project financing facilities, in which BPI Capital Corporation has acted as the participating arranger (Peso facility)	2017
	Project finance deal of the year/Renewable energy deal of the year/Most innovative deal, Philippines, for AP Renewables 12.5 billion pesos climate bond, in which BPI Capital Corporation has acted as the mandated lead arranger and sole bookrunner	2017
	Renewable energy deal of the year – Highly Commended, Philippines , for Angat Hydropower Corporation 12.6 billion pesos facility, in which Bank of the Philippine Islands has acted as the lender	2017
	Renewable energy deal of the year – Highly Commended, Philippines, for Angat Hydropower Corporation 12.6 billion pesos facility, in which BPI Capital Corporation has acted as the sole mandated lead arranger	2017
	Renewable energy deal of the year/Most innovative deal, for AP Renewables 12.5 billion pesos climate bond, in which BPI Capital Corporation has acted as the mandated lead arranger and sole bookrunner	2017
	Top Bank Arrangers, Investors' Choices for Corporate Primary Issues, Philippines	2017
	Top Bank Arrangers, Investors' Choices for Government Primary Issues, Philippines	2017
	Top Investment House, Philippines, Rank 1	2017
	Best Project Finance House, Philippines	2017
		2016
	Best Transport Deal - Highly Commended, Philippines: Mactan Cebu International Airport 23.3 billion pesos financing facility	2015
	Most Innovative Deal, Philippines: Therma Visayas 31.97 billion pesos loan facility	2016
	Best Energy/Renewable Energy Deal - Hydroelectric, Philippines: Hedcor Bukidnon 10 billion pesos lending facility	2016
	Best Power Deal - Highly Commended, Philippines: Masinloc Power Partners Company US\$525 million syndicated loan facility	2016
Best Power Deal, Philippines: Pagbilao Energy Corporation 33.3 billion pesos project financing facility	2015	



CORPORATE SOCIAL RESPONSIBILITY AND OTHER PROGRAMS

For BPI Capital, corporate social responsibility is a commitment to invest in the community to which we belong. Our promise to contribute to the development of the country goes beyond the walls of the Bank. We, at BPI Capital, pledge to champion nation-building and economic development by creating venues for inspiring sustainable and positive change.

At BPI Capital, we make sure that we deliver only the best for our clients and we believe that our communities deserve just the same.

Pangarap na Pasko In Partnership with Dynamic Teen Company

BPI Capital recognizes the value of innovation in today's business and of guiding them to fruition. We strongly believe in providing the same support for innovative solutions geared towards promoting community development and addressing social issues.

In 2017, BPI Capital partnered with 2009 CNN Hero of the Year Efen Peñaflores's Dynamic Teen Company (DTC) to support the organization's cause, which is to take children from the streets and onto the path towards education. Dynamic Teen Company is a non-profit organization focused on guiding the out-of-school and disadvantaged youth of the Philippines. DTC's programs aim to help mold the country's troubled youth into productive and responsible individuals who embody the spirit of volunteerism.

One of Mr. Peñaflores's initiatives is the Kariton Klasrum program. This program features a classroom on wheels: a roving "kariton" classroom carrying educational materials and other school supplies that travels through the streets of Metro Manila to reach the unenrolled, underprivileged youth.

Mr. Peñaflores runs this program in hopes that the country's youth will have a renewed love for learning and will be driven to pursue further education in school. His "pushcart classroom" concept shows that successfully bringing education to the poor is well within reach, one push at a time.

To inaugurate our partnership, BPI Capital sponsored "Pangarap na Pasko", the organization's Christmas party held last December 23, 2017 in Cavite City.

Our programs would not have taken shape if not for the unrelenting support of the team. BPI Capital volunteers spent time with the children and families of DTC and shared the spirit of hope and Christmas joy with the children and families of DTC. To close the event, we offered Christmas gift baskets as a symbol of gratitude to the participants for allowing us to spend time with them.

BPI Capital looks forward to solidifying our partnership with the Dynamic Teen Company and to continuously support their advocacy.





Investing in the Philippines' Infrastructure Story FinanceAsia

BPI Capital ensures we are always attuned to the ever-changing landscape in which it operates. And with the administration's strong push towards infrastructure, we make sure that we are ready to respond to the market's need for information and appropriate financial solutions that best address their demands.

On August 29, 2017, BPI Capital partnered with FinanceAsia, a leading financial publication in the region, to present BPI Capital's very first webinar entitled "Investing in the

Philippines' Infrastructure Story." With President Duterte's recent announcement of the country's most far-reaching infrastructure spending program ever, as part of a 10-point socio-economic plan, it is no surprise that the webinar has drawn local and international interest. The webinar logged participants from across the region and spanning to the US and the UK.



The webinar featured highly distinguished panelists, including some of the country's most influential people in the infrastructure space: Rosalia V. De Leon, Treasurer of the Philippines, Bureau of the Treasury, Ferdinand A. Pecson, Executive Director, Public-Private Partnership Center of the Philippines, and Dennis G. Montecillo, Executive VP and Head of the Corporate Clients Segment Group, Bank of the Philippine Islands.

The webinar covered the following key topics:

- Executing the Philippine infrastructure program under Duterteonomics and an overview of the program
- Protection and rights investors and corporates can expect when investing in infrastructure
- Economic outlook for the Philippines and Sustaining 7% growth
- Opportunities for the Philippines using the Belt and Road initiative to promote economic development in a sustainable way

- New structures and funding formats that are being developed to ensure that projects come to fruition and finance risks are overcome
- Big ticket infrastructure projects scheduled or in play where private investors can play a role

2nd Annual Philippines Energy & Infrastructure Finance Forum Euromoney

Last September 7, 2017, BPI Capital sponsored the 2nd Annual Philippines Energy & Infrastructure Forum held at Fairmont Makati, Manila. The forum covered a variety of topics, including government outlook for the PPP program, the role of capital markets in financing PPP projects, how the Comprehensive Tax Reform Program (CTRP) will impact infrastructure development, optimal financing strategies for energy and infrastructure deals, how the Philippines' energy mix will evolve in the next five years, and the prospects of renewable energy in the Philippines. Representing BPI were BPI Capital Co-heads Reggie Cariaso and John-C Syquia, who served as panelists in the discussion sessions.

Notable speakers include:

- Honourable Ernesto Pernia, Socio-economic Planning Secretary, Republic of the Philippines
- Timothy John Batan, Assistant Secretary, Department of Transportation, Republic of the Philippines
- Karen Singson, Undersecretary for Privatization and Office of Special Concerns, Department of Finance, Republic of the Philippines
- Eric T. Francia, President and Chief Executive Officer, AC Energy Holdings, Inc. & Managing Director, Ayala Corporation
- John Walker, Chairman, Infrastructure, Utilities and Renewables, Asia, Macquarie Capital
- Jeffrey Manalo, Director, Policy Foundation, Project Evaluation and Monitoring Services, Public-Private Partnership Center of the Philippines
- Roberto T. Lastimoso, Chairman, The Philippine National Railways



The event drew attendance from over a hundred corporations and institutions based in the Philippines and abroad. Representatives present were from sectors of the government, investment banking, private equity, construction, mining, energy, and more.

BPI Capital's expertise in the sector stems from its familiarity with infrastructure, capturing a large number of Philippine infrastructure finance endeavors in the year 2017. Our collaboration with Euromoney is a testament to our drive to stay ahead of the latest Philippine infrastructure developments and maintain our stronghold in Philippine infrastructure financing.

3rd Annual Private Equity & Venture Forum AVCJ

BPI Capital co-sponsored the 3rd Annual Asian Venture Capital Journal (AVCJ) Philippines Forum on private equity and venture capital held on October 11, 2017 at Fairmont Makati. The event drew over 180 private equity professionals and featured influential figures in the Philippine private equity and banking industry. The event's notable speakers were Joey Concepcion, presidential adviser for entrepreneurship, Mia Sebastian, deputy executive director of the PPP Center, and Karen Singson, Undersecretary of the Department of Finance. BPI was represented by BPI Capital Co-Head Reggie Cariaso and Head of Project Finance Bonnie Banzon. The event served as a robust networking opportunity, drawing attendees from over 40 institutions across the region. Covering Philippine private equity from the bottom up, panel discussions tackled how Filipino startups can scale up to increase their financing capacities, how infrastructure needs can be met for private investors, how the Philippines compares with its regional peers, and what the drivers are for cross-border deals.

As one of the fastest growing markets in the region, the Philippines is set to see a rise in private equity deals as the market matures and welcomes new innovation in business financing. BPI Capital's sponsorship is an indication of our continuing leadership in bringing financial innovation to the Philippine market.



BPI Securities' Invest-In-You Trading Academy (I-TRAC)

One of the thrusts of BPI Securities, BPI Capital's wholly-owned subsidiary, is to bring the public closer to the markets and to stock investing opportunities. However, some of the challenges these investors face include not knowing how the markets work and, due to prevailing misconceptions about stock investing, how to invest with prudence. In response to these challenges, BPI Securities launched a program called Invest-In-You Trading Academy (I-TRAC) which is made accessible to the investing public. I-TRAC offers a wide range of courses that help develop and enhance the knowledge of new and existing investors. The goal of the program is to provide expert advice that will allow investors to make sound investment decisions.

As a subsidiary of a leading banking institution that provides a wide array of products and solutions, BPI Securities plays a significant role in providing investor education to potential and existing customers. In order to reach a wider client base, our goal is to instill proper knowledge among the bank's employees, including its front liners, in order to effectively promote stock market investing to its clients.

BPI Securities also works closely with the Philippine Stock Exchange's Market Education team, various Human Resources groups of local companies, schools and other organizations to promote the concept of investing as a lifestyle among Filipinos. BPI Securities aims to make stock market investing accessible to ordinary Filipinos by bringing its investor education to different offices and venues across the country.



The success of BPI Securities' investor education program is reflected in our growing client base, increasing invites from various companies, and successful partnerships with groups within the bank.

BPI Securities has also been active in social media, publishing content relevant to the stock market such as highlights from research reports and video clips from media interviews with our research analysts. Social media provides investors another medium to stay updated with the market beyond the trading platform.

Given the price volatility of stocks, stock investing is considered by many as a high risk form of investment. These investor education programs provide an opportunity for investors to learn how to make calculated investments while minimizing the risks of investing in the equity market.

The I-TRAC program is divided into three modules designed to cover the topics essential for investing in the stock market, such as:



Introduction to the Stock Market and Website Navigation – Understanding the principles and dynamics behind stock market investing (i.e. What are Stocks, How to earn through stock market investing, How to start and basic website navigation)

Fundamental Investing and Investment Strategies (How to Pick Stocks) – Learning how to evaluate companies, determining the true value behind the stocks and finding out how you can distinguish between potential winners and losers.

Technical Analysis: Making Money Using Charts – Understanding the price movement and determining the right time to enter or exit a trade by using charts

I-TRAC on the GO: I-TRAC on the Go covers the same content as the lectures offered every month at the BPI head office but is made available to companies, schools and other organizations who would like to experience the investor education training in the convenience of their own offices.





TRUST IS OUR CAPITAL



RISK MANAGEMENT

As a wholly-owned subsidiary of the Bank of the Philippine Islands, BPI Capital's risk management and corporate governance frameworks follow that of our parent company. A detailed discussion of our risk culture and corporate governance structure can be found in the BPI website.

BPI Capital Corporation has a comprehensive and integrated Risk and Capital Management Framework guiding the management of all risk exposures and ensuring that the Company has adequate capital to cover and mitigate risks. This framework follows Bangko Sentral ng Pilipinas regulations to implement an active and effective Internal Capital Adequacy Assessment Process (ICAAP) and risk management processes that are consistent and form part of the BPI Group's ICAAP.

Following BPI's Risk Management top-down approach, our Board carries out its risk management function through its Risk Management Committee (RMC), which is tasked with nurturing a culture of risk management across the enterprise, proposing guidelines and regularly reviewing risk management structures, metrics, limits, and issues across the Company, in order to meet and comply with regulatory and international standards on risk measurement and management.

The RMC reviews the reports from the Company's various business units that are necessary to identify, monitor and assess the risk exposures and capital adequacy and its implications to the Company. It also reviews and recommends to the Board the approval of the Company's risk and capital management policies, and the appropriate capital structure for the bank in support of long-term strategic objectives, current business plans, and risk appetite.

At BPI Capital Corporation, we aim to achieve 99.5% availability of critical customer-facing services. We have low risk appetites and low tolerance for business process execution failures, improper business practices, damage to physical and intangible assets, vendor failures and damages, and trade counterparty failures. We aim to maintain compliance with regulatory requirements.

We apply industry standards in securing sensitive data and we strive to mitigate emerging risks with zero tolerance for data confidentiality and integrity breaches. We have zero appetite for events that compromise the health and safety of employees. We have zero appetite for any fraudulent activity.

We use established industry practices to deliver projects with minimal time, budget and quality variances. We innovate by adopting and customizing new, market-tested technologies with the key objective of providing our customers with the best experience and minimum risks.

We manage risks through clearly-defined functions, using the three lines of defense model to ensure effective risk management governance and control processes across the Company. The first line of defense is performed by functions that own and manage risks, i.e., business line management and personnel. They are primarily responsible for managing the risks in their respective areas. The second line of defense shall be performed by functions that oversee risks. The third line of defense is performed by the BPI Internal Audit, who provides independent

assurance to the Board on the quality and effectiveness of the Company's risk management framework, including the implementation of the risk management policies and processes.

In order to thrive with our commitment and mission in creating value for our stakeholders by providing superior, efficient and client-focused financial solutions with utmost integrity, we exercise proactive and prudent risk management. BPI's Risk Management Office, headed by the Chief Risk Officer (CRO), leads the formulation of risk management policies and methodologies aligned with our strategy. The CRO, who is primarily responsible for the overall management of the BPI Group's total risk, ensures that risks are rationally undertaken, within the risk appetite, and commensurate to returns on capital. The CRO also supports the RMC by recommending risk management policies and methodologies. With this process, the CRO promotes an enterprise-wide risk management awareness, learning and appreciation.

We identify risks according to three major classifications – credit, market, and operational and IT risks. Credit risk is the risk to earnings arising from obligor's, customer's, or counterparty's failure to perform or to meet the contractual obligation in accordance with agreed terms. Market risk to earnings or capital arises from adverse movements in factors that affect market value of the financial assets (interest rate risk and liquidity risk). On the other hand, operational and IT risk is the loss resulting from inadequate or failed internal processes, people, and systems or from external events. This includes people and process risks, information security, technology and physical security risks, compliance and regulatory risks, legal and tax risks, and reputation risks amongst others.

With the parent bank establishing robust and effective risk management processes and controls, BPI Capital is able to manage risks closer to the source, either preventing them from happening or mitigating their impact. The Company uses various methodologies, tools, and systems to measure its risk exposure.

We continuously promote and observe a culture of proactive risk management and client-centricity, with the CRO and the Risk Management Office continuously engaging the RMC, management and business units, communicating the risk awareness culture to the rest through various internal channels, facilitating learning programs on risk management, and promoting best practices enterprise-wide.

Credit Risk

Under the organizational structure of BPI Capital, the management of credit risk is handled by the following:

1. Treasury and Capital Management Department (TCMD) manages credit risk which may arise from its proprietary investment in non-marketable or unlisted securities, debt and equity linked instruments, and other strategic investments; a credit and counterparty risk from its trading portfolio of fixed income and equity securities, as well as pooled funds;
2. Fixed Income Sales manages credit risk which may arise from its brokerage services;
3. BPI Capital Investment Committee reviews all recommendations for trading lines and proprietary investment as proposed by the TCMD Officer; and
4. BPI Capital Board of Directors approves all investment recommendation and credit proposals endorsed by the Investment Committee.

We conduct prior due diligence whenever a strategic investment proposal is prepared to determine financial suitability, risk exposure, viability and profitability.

We measure our credit risk exposures in terms of regulatory capital requirement using the standardized approach in compliance with Basel and BSP Standards on minimum capital requirements. Using this method, our credit exposures to sovereigns, corporates and banks are risk-weighted to reflect credit assessment from eligible rating agencies.

We continuously enhance our credit policies and guidelines and align regulatory changes to enable robust analysis of the loan portfolio while delivering timely and accurate reporting of the Company's loan structures, credit concentrations, and other risk data analytics.

Market Risk

Under the Market Risk Management unit, the Risk Officer employs various risk metrics commensurate to the size and sophistication of business operations, which guide the Company to effectively manage the risks arising from position-taking strategies balanced by the Board's overall risk appetite. Risk limits are continuously reviewed and updated to align with BPI Capital's goals, objectives, strategies, and enterprise-wide risk appetite.

We closely monitor the risk exposures of both trading and non-trading portfolios. Assets in both on- and off-balance sheet trading portfolios are marked-to-market and the resulting gains and losses are recognized through profit or loss. Market risk exposures from these portfolios are measured by using the historical simulation value at-at-risk model complemented by several risk metrics such as Stop Loss and DV01.

We ensure adequate liquidity levels at all times and contingency plans are in place in the event of liquidity stress. A Liquidity Contingency Funding Plan Testing (LCFP Testing) is done periodically at least once a year, or as deemed necessary by the BPI Capital Treasurer in coordination with the Risk Officer, to establish awareness and preparedness among personnel. LCFP Testing aims to test effectivity of the company's liquidity sources and alternatives in order to refine assumptions, policies and procedures to make the funding plan implementable and relevant.

We continuously improve our liquidity and repricing gap models through improvements in model assumptions. Under assumed severe market stress scenarios, our CAR and CET1 are well above the minimum regulatory requirements.

Operational and IT Risk

Concurrent with BPI's Operational and Information Technology Risk Management unit, BPI Capital monitors risks arising from inadequate or failed internal processes, people, and systems or from external fortuitous events that disrupt the business. Operational risk is inherent in all banking products and services, and may include risks that give rise to adverse legal, tax, regulatory or reputational consequences. Information technology is a significant risk factor assumed in conjunction with operational risk, given the highly automated nature of BPI Capital's processes and services. IT risk is any potential adverse outcome arising from the use of or reliance on IT (i.e hardware, software, devices, systems, applications and networks).

Our Business Risk Officer (BRO) is responsible to the Risk Management Office (RMO) for promoting a sound risk management culture, implementing risk management best practices as determined by the RMO, and ensuring timely submission of operational, IT and other risk reports.

We monitor key risk indicators (KRI), and oversee the thoroughness of the Company's risk and control self-assessments, loss event management processes, and operational risk management awareness and appreciation programs. We manage our operational and IT risks by ensuring such risks are identified, assessed, monitored, reported and mitigated. We have defined responsibilities related to the performance of the risk management function, accountabilities, methods and tools employed to identify and mitigate operational and IT risks in our operating units. We require operating units to undertake regular self-assessments to identify risks, assess inherent and residual risks, identify controls, and assess the design and performance effectiveness of controls. KRIs are used to monitor risk profiles, trigger early warning alerts, and instigate mitigating action. Operational loss events, and the corresponding data collection and analysis provide meaningful information in effectively managing risks.

Our exposure to operational risks are identified, assessed, and monitored as an integral part of the risk assessment processes. We currently use the Basel regulatory basic indicator approach to quantify operational risk-weighted assets by using the historical total annual gross income as the main measure of risk.

AML Governance and Culture

Prevention of financial crimes is a top priority of BPI, not only because they pose a significant threat to our reputation, but because they weaken the integrity of the global financial system. Our Compliance Office extends its ambit beyond the Bank, its policies, and its employees to ensure that our clients also act within the law and do not use the Bank for illegal activities.

BPI Capital adopts a comprehensive and risk-based Money Laundering and Terrorist Financing Prevention Program (MLPP) that ensures consistent and effective compliance with the BSP Circular 950, the AMLA, as amended, and its Revised Implementing Rules and Regulations (RIRRs), and with all internal policies related to anti-money laundering. These are geared toward the promotion of high ethical and professional standards and the prevention of the Company, and its employees from being used for money laundering and terrorist financing. It consists of conscientious customer due diligence and know-your-customer (KYC) processes; technology and tools to identify and detect financial transactions of a suspicious nature; and monitoring, periodic review, and timely reporting of anti-money laundering-combating the financing of terrorism (AML-CFT) events to management.

We constantly review our program to ensure compliance with the latest legislative and regulatory developments. To promote awareness, knowledge and understanding of AML concepts, principles and requirements, all employees attend in-house or external training programs.

SUMMARY OF RISK TYPES

Risk Type	Description	BPI Capital's Response
Credit Risk	It is the risk to earnings arising from the obligor's, customer's, or counterparty's failure to perform or to meet the contractual obligation in accordance with agreed terms.	<p>Under the organizational structure of BPI Capital, the management of credit risk is handled by the business line management and personnel.</p> <p>We conduct prior due diligence whenever a strategic investment proposal is prepared to determine financial suitability, risk exposure, viability and profitability.</p> <p>We measure our credit risk exposures in terms of regulatory capital requirement using the standardized approach in compliance with Basel and BSP Standards on minimum capital requirements. Using this method, our credit exposures to sovereigns, corporates and banks are risk-weighted to reflect credit assessment from eligible rating agencies.</p> <p>We continuously enhance our credit policies and guidelines and align regulatory changes to enable robust analysis of the loan portfolio while delivering timely and accurate reporting of the Company's loan structures, credit concentrations, and other risk data analytics.</p>
Market Risk	This risk to earnings or capital arises from adverse movements in factors that affect market value of the financial assets. This covers the interest rate risk and liquidity risk.	<p>Under the Market Risk Management unit, the Risk Officer employs various risk metrics commensurate to the size and sophistication of business operations, which guide the Company to effectively manage the risks arising from position-taking strategies balanced by the Board's overall risk appetite.</p> <p>We closely monitor the risk exposures of both trading and non-trading portfolios. Assets in both on- and off-balance sheet trading portfolios are marked-to-market and the resulting gains and losses are recognized through profit or loss. Market risk exposures from these portfolios are measured by using the historical simulation value at-at-risk model complemented by several risk metrics such as Stop Loss and DV01.</p> <p>We ensure adequate liquidity levels at all times and contingency plans are in place in the event of liquidity stress. A Liquidity Contingency Funding Plan Testing (LCFP Testing) is done periodically at least once year, or as deemed necessary by the BPI Capital Treasurer in coordination with the Risk Officer, to establish awareness and preparedness among personnel.</p> <p>We continuously improve our liquidity and repricing gap models through improvements in model assumptions. Under assumed severe market stress scenarios, our CAR and CET1 are well above the minimum regulatory requirements.</p>
Operational and IT Risk	This is the loss resulting from inadequate or failed internal processes, people, and systems or from external events. This includes people and process risks, information security, technology and physical security risks, compliance and regulatory risks, legal and tax risks, and reputation risks amongst others.	<p>Concurrent with BPI's Operational and Information Technology Risk Management unit, BPI Capital monitors risks arising from inadequate or failed internal processes, people, and systems or from external fortuitous events that disrupt the business.</p> <p>Our Business Risk Officer (BRO) is responsible to the Risk Management Office (RMO) for promoting a sound risk management culture, implementing risk management best practices as determined by the RMO, and ensuring timely submission of operational, IT and other risk reports.</p> <p>We monitor key risk indicators (KRI), and oversee the thoroughness of the Company' risk and control self-assessments, loss event management processes, and operational risk management awareness and appreciation programs.</p> <p>Our exposure to operational risks are identified, assessed, and monitored as an integral part of the risk assessment processes. We currently use the Basel regulatory basic indicator approach to quantify operational risk-weighted assets by using the historical total annual gross income as the main measure of risk.</p>

SUPPLEMENTARY SCHEDULES ON CAPITAL AND RISK MANAGEMENT DISCLOSURES PURSUANT TO THE BANGKO SENTRAL'S MEMORANDUM M-2014-007

CAPITAL STRUCTURE

The Company's qualifying capital for the year's ended 2017 and 2016 were P3,115 million and P4,895 million, respectively. The Company's total qualifying capital for 2017 and 2016 were largely composed of CET1 capital and Tier 1 at 99% for both years.

The table below shows the composition of the Company's capital structure and total qualifying capital.

Capital Structure	December 31, 2017			December 31, 2016		
	(Php Mn)	Tier 2	Total	CET1 / Tier 1	Tier 2	Total
Core Capital	3,839.71	0.58	3,840.29	5,584.95	0.58	5,585.53
Paid-up common stock	506.43	-	506.43	506.43	-	506.43
Additional paid-in capital	260.36	-	260.36	260.36	-	260.36
Retained earnings	2,320.45	-	2,320.45	4,182.34	-	4,182.34
Undivided profits	619.96	-	619.96	634.83	-	634.83
Net unrealized gains or losses on AFS securities	126.47	-	126.47	1.19	-	1.19
Remeasurements of Net Defined Benefit Liability	6.04	-	6.04	(0.20)	-	(0.20)
General loan loss provision	-	0.58	0.58	-	0.58	0.58
Regulatory Adjustments	724.63	-	724.63	689.93	-	689.93
Deferred tax assets	27.39	-	27.39	30.63	-	30.63
Defined benefit pension fund	20.95	-	20.95	5.24	-	5.24
Investment in equity of unconsolidated subsidiary securities dealer/brokers and insurance companies	676.29	-	676.29	654.06	-	654.06
TOTAL QUALIFYING CAPITAL	3,115.08	0.58	3,115.66	4,895.02	0.58	4,895.60
% to Total	99.98%	0.02%	100%	99.99%	0.01%	100%

CREDIT RISK WEIGHTED ASSETS

Using the Basel regulatory standardized approach, our total credit risk-weighted assets as of end-2017 amounted to P730 million. The table below presents the Company's credit risk-weighted assets for the year 2017 and 2016:

Credit RWAs (PHP Mn)	Amount	
	2017	2016
Total RWA (On-balance sheet)	730.55	1,209.24
Total RWA (Off-balance sheet)	-	-
Total counterparty RWA (banking book)	-	-
Total counterparty RWA (trading book)	-	-
Total risk-weighted amount of credit linked notes	-	-
Total risk-weighted securitization exposures	-	-
TOTAL CREDIT RWA	730.55	1,209.24

MARKET RISK WEIGHTED ASSETS

In terms of capital usage using the Basel standardized approach, total market risk-weighted assets stood at P1,094 million as of end-2017, of which equity exposures accounted for more than half, followed by interest rate exposures and foreign exchange exposures, respectively.

The table below presents the Company's market risk-weighted assets for the year 2017 and 2016:

Market RWAs (PHP Mn)	Amount	
	2017	2016
Interest rate exposures	319.96	170.95
Foreign exchange exposures	102.80	38.94
Equity exposures	672.01	259.91
TOTAL MARKET RWA	1,094.77	469.80

OPERATIONAL RISK WEIGHTED ASSETS

We currently use the Basel regulatory basic indicator approach to quantify operational risk-weighted assets, by using the historical total annual gross income as the main measure of risk. In 2017, the Company's total operational risk-weighted assets stood at P2,206 million.

The table below presents the Company's operational risk-weighted assets for the year 2017 and 2016:

Operational RWAs (PHP Mn)	Amount	
	2017	2016
Gross income	1,213.69	916.37
Capital requirement	182.05	137.46
Average capital requirement	176.55	150.39
Adjusted capital charge	220.69	187.99
TOTAL OPERATIONAL RWA	2,206.91	1,879.92

SUMMARY OF FINANCIAL PERFORMANCE

(in PHP Millions)	Parent		Consolidated	
	2017	2016	2017	2016
CET1 Capital	3,155.08	4,895.02	3,783.34	5,545.31
Tier 2 Capital	0.58	0.58	0.58	0.58
Total Qualifying Capital	3,155.66	4,895.60	3,783.92	5,545.89
Total Credit Risk Weighted Assets	730.56	1,209.25	2,308.30	2,305.73
Total Market Risk Weighted Assets	1,094.77	469.80	1,094.95	469.80
Total Operational Risk Weighted Assets	2,206.91	1,879.92	2,650.57	2,250.79
Total Risk Weighted Assets	4,032.24	3,558.97	6,053.82	5,026.32
CET1 Ratio	77.25%	137.54%	62.50%	110.33%
Capital Conservation Buffer	71.25%	131.54%	56.50%	104.33%
Tier 1 Capital Ratio	77.25%	137.54%	62.50%	110.33%
Total Capital Adequacy Ratio	77.27%	137.56%	62.50%	110.34%

Total qualifying capital decreased by P1,740 million or 35% from 2016's P4,895 million. On June 9, 2017, the Board of Directors declared cash dividends amounting to P2,500 million on its total outstanding common shares as of April 30, 2017 record date, which was subsequently paid on July 21, 2017.

Capital adequacy ratio, using Basel III measures, ended at 77.27%, with CET 1 at 77.25%. The CAR and CET 1 remained above the regulatory requirement.

CORPORATE GOVERNANCE

The Board of Directors and stockholders, Management and employees of BPI Capital Corporation believe that sound and effective corporate governance is the cornerstone of BPI Capital's strength and long term existence. It subscribes to a philosophy of adhering to honesty, integrity and professionalism in the conduct of its business, exercising prudence in arriving at decisions, enforcing internal discipline and a system of checks and balances in its operating processes, and providing transparency to its various publics regarding basic management policies and practices, major business strategies and decisions, and its operating results.

Board of Directors

The Board of Directors (the Board) bears the primary responsibility for creating and enhancing the long term value of BPI Capital and ensuring that this objective is achieved in all its business activities. It must ensure the Company's ability to satisfy the needs of its customers, sustain its leadership and competitiveness, and uphold its reputation in order to maintain BPI Capital's long term success and viability as a business entity. Its mandate consists of setting the strategic business directions of BPI Capital, appointing its senior executive officers, confirming its organizational structure, approving all major strategies and policies, overseeing all major risk-taking activities, monitoring the financial results, measuring and rewarding the performance of management, and generating a reasonable investment return to stockholders. It shall also provide an independent check on management.

Board Charter

The charter of the Board of Directors articulates with specificity the governance and oversight responsibilities exercised by the directors and their roles and functions in the Company. The Board Charter is incorporated in our Manual of Corporate Governance. The Company's updated and revised Manual of Corporate Governance was approved and adopted by our Board of Directors on June 21, 2017.

Selection

As disclosed in the Manual of Corporate Governance, candidates for board membership may be recommended by shareholders to the Nominations Committee through the Office of the Corporate Secretary. Among other qualifications, candidates must be fit and proper for the positions of director, taking into consideration integrity, physical/mental fitness, relevant education/financial literacy/training, possession of competencies relevant to the job such as knowledge and experience, skills, diligence and independence of mind and sufficiency of time to carry out responsibilities. Candidates recommended by shareholders are evaluated in the same manner as director candidates identified by any other means. The Committee itself may identify and recommend qualified individuals for nomination and election to the Board.

Board members are elected by BPI stockholder who are entitled to one vote per share at the company's Annual Stockholder's Meeting, where votes may be cumulated as provided for in the Corporation Code. The nominees receiving the highest number of votes are declared elected and hold office for one year until their successors, qualified in accordance with the by-laws, are elected at the next Annual Stockholders Meeting.

Composition and Qualifications

The Board of Directors have nine (9) members who are elected by the stockholders entitled to vote at the annual meeting. Board membership is effective for one (1) year and until their successors are elected and qualified in accordance with the By-Laws of the corporation.

To the extent practicable, the members of the board of directors shall be selected from a broad pool of qualified candidates. A sufficient number of qualified non-executive members shall be elected to promote the independence of the board from the views of senior management. For this purpose, non-executive members of the board of directors shall refer to those who are not part of the day to day management of banking operations and shall include the independent directors.

In accordance with Securities and Exchange Commission (SEC) Memo Circular No. 6, Series 2009 on the Revised Code of Corporate Governance and BSP Circular 749,969,970,971,972 BPI Capital shall conform with the legal requirement to have at least one third but not less than two (2) members of the Board of Directors who shall be independent directors.

Our Board of Directors enjoys the trust and respect of the local and international business community. They are established professionals who provide perspective, objectivity, practical wisdom, and sound judgment in their oversight, recommendations and evaluation of bank operations and management. Imbued with public interest, qualifications for membership in our Board of Directors are dictated by our Amended By-laws, Manual

of Corporate Governance, the Corporation Code, and relevant regulations of the Bangko Sentral ng Pilipinas and Securities and Exchange Commission.

The Chairman of the Board

The Chairman of the Board, shall, when present, preside at all meetings of the Board and shall render advice and counsel to the President. He shall:

1. Ensure that the meetings of the Board are held in accordance with the By-Laws of BPI Capital or as the Chairman may deem necessary;
2. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management, and the directors;
3. To provide leadership in the board of directors. The chairperson of the board shall ensure effective functioning of the board, including maintaining a relationship of trust with board members;
4. Maintain qualitative and timely lines of communication and information between the Board and the Management;
5. Exercise control over quality, quantity, and timeliness of the flow of information between the Management and the Board;
6. Assist in ensuring compliance with the Corporation's guidelines on corporate governance; and
7. To ensure that the board takes an informed decision. The chairperson of the board shall ensure a sound decision-making process and he should encourage and promote critical discussions and ensure that dissenting views can be expressed and discussed within the decision-making process.

The Chairman shall have such other responsibilities as the Board of Directors may impose upon him.

Board Committees

The Board carries out its various responsibilities and delegate specific responsibilities to other sub-committees for specialized areas of focus within the limits allowed by law. In 2017, the Company had 4 Board-level committees. As part of the annual Board effectiveness review, a separate exercise was conducted to assess the performance of each Committee.

Audit Committee. The Audit Committee monitors and evaluates the adequacy and effectiveness of the Investment Bank's internal control system. This committee provides oversight on the overall management of operating risks, financial reporting and control, internal audit department and external auditors, quality of compliance with the Corporate Governance Manual and reviews conducted by the Bangko Sentral ng Pilipinas.

Chairman: Romeo L. Bernardo
Members: Rebecca G. Fernando,
Antonio Jose U. Periquet

Risk Management Committee. The Risk Management Committee oversees and manages the Company's exposures to financial and non-financial risks and monitors the regulatory and internal capital adequacy vis-a-vis these exposures to risks. The committee nurtures a culture of risk management across the entity and implements and oversees the company's risk management program to assist the Board in fulfilling its responsibilities relating to the management of risks.

Chairman: Romeo L. Bernardo
Members: Juan Carlos L. Syquia,
Mercedita S. Nolleto

Nomination Committee. The Nominations Committee ensures that the Board of Directors is made up of individuals of proven integrity and competence, and that each possesses the ability to resolve to effectively oversee the Company in his capacity as board member and member in their respective board committee. This Committee also reviews and evaluates the qualifications of all persons nominated to the Board.

Chairman: Cezar P. Consing
Members: Romeo L. Bernardo,
Aurelio R. Montinolla III

Personnel and Compensation Committee. The Personnel and Compensation Committee directs and ensures the development and implementation of long-term strategies and plans for the Company's human resources, in alignment with the Board's vision for the organization.

Chairman: Cezar P. Consing
Members: Romeo L. Bernardo,
Aurelio R. Montinolla III

Performance Evaluation and Self-Assessment

The Board, under the guidance of the Corporate Governance Committee, 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. Performance of the Board is measured on the basis of what it delivers and how it delivers, how it meets its responsibilities to the Company's stakeholders, and how it addresses issues that impact the Board's ability to effectively fulfill its fiduciary duties.

Using a 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 and CEO.

Continuing Education

The Bank ensures that it has in place a formal board and director development program. For new directors, there is a deliberate, systematic and rapid familiarization with the organization and the operations of the board, Articles of Incorporation and Amended By-Laws, Manual of Corporate Governance, Board Charter as well as the Code of Conduct, standards of Conflict of interest and policies on Insider Trading, Whistleblowing, Data Privacy, and Related Party Transactions. The Bank, through its various units, also provides continuing director education in relation to current developments; these include regulatory initiatives like Data Privacy, the Anti-Money Laundering and Terrorist Financing Prevention Program, Foreign Account Tax Compliance Act, Securities Regulations Code, SEC memorandum circulars, and BSP regulations, among others. In 2017, all of the Bank's directors including our senior officer underwent the requisite corporate governance seminar provided by an SEC- or Bangko Sentral-accredited institution.

Succession Planning

The Board, through its Personnel and Compensation Committee, manages the talent pipeline and assembles the required personnel capable of navigating changes. In consultation with the President, the Committee reviews the Company's talent development process for proper management. Senior management provides a report to the committee on the results of its talent and performance review process for key management positions and other high-potential individuals. The review process identifies opportunities, performance gaps and proactive measures in the Company's succession planning aside from ensuring that there is sufficient pool of qualified internal candidates to fill senior leadership positions.

Remuneration

Anchored with BPI's Personnel and Compensation Committee, it recommends to the Board the fees and other compensation for directors, ensuring that compensation fairly remunerates directors for work required in the Company. As provided by our Amended By-laws, each director is entitled to receive fees and other compensation for his services as director. The Board has the sole authority to determine the amount, form and structure of the fees and other compensation of the directors. Board members receive per diems for each occasion of attendance at meetings of the Board or of a board committee.

In 2017, BPI Capital's Board of Directors received a total of P2M as remuneration for the services rendered by them to the Company.

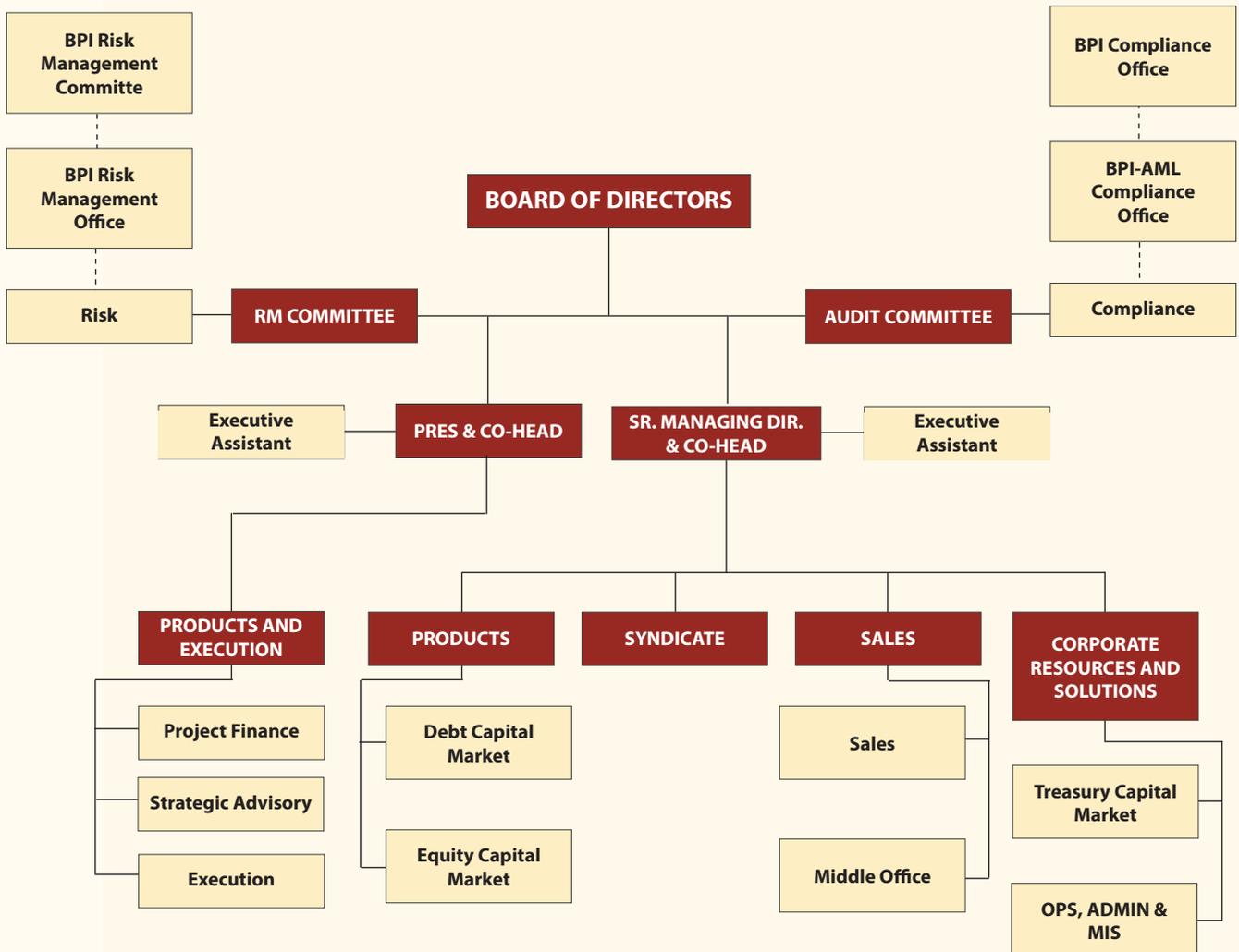
Related Party Transactions Policy

This policy guards against internal conflicts of interest between the company and/or its group and their directors, officers and significant shareholders and ensures that transactions such as loans and advances, deposit arrangement, trading of government securities and commercial papers, sale of assets, lease of bank premises, investment advisory/management, service arrangements and advances for operating expenses are made in the normal course of banking activities with terms and conditions that are generally comparable to those offered to non-related parties or to similar transactions in the market.

Vetting transactions is done by the board-level Related Party Transaction Committee (RPTC). The management of BPI Capital submit for vetting all its related party transactions to BPI's RPT Committee instead of setting a threshold amount of significant transactions. The management has taken the more conservative and prudent approach and has decided to do such considering the sensitive nature of the transactions and limited number thereof.

Operating Management

The following is an overview of the Company's principal activities and its functional organization (as of December 31, 2017):



BOARD COMPOSITION

Board of Directors As of June 1, 2017	Officer	Stockholder	Shares Held	Percent of Shares Held to Total Outstand- ing Shared	Nationality	Board Member Since	Age
Cezar P. Consing	Chairman	Yes	1	0.00%	Filipino	May 10, 2013	58
Juan Carlos L. Syquia	President	Yes	1	0.00%	Filipino	June 1, 2016	51
Gerardo C. Ablaza, Jr.	N/A	Yes	1	0.00%	Filipino	June 1, 2017	64
Romeo L. Bernardo	N/A	Yes	1	0.00%	Filipino	October 23, 2002	63
Reginaldo Anthony B. Cariaso	N/A	Yes	1	0.00%	Filipino	June 1, 2017	50
Rebecca G. Fernando	N/A	Yes	1	0.00%	Filipino	April 15, 2009	69
Aurelio R. Montinola III	N/A	Yes	1	0.00%	Filipino	April 24, 2007	66
Mercedita S. Nolleddo	N/A	Yes	1	0.00%	Filipino	April 23, 2003	77
Antonio Jose U. Periquet	N/A	Yes	1	0.00%	Filipino	May 14, 2010	57

**Based on GIS*

BOD ATTENDANCE	Board of Directors	Audit Committee	Risk Management Committee	Personnel and Compensation Committee	Nominations Committee
Name of Director	% Attended	% Attended	% Attended	% Attended	% Attended
Jaime Augusto Zobel de Ayala	100%	N/A	N/A	N/A	100%
Gerardo C. Ablaza, Jr.	100%	N/A	N/A	N/A	N/A
Romeo L. Bernardo	100%	100%	100%	100%	100%
Reginaldo Anthony B. Cariaso	88%	N/A	N/A	N/A	N/A
Cezar P. Consing	100%	N/A	N/A	100%	100%
Rebecca G. Fernando	100%	100%	N/A	N/A	N/A
Daniel Gabriel Montecillo	100%	N/A	N/A	N/A	100%
Aurelio R. Montinola III	100%	N/A	N/A	100%	N/A
Mercedita S. Nolleddo	100%	N/A	100%	N/A	N/A
Antonio Jose U. Periquet	92%	100%	N/A	N/A	N/A
Juan Carlos L. Syquia	85%	N/A	100%	N/A	N/A

Changes in the BOD for 2017:

1 Election of Mr. Reginaldo Anthony B. Cariaso and Mr. Gerardo C. Ablaza Jr. as Board member effective 01 June 2017.

2 Resignation of Mr. Jaime Zobel de Ayala and Mr. Daniel Gabriel M. Montecillo effective 01 June 2017.

3 Appointment of Mr. Cezar P. Consing as Chairman of the Board effective 01 June 2017.

Consumer Protection Practices

Financial consumers play an essential role in creating a strong and stable financial system. It is therefore necessary for BPI Capital to establish an environment that empowers financial consumers to make informed financial decisions, protects their rights in all stages of their transactions with BPI Capital, and provides them an avenue to express their grievances regarding BPI Capital's products and services.

BPI Capital shall establish and keep updated a financial consumer protection governance structure that aims to establish a business environment that protects the interests of financial consumers and to create an institutional culture of fair and responsible treatment of customers through good governance exercised by the Board and governing bodies, and reinforced by the various functions that own, manage, oversee, or provide independent assurance over consumer protection activities.

Roles and Responsibilities of the Board of Directors and Senior Management

The Board of Directors is ultimately responsible in ensuring that consumer protection practices are embedded in BPI Capital's various business operations. The Board and Senior Management are responsible for the development of BPI Capital's consumer protection strategy and establishment of an effective oversight over BPI Capital's consumer protection programs. In their respective capacities, they shall have further responsibilities as follows:

Board of Directors

- Approving BPI Capital's consumer protection policies as well as the mechanism to ensure compliance with said policies, including policies and mechanisms related to the consumer assistance management process;
- Overseeing the implementation of, and compliance with, BPI Capital's consumer protection policies by monitoring the performance of Senior Management in managing the day-to-day consumer protection activities of BPI Capital; and
- Developing and maintaining a sound Consumer Protection Risk Management System (CPRMS) that is integrated into the overall framework for the entire product/service life cycle.

The Board may delegate other duties and responsibilities to a board-level Committee or to a Senior Management but not the function of overseeing compliance with the prescribed consumer protection framework/policies.

Senior Management

- Implementing the consumer protection policies approved by the Board;
- Managing BPI Capital's day-to-day consumer protection activities; and
- Other duties and responsibilities delegated by the Board or its designated committee.

Consumer Protection Risk Management System (CPRMS)

BPI Capital has a formal and written Consumer Protection Compliance Program that is part of the overall compliance system and in accordance with the Revised Compliance Framework for Banks under the guidelines of the Bangko Sentral ng Pilipinas (BSP).

Under the Board of Directors and Senior Management Oversight, the Board and the Senior Management are responsible for the following:

- Periodically review of the effectiveness of the CPRMS;
- Ensure sufficient resources are allocated to the program; and
- Ensure that the weaknesses of the CPRMS are addressed and corrective actions are taken in a timely manner.

BPI Capital has established Board-approved consumer protection policies and procedures in place to ensure consumer protection practices are embedded in BPI Capital's business operations. These policies and procedures are prepared, reviewed, approved, published, disseminated, and updated in accordance with BPI Capital's policy on Approval of Required Manuals.

The consumer protection practices, adherence to internal policies and procedures, and compliance with existing laws, rules, and regulations are subject to periodic internal review by the BPI Internal Audit Group in accordance with an approved Consumer Protection Audit Guide. Results of the review and recommendations are reported to the Board's Audit Committee.

BPI Capital exercises full disclosure and utmost transparency by ensuring that consumers have a reasonable holistic understanding of BPI Capital's financial products and services, providing customers with ready access to key information (i.e. information regarding a product's or service's nature and structure, terms and conditions, and fundamental benefits and risks), and disclosing any conflict of interest throughout the product/service life cycle.

BPI Capital has a customer assistance/feedback facility in its various channels where financial consumers may express their complaints, requests, or inquiries. This includes the designated BPI Capital Customer Assistance Officers (CAOs). BPI Capital also ensures that financial customers are aware of the available channels, how to lodge concerns (e.g. centralized web portal, walk-in or personal visit, letter, e-mail, telephone, and facsimile), and where to lodge them (e.g. BPI Capital premises and websites).

To further ensure that we are more than able to address our customers' needs and concerns, the BPI Human Resources Department has established a Customer Protection Training Program to provide continuing education about Consumer Protection laws, rules, and regulations, as well as related policies and procedures to all relevant personnel, especially those whose roles and responsibilities involve customer interface.

Complaints, requests, and inquiries from financial consumers are received, acknowledged, investigated, and resolved in accordance with BPI Capital's process on handling customer complaints, requests, and inquiries.

BOARD OF DIRECTORS



Aurelio R. Montinola III
Director

Mercedita S. Nolleto
Director

Cezar P. Consing
Chairman

Antonio Jose U. Periquet
Independent Director



Juan Carlos L. Syquia
President

Gerardo C. Ablaza, Jr.
Director

Rebecca G. Fernando
Director

Romeo L. Bernardo
Independent Director

Reginaldo Anthony B. Cariaso
Director

BOARD OF DIRECTORS

CEZAR P. CONSING

Filipino, 58 years old, Executive Director, has, since 2013, been President and Chief Executive Officer of Bank of the Philippine Islands (BPI), and a Senior Managing Director of Ayala Corporation, BPI's controlling shareholder. He has been in the BPI Capital board since May 2013.

He has served on BPI's Board of Directors for 16 years (1995 - 2000, 2004 - 2007, 2010 - present), including 5 years representing J.P. Morgan & Co., then BPI's second largest shareholder, and 3 years as an Independent Director. Mr. Consing serves as Chairman of BPI's thrift bank, investment bank, UK bank, property and casualty insurance, leasing, and rental subsidiaries, and Vice Chairman of the BPI Foundation. He is also a board director of BPI's life insurance, asset management, and microfinance subsidiaries. Mr. Consing is a member of BPI's Executive Committee, and is Chairman of its Credit and Management Committees.

Mr. Consing serves as Chairman of publicly listed National Reinsurance Corporation, President and board director of Bancnet, Inc., and LGU Guarantee Corporation, three industry consortium institutions where BPI is a minority shareholder.

Outside his association with BPI, Mr. Consing serves as an Independent Director of publicly listed Jollibee Foods Corporation (2010 – Present). He presently also serves on the boards of four private companies: The Rohatyn Group, Sqreem Technologies, FILGIFTS.com and Endeavor Philippines. Previously, he also served as an Independent Director of Malaysia-based CIMB Group Holdings (2006 - 2013) and First Gen Corporation (2005 - 2013), which is listed on the PSE. He is also a board director of the US-Philippines Society and a trustee of the Manila Golf Club Foundation. Mr. Consing has been a member of the Trilateral Commission since 2014.

Mr. Consing first worked for BPI in Corporate Planning and Corporate Banking, from 1980 - 1985. He worked for J.P. Morgan & Co., based in Hong Kong and Singapore, from 1985 - 2004, rising to co-head and head the firm's investment banking business in Asia Pacific from 1997 -

2004, and head J.P. Morgan Securities (Asia Pacific) Ltd. in the last five years as President of J.P. Morgan Securities (Asia Pacific) Ltd. As a senior Managing Director of J.P. Morgan, Mr. Consing was a member of the firm's global investment banking management committee and its Asia Pacific management committee. Mr. Consing was a partner at The Rohatyn Group from 2004 - 2013, headed its Hong Kong office and its private investing business in Asia, and was a board director of its real estate, and energy and infrastructure private equity investing subsidiaries.

Mr. Consing received an A.B. Economics degree (Accelerated Program), magna cum laude, from De La Salle University, Manila, in 1979. At the university, he was a member of the student council, the student newspaper and the varsity track and field team. In recent years, he has served on the advisory committees of the university and its school of economics. Mr. Consing obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

GERARDO C. ABLAZA, JR.

Filipino, 64 years old, Non-Executive Director, was elected as Director of BPI Capital in June 2017.

He is currently a Management Consultant at the Ayala Corporation and a member of the Board of Directors in publicly listed Manila Water Company, Inc., as well as other Ayala subsidiaries including AC Energy, AC Health, AC Infrastructures and Ayala Foundation.

From 2010 to 2017, Mr. Ablaza was the President and CEO of Manila Water Company. He was responsible for overseeing the financial and operational growth within Manila Water's service areas in the Metro Manila East Zone and in its expansion areas. From 1998 to April 2009, he was President and CEO of Globe Telecom, Inc. During this period, he took the company from being the fourth-ranked mobile services provider to the second-largest full-service telecom operator with a subscriber base of 25 million in 2008.

In 2004, Mr. Ablaza was recognized by CNBC as the Asia Business Leader of the Year, making him the first Filipino CEO to win the award. He was also awarded by Telecom

Asia 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. He was the first Filipino to be awarded with such an honor. In June 2015, he became a member of the International Advisory Panel of the Institute for Water Policy under the Lee Kuan Yew School of Public Policy in Singapore. In 2017, he became a member of the Board of Directors and Executive Committee of Advance Info Services, PLC based in Thailand.

Mr. Ablaza graduated summa cum laude from the De La Salle University in 1974 with a degree in Liberal Arts, major in Mathematics (Honors Program). As one of the most accomplished graduates of his alma mater, he sits as a member of the Board of Trustees in various De La Salle schools in the country.

ROMEO L. BERNARDO

Filipino, 63 years old, Independent Director, has served as a member of the Board of Directors of BPI Capital since October 2002.

He is the Chairman of the Bank's Nomination Committee and a member of the Personnel & Compensation, Related Party Transaction, and Risk Management Committees. He also serves as Independent Director of BPI Capital Corporation, BPI/MS Insurance Corporation, BPI-Philam Life Assurance Corporation and BPI Asset Management and Trust Corporation. Mr. Bernardo also serves as an Independent Director of the following listed companies: Aboitiz Power Corporation, National Reinsurance Corporation of the Philippines, and RFM Corporation. He is also a Non-Executive Director in publicly listed Globe Telecom, Inc. He is also Chairman of the Board of Directors (Independent) of Ayala Life Fixed-Income Fund; the Peso, Dollar, Euro, Growth, Money Market Bond Funds. He also serves as a Board Director of Management Association of the Philippines and Finex Foundation.

Mr. Bernardo is a former undersecretary of the Department of Finance and founded his consultancy practice, Lazaro Bernardo Tiu & Associates in 1997. He has been advisor to various multilateral institutions such as the World Bank, International Finance Corporation, Asian Development Bank, and Japan International Cooperation Agency. He has also worked with government institutions and the National Economic Development Authority (NEDA) in policy matters involving pension reform, capital

markets reform, and fiscal and debt management. He is, likewise, a public advocate of good corporate and national governance and frequently writes on the subject in his capacity as Vice Chair and Co-Founder of the Foundation for Economic Freedom and the Philippine Partner of GlobalSource Partners, Inc., a worldwide association of country-based experts providing insights on global emerging markets.

Mr. Bernardo graduated with a B.S. Business Economics degree, magna cum laude, from the University of the Philippines in 1974. He obtained his M.A. Development Economics at Williams College, Williamstown, Massachusetts, graduating as valedictorian in 1977.

REGINALDO ANTHONY B. CARIASO

Filipino, 50, Non-Executive Director, became a member of the BPI Capital Board in June 2017.

Mr. Cariaso joined BPI Capital in 2013 and is currently the Co-Head of Investment Banking and Chief Operating Officer. He is also the Chairman of BPI Securities, the brokerage arm of the Bank of the Philippine Islands. Mr. Cariaso serves on the board of several corporations and is a member of the board of directors of the Investment House Association of the Philippines (IHAP) and a member of the Capital Markets Development Committee of the Bankers Association of the Philippines (BAP).

Prior to joining BPI Capital, Mr. Cariaso worked in investment banking for Nomura International and JP Morgan based in Hong Kong covering Asia ex-Japan.

He has extensive experience originating and executing corporate advisory and capital markets transactions, in a variety of industries, including financial institutions, across Asia and the Philippines. Since joining BPI Capital, the firm has executed a number of landmark transactions in the Philippines including some of the largest debt capital markets deals, innovative project and structured financings and brought some of the most familiar names to the public equity markets, most recent of which is the Initial Public Offering of Pilipinas Shell Petroleum Corporation last 3 November 2016.

Mr. Cariaso was a Lieutenant in the United States Navy and received a B.A. degree from the University of Pennsylvania.

REBECCA G. FERNANDO

Filipino, 69 years old, Non-Executive Director, has served on the BPI Capital board since April 2009.

Ms. Fernando is a member of the following Committees in BPI: Executive Committee, Related Party Transaction Committee and Retirement/Pension Committee. She is also a member of the Board of Directors of BPI Capital Corporation, BPI Family Savings Bank, Inc., and BPI Asset Management and Trust Corporation.

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

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

AURELIO R. MONTINOLA III

Filipino, 66 years old, Non-Executive Director, has been a member of the Board of Directors of BPI Capital since April 2007.

Mr. Montinola also served as President and Chief Executive Officer of BPI for eight years from 2005 to 2013, and BPI Family Savings Bank, Inc. for twelve years from 1992 to 2004. He is a member of the Bank's Executive, Risk Management, Personnel & Compensation and Nomination Committees. Among the several BPI subsidiaries and affiliates, Mr. Montinola serves as member of the Board of Directors of the following: BPI Capital Corporation; BPI Direct Banko, Inc.; BPI Family Savings Bank, Inc.; BPI/MS Insurance Corporation; and BPI-Philam Life Assurance Corporation.

Mr. Montinola is the Chairman of the Board and Non-Executive Director of Far Eastern University and an Independent Director of Roxas and Company, both listed companies. Since May 2017, he is also an Independent Director of Xeleb Technologies, Inc., a subsidiary of publicly listed Xurpas, Inc. He is also Chairman of the Nicanor Reyes Educational Foundation Inc., Roosevelt Colleges, Inc., East Asia Computer Center Inc., Amon

Trading Corporation, and the Kabang Kalikasan ng Pilipinas Foundation, Inc. He is also a member of the Board of Trustees of BPI Foundation Inc. and Philippine Business for Education Inc. where he sits as Vice-Chairman.

Significant awards received by Mr. Montinola include Management Man of the Year 2012 (Management Association of the Philippines), Asian Banker Leadership Award (twice), and Legion d'Honneur (Chevalier) from the French Government. He obtained his Bachelor of Science in Management Engineering Degree at the Ateneo de Manila University in 1973 and his MBA from the Harvard Business School in 1977.

MERCEDITA S. NOLLEDO

Filipino, 77 years old, Non-Executive Director, has been a member of the Board of Directors of BPI Capital since April 2003.

She is the Chairman of the Bank's Retirement & Pension Committees and a member of the Executive Committee and Corporate Governance Committee. Ms. Nolleddo is also a Director in the following BPI subsidiaries and affiliates: BPI Investment Management, Inc., where she sits as Chairman; BPI Family Savings Bank, Inc.; BPI Capital Corporation, and BPI Asset Management and Trust Corporation.

Ms. Nolleddo serves as a Non-Executive Director of publicly listed Xurpas, Inc.; and, since 2016, is an Independent Director of listed company D&L Industries, Inc. She is also a Director of the following companies: Ayala Land Commercial REIT, Inc., Michigan Holdings, Inc., and Anvaya Cove Beach and Nature Club, Inc. She is also a member of the Board of Trustees of the Ayala Foundation, Inc. and BPI Foundation, Inc. as well as Vice-President of Sonoma Properties, Inc. She was previously also a member of the Board of Directors of Ayala Corporation from 2004 until September 2010.

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

ANTONIO JOSE U. PERIQUET

Filipino, 57 years old, Independent Director, has been an independent member of the BPI Capital Board since May 2010.

He is a member of the Bank's Executive Committee. He is the Chairman/ Independent Director of BPI Asset Management and Trust Corporation and serves as an Independent Director of BPI Capital Corporation and BPI Family Savings Bank, Inc. Mr. Periquet is an Independent Director of the following publicly listed companies: ABS-CBN Corporation; ABS-CBN Holdings; Ayala Corporation; DMCI Holdings, Inc.; Max's Group of Companies; and Philippine Seven Corporation. He is the Chairman of the Campden Hill Group, Inc. and Pacific Main Holdings and an Independent Director of Albizia ASEAN Tenggara Fund. He is a member of the Board of Trustees of Lyceum University of the Philippines and a member of the Dean's Global Advisory Council at the University of Virginia's Darden School of Business.

Mr. Periquet graduated from the Ateneo de Manila University with an AB Economics degree in 1982. He also holds a Master of Science degree in Economics from Oxford University and an MBA from the University of Virginia.

JUAN CARLOS L. SYQUIA

Filipino, 51, Non-Executive Director, became a member of the BPI Capital Board in June 2016. He is a member of the Risk Management Committee.

Mr. Syquia joined BPI Capital in June 2016. Mr. Syquia has over 25 years of investment banking and financial services experience. Prior to this, he was Managing Director and Head of Client Coverage for Standard Chartered Bank Philippines. He spent over 17 years at ING Group (joining through Baring Brothers in 1994) in various capacities. His roles were Head of Strategy & Business Development for ING Asia Pacific Ltd., the Regional Insurance arm of ING Group head quartered in Hong Kong and Managing Director and Head of Corporate Finance for ING Bank in the Philippines.

Mr. Syquia possesses a wealth of experience in client coverage, origination and execution of equity, debt and advisory transactions as both adviser and principal. He played a key role in many landmark transactions in the Philippines and abroad. The sale of various businesses of ING in Taiwan, China, Australia, and New Zealand were among the most transformational deals for the ING Group coming out of the GFC triggered in 2008. The acquisition of the Marubeni and TEPCO consortium (TEAM Energy) of the power plant portfolio of Mirant Philippines (USD 3,424 million) in 2007 is the largest M&A deal in the power sector. The deep in-the-money warrants issue by Jollibee Foods Corporation in 1998 was a breakthrough transaction when foreign ownership in JFC stock was prohibited.

Mr. Syquia received his undergraduate degree in Management Economics from Ateneo de Manila University in 1987 and his MBA in International Finance (Honors) from Fordham University in 1994.

SENIOR MANAGEMENT



Luis Geminiano E. Cruz
Head of Debt Capital Markets

Ma. Josefina P. Picache
Head of Retail Sales

Reginaldo Anthony B. Cariaso
Co-Head of Investment Banking
and Head of Equity Capital Markets

Rhoda A. Huang
Head of Strategic Advisory



George S. Uy-Tioco, Jr.
Head of Mergers and Acquisitions

Marie Natalie J. Collado
Head of Execution

Juan Carlos L. Syquia
President and Co-Head
of Investment Banking

Atty. Noravir A. Gealogo
Head of Compliance

Francis L. Jardeleza
Execution Team Head

SENIOR MANAGEMENT

JUAN CARLOS L. SYQUIA

President and Co-Head

REGINALDO ANTHONY B. CARIASO

Co-Head and Head of Equity Capital Markets

RHODA A. HUANG

Prior to joining BPI Capital Corporation, Ms. Huang was Credit Suisse Philippines Branch Head of Investment Banking, with responsibility for coverage of Philippine corporates, financial institutions, and the sovereign. Responsibility covered the origination, negotiation, and execution of investment banking transactions including mergers and acquisitions, equity-linked, equity and debt capital markets origination, structured products/lending and risk management solutions in coordination with product and industry specialists based offshore.

Her experience also includes 19 years with JPMorgan Chase and its predecessor institutions with responsibility for expanding the Bank's major corporate relationships and to generate investment-banking deal flow in coordination with the Bank's global network.

Ms. Huang obtained her undergraduate degree in Business Administration and Accountancy from the University of the Philippines and is a Certified Public Accountant.

MARIE NATALIE J. COLLADO

Ms. Collado has over 20 years of experience in investment banking, covering capital and fund raising, as well as financial advisory, under the country's largest banking groups.

She played a major role in key transactions such as the project financing for Atimanan One Energy, Inc. (PHP 107.5 billion) and SMC Consolidated Power Corporation (PHP 44 billion); a preferred issuance of San Miguel Corporation (PHP 80 billion) and the Initial Public Offering for Pilipinas Shell Petroleum Corp. (PHP 18.4 billion). Ms. Collado has worked on an advisory capacity for an acquisition opportunity for the Manila Electric Company as well as the PHP 25 billion acquisition financing program for United Laboratories and Century Canning Corporation.

Ms. Collado obtained her degrees in Bachelor of Science in Business Management and Bachelor of Arts in Psychology from the Ateneo de Manila University.

LUIS GEMINIANO E. CRUZ

Mr. Cruz has over 20 years of banking experience, covering syndication, corporate banking, and private banking. Before joining BPI Capital, he had worked at HSBC and Citibank.

He has extensive experience in the Philippine capital markets, and has played key roles in bond deals for most of the top companies in the country, such as the Ayala Corporation, SM Prime, San Miguel, Petron, GT Capital, Aboitiz Equity Ventures, and JG Summit.

He has played key roles in a number of equity transactions, such as the Max's Group follow-on offering, the BPI stock rights offering, and the Pure Foods preferred share offering, among others.

Mr. Cruz received his undergraduate degree in Applied Economics from De La Salle University.

ATTY. NORAVIR A. GEALOGO

Atty. Noravir A. Gealogo has over 27 years of legal advisory, banking, investment banking and compliance experience. She joined BPI Capital in 2009 as a Legal Officer and has acted as legal advisor to BPI Capital in its transactions across deal types. She was Head of Compliance of BPI Capital from December 1, 2012 to December 31, 2017. She re-joined BPI on January 1, 2018 taking the role of Chief Compliance Officer.

Atty. Gealogo received her Bachelor of Arts and Bachelor of Laws degrees from the University of the Philippines (Diliman). She completed the Development Lawyers Course from the International Development Law Institute in Rome, Italy. In 2017, she completed the Certificate Course in Strategic Compliance for the Banking Industry from De La Salle University, Center for Professional Development in Business.

GEORGE S. UY-TIOCO, JR.

Head of Mergers & Acquisitions

Mr. Uy-Tioco has over 20 years of investment banking, asset management and general management experience. Prior to joining BPI Capital in 2013, he was Regional Manager and Vice President, Regional Strategy and Business Development for ING Asia/Pacific Ltd. Previously, he managed a USD 200 million private investment partnership between AO Capital Partners and a special situations fund from the U.S., and held various investment banking and management roles with E&Y Corporate Finance in New York, RCBC Capital Corporation, and Mapua IT Center Inc.

Mr. Uy-Tioco has extensive experience in mergers and acquisitions, capital markets, and structured transactions involving illiquid assets. Among his most notable transactions was the merger of BPI's merchant acquiring business with Global Payments Asia-Pacific Philippines, Inc., Advisory Deal of the Year during the inaugural Investment House Association of the Philippines annual awards, and the sale of ING's insurance business in Asia.

Mr. Uy-Tioco received his undergraduate degree in Management Engineering from Ateneo de Manila University and his MBA from the Darden Graduate School of Business, University of Virginia.

FRANCIS L. JARDELEZA

Mr. Jardeleza has 13 years of investment banking and asset management experience. Prior to joining BPI Capital in 2010, he was an Assistant Portfolio Manager for RCBC Trust and Investments Division and HSBC Philippines Corporate Trust.

His deal execution experience covers debt and equity capital markets, project finance, and corporate advisory in various industries. Some of his recent notable transactions include the Navegar LP acquisition financing for its purchase of The Bistro Group, the PHP10.7 billion Tiwi-MakBan project loan, winner of multiple domestic and international project finance awards and considered the first Asia-Pacific climate bond transaction, the Cirtek Holdings USD\$67 million PSE-listed preferred shares issue, and the San Miguel Corporation PHP10 billion PDEX-enrolled Corporate Notes issue.

Mr. Jardeleza received a B.A. degree from the College of the Holy Cross in Worcester, Massachusetts.

MA. JOSEFINA P. PICACHE

Ms. Picache has been with the BPI Unibank for over 25 years, handling mainly Fixed Income and Foreign Exchange brokerage with BPI Capital and BPI Treasury, respectively. She has extensive experience in dealing with the Retail market and is primarily responsible for distributing fixed income securities and equities to her clients. Among the issues that her team has distributed are the BPI LTNCTD, which at the time of issue was the largest in the market; the Bureau of the Treasury's Retail Treasury Bonds; and numerous corporate bonds and equities underwritten by BPI Capital. She leads a team that is tasked to provide strategic direction and portfolio management efficiencies related to clients' investment requirements. Ms. Picache was also a licensed stockbroker in the United States.

She is a member of various industry associations such as the Bankers Association of the Philippines' Capital Market Development Council, the Philippine Dealing Exchange's Brokers Committee, the Bangko Sentral ng Pilipinas' Bank Supervision Policy Committee, and is the Vice President and Executive Committee member of the National Association of Securities Broker Salesmen, Inc. (NASBI).

Ms. Picache holds an undergraduate degree in Business Management from the Ateneo de Manila University.

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We remain optimistic about the growth and future for the Philippines. But we realize that the dynamics have changed and the path to growth has become much more complex and uncertain. BPI Capital is built for times like these and we are excited to take on what the future holds in store for us.



BPI Capital
Corporation