

WHAT'S INSIDE

As BPI has deeply embedded sustainable development into its business, we have decided that we should now integrate our sustainability report with our annual report. We consider this publication of our first integrated annual and sustainability report for 2011 as another milestone as a sustainable bank. This is a testament to our commitment to conduct and measure our business performance along the triple bottom line approach.

Scope of the Report. This report includes the economic, environmental, and social performances and undertakings for the reporting year 2011 of the BPI Group of Companies, which comprises BPI Parent and its subsidiaries. Limitations or exclusions in data coverage, if any, are indicated in the affected portion of the report.

Global Reporting Initiative. As to the sustainability performance of the Bank, we continue to report based on the Global Reporting Initiative (GRI) G3 framework. If you need more information about GRI, please feel free to visit their website – www.globalreporting.org.

On our fourth year of reporting our sustainability progress, we maintained a B-self declared level of application consisting of 33 GRI indicators. As in the past, we account for sustainability indicators that are relevant and material to our business as a bank.

| Reporting Period | 2011 | 2010 | 2009 |
|-----------------------|------------------|------------------|------------------|
| GRI Application Level | B, Self-declared | B, Self-declared | B, Self-declared |
| # of GRI Indicators | 33 | 33 | 26 |
| Reporting Cycle | Annual | Annual | Annual |
| Publication Date | Apr. 2012 | Oct. 2011 | Dec. 2010 |

Our sustainability progress is tracked using our four strategic themes of: *enhancing total customer experience, widening market reach, engaging employees, and reducing environmental footprint.*

Preparation of the Report. Economic data presented herein were taken from the Bank's Audited Financial Statements, which was prepared in accordance with the Philippine Financial Reporting Standards (PFRS). Environmental and social data were taken from the management information systems and records of the various units of the Bank. As data collection, at least for some environmental and social portion, remains a challenge for us, we continuously strive to enhance our data gathering mechanisms for a more encompassing, accurate, and relevant reporting of our performance.

As we pursue sustainability, the various units of the Bank take the initiative to introduce, implement, and improve sustainability programs and projects that are relevant to their respective business operations or functions. The Bank's Corporate Planning Department continues to monitor and validate the various sustainability performances against the applicable GRI indicators. To add to the rigorous process of reporting our sustainability efforts, we shall seek external assurance in the near future.

Feedback on the Report. Feedback and interactions also played a vital part in knowing and understanding the interests and concerns of our various stakeholders. This knowledge of our stakeholders' needs not only drives our efforts in enhancing our products and services and in validating our sustainability practices but also guides us in improving our reporting process.

We therefore encourage you to let us know of your comments and suggestions to this report. You may accomplish our interactive feedback form published together with this report at our website: www.bpiexpressonline.com or you may write, call, or send an email to:

Bank of the Philippine Islands
Corporate Planning Division
18th Floor BPI Building
6768 Ayala Avenue
Makati City 0720, Philippines
Tel. (632) 845-5245
Email: gksinio@bpi.com.ph