

**BPI**

**BPI CODE OF BUSINESS CONDUCT AND ETHICS**  
**Approved: October 2022**

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## FOREWORD

As Employees of the Bank of the Philippine Islands, we all make decisions every day that influence and affect one another, our clients, our organization and our communities. The actions we take reflect on us all and influence how others perceive us as well. Each of us, through these actions and decisions, has the power to improve our workplace, to build the trust that we value most from our clients, partners and stakeholders, and to enhance our reputation, our most valuable asset. And so we manage our behavior in an ethical way, guided by a framework of shared values<sup>1</sup> and a sense of social responsibility, not just because it is the right thing to do but because it is fundamental to our business, our reputation and our success as a financial institution.

This Code of Business Conduct and Ethics guides what we say and do, in order that the right decisions be taken in the performance of our respective roles and responsibilities across various functions in the Bank, towards proper handling of our relationships with all our stakeholders. Built around the Bank's Mission and Vision, its Credo and Core Values, the Code provides an overview of key practices and behaviors that define the conduct to which we hold ourselves accountable for and the behavior that is expected of all Employees at all levels in the organization. In an environment fraught with banking risks, our Code of Business Conduct and Ethics is not simply a declaration of principles, but is also a vital part of our risk management strategy.

While success as a bank may have many dimensions, at its core, our business will always be a business of trust. Our challenge therefore is to always keep, protect and build that trust through ethical culture and conduct.

(Signed)  
Head, Human Resources Group

## OBJECTIVE OF THE CODE

Thru the Code, the Bank desires to: (1) build a culture of integrity, accountability, and ethical behavior where each employee is responsible for knowing and abiding by the Code and strives to protect the Bank's reputation; (2) establish a system for detection and reporting of known or suspected ethical wrongdoing or violations of the Code, and; (3) emphasize BPI's commitment to compliance with regulatory guidelines, rules and laws.<sup>2</sup>

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<sup>1</sup> 2016 SEC Code of Corporate Governance, Recommendations 15.1, 16.1 and 16.2.

<sup>2</sup> 2016 SEC Code of Corporate Governance, Recommendations 7.1 and 7.2.

## COVERAGE, SCOPE AND APPLICATION

The Code of Business Conduct and Ethics is applicable to and mandatory for all Employees at all levels, regardless of their individual role, position or practice, including officers and staff. The Code is also the applicable code for the Bank's principal, direct and indirect subsidiaries and their Employees.<sup>3</sup>

Employees of joint ventures and entities in which BPI holds private equity investments are not subject to the Code except to the extent the BPI Human Resources Management Group or BPI Compliance Office may determine otherwise. Other persons performing services for BPI and its principal, direct and indirect subsidiaries such as consultants, external auditors, etc., may also be subject to this Code by contract or other agreement.

In adopting this Code, certain business units of the Bank, or the principal, direct and indirect subsidiaries may, by way of regulation, be required to tailor-fit the Code or the provisions therein. In such cases, the *more restrictive* policies or provisions of the Code will apply to those units. Any provision that is inconsistent with this Code shall be void to the extent that it contravenes or is inconsistent with this Code. As a general rule, again, the more conservative or restrictive provision(s) shall apply.

The enumeration of the offenses and omissions in the Code is not exclusive. In general, all work-related fault, negligence, fraud or other acts of misconduct shall be meted with the appropriate sanction/s. The existence of actual damage or quantifiable monetary loss is not required before any act or omission is cited and sanction is subsequently imposed. Similarly, as no Code can address every situation an employee may encounter, all Employees are required to conduct the business of BPI in full compliance with both the *spirit* and the *letter* of this Code, its policies, and procedures.

### I. OUR CORE VALUES

Our Core Values support our mission and vision, shape our organizational culture, reflect what is unique and distinctive about our Company and define what is truly important beyond our goals as an institution. Our Core Values determine our priorities and are the essence of our Company's identity. These Core Values help us understand where we want to go and how we want to get there.

BPI expects all Employees to align themselves with and to aspire to live up to the Core Values of the Bank. Employees must always demonstrate a commitment to maintain BPI Core Values in the daily conduct of business and keep in mind the primacy of person when dealing with clients, colleagues, partners, shareholders and communities. BPI's Core Values unite all Employees and provide each one with a guide of what is required in interactions with others, in doing business and in supporting the BPI brand.

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<sup>3</sup> BSP Circular 749, Series of 2012, Guidelines in Strengthening Corporate Governance in BSP Supervised Financial Institutions, C. Specific Duties and Responsibilities of the Board of Directors, (9), p.16.

## II. OUR CLIENTS

*We believe our first responsibility is to our Clients. If we understand and address our clients' financial needs, we will be trusted with their most important financial transactions, and we will build lasting relationships. We do well when our clients do well.*

### **Values at work: Nurturing, Integrity, Customer-Obsessed, Excellence**

#### **a. Building Client Relationships**

BPI Employees are expected to do what's best for the Bank's clients while protecting both client's and the Bank's interests by striving for excellence in the performance of their duties and conducting business with transparency, fairness, and honesty, in compliance with the law and the Bank's rules and regulations. Employees must strive to create the best customer experience and strengthen the BPI brand by demonstrating the Bank's core values in all client relationships.

Employees are to uphold fair dealing throughout the entire client relationship and product lifecycle by maintaining transparency and proper disclosure in all business transactions; respecting the confidentiality, privacy and intellectual property of clients, and; transferring accurate and complete information from and to clients while complying with internal policies, data protection laws and the Bank's Employee Code on Consumer Protection.<sup>4</sup> Fair dealing is also central to the Bank's corporate culture, to BPI's credo and its client centricity thrust. Employees must be prudent and dependable while Bank products and services provided must be suitable for target client segments.<sup>5</sup>

(Please refer to detailed [Employee Code on Consumer Protection, Standards on Selling Practices](#))

#### **b. Safeguarding Privacy and Security of Client Information**

With continuing technological advances in the way data and information is created, processed, transmitted and stored, client privacy and confidentiality has become a major concern for anyone availing of financial products and services. Employees are expected to treat and handle information about past, present, or prospective clients as confidential, and to seek explicit clearance or permission before such information can be disclosed to others, even within the Bank.

Employees are also responsible for being knowledgeable about the different types of information and levels of confidentiality required by each. Employees are expected to ensure confidentiality, security and proper sharing of client information. Employees are to follow Bank policies and procedures and related laws, rules and regulations with respect to privacy and security of client information, particularly the Law on Secrecy of Bank Deposits under R.A. 1405, as amended, R.A. 6426 or the Foreign Currency Deposit Act of the Philippines, Data Privacy Act of 2012 as well as confidentiality provisions under the

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<sup>4</sup> BSP Circular No. 857 Series of 2014, BSP Regulations on Financial Consumer Protection

<sup>5</sup> Key Consumer Protection Principles for Responsible Business Conduct, Employee Code for Consumer Protection

General Banking Law of 2000. (Note: Foreign currency deposits are absolutely confidential)

Republic Act 1405 also known as the Secrecy of Bank Deposits prohibits the disclosure of information relating to the Bank's clients. It shall be unlawful for any Employee to disclose to any person information concerning clients' deposits, except upon written permission of the depositor or as provided for in Section 2 of the law. In this respect, Employees are to secure prior Legal and Compliance Office clearance for release of any information concerning deposits in determining exceptions under the cited law(s).

As Employees of a bank, we are responsible for the confidential client information that we have in our custody or that is under our control. Employees must therefore follow all bank policies, practices and arrangements that are in place to maintain information privacy and security and guard against such risks as unauthorized access, collection, use, disclosure, copying, modification, disposal or destruction. Employees are to also provide notice to the proper authorities within the Bank, without unreasonable delay, of any incident involving the loss of or unauthorized access to or disclosure of such confidential client information.

Regardless of the form of communications used, i.e., written, mobile, telephone and electronic such as by email or through the internet, Employees should take steps to ensure that client information is produced, copied, faxed, transmitted, transported, filed, stored and disposed of using methods and processes acceptable to the Bank. Employees must safeguard client information against loss, damage, misuse or unauthorized or unlawful use such as alteration, forgery, concealment or destruction and report any instance where an individual is misusing or not appropriately safeguarding client information. Employees are also expected to know their unit's business continuity measures with respect to protection of client information and to be proactive in the event of a business disruption. More details on this can be read in the Bank's policy on Management and Usage of Customer Information and related policies.

(Please refer to Information Security-related policies, Data Privacy Policy, Management and Usage of Customer Information, General Policy on Business Continuity Management, Whistleblower Policy and related policies)

### **C. Promoting and Strengthening Consumer Protection**

In the world of banking today, a culture of service alone is not enough. Service must be accompanied by a robust and proactive consumer protection program. Employees are expected to strive to create the best customer experience and strengthen the BPI brand by demonstrating the Bank's core values in all client relationships, especially under adverse situations. It is, therefore, most critical and important that employees are aware of the proper handling of customer issues, concerns and complaints in order to manage any associated reputation risk.

All employees and concerned units of the Bank, are to follow the policies, guidelines and pertinent mechanisms established by the Customer Experience Management Office to address consumer protection standards of conduct.

Employees must understand the fundamental consumer protection concepts to treat consumers equally, with fairness, transparency and honesty. Employees must also

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recognize that it is part of their duties and obligations as employees of the Bank, to follow the policies and procedures of the Bank's consumer protection program and conduct themselves accordingly. Any employee who conducts themselves otherwise, shall be considered to have conducted themselves not in the course of their duties and responsibilities as employees, which shall be classified as serious misconduct.

Employees are also to ensure that all customer concerns are handled promptly, correctly and efficiently. Employees must likewise see to it that clients are treated with fairness and empathy. Employees must adopt the policies and procedures set out in the Employee Code on Consumer Protection, ensure consistent execution, monitor the resolution of a complaint to the client's satisfaction and provide complete, timely and accurate reporting and documentation of all aspects of complaint management.

(Please refer to **BSP Cir. 857 – Regulations on Financial Consumer Protection, Managing the BPI Financial Consumer Protection Program, Management and Usage of Customer Information, Property and Outsourced Services Management policies, Customer Segment Policies, Whistleblower Policy** and related policies)

### **III. OUR EMPLOYEES**

*We believe in our responsibility to our People. We seek to hire the best people for each job, provide them with the means to perform at a high level and reward them fairly. We value integrity, professionalism and loyalty. We promote a culture of mutual respect, meritocracy, performance and teamwork. We strive to be the employer of choice among Philippine financial institutions.*

#### **Values at work: Nurturing, Integrity, Excellence**

##### **a. Adherence to Company Rules and Workplace Policies and Procedures**

Employees are to conduct all facets of their job in accordance with applicable laws and regulations, and perform their duties in good faith and to the best of their ability. Employees shall, at all times, adhere to and obey company rules which are presently in effect, or as subsequently adopted or modified by the Company, which govern the operation of the Company's business and the conduct of employees of the Company. Such company rules cover various aspects of employment at the Bank such as office attire/dress code and uniform, punctuality/tardiness and attendance, employee relations, and utilization of leave benefits.

The Bank also has established workplace policies and procedures, which are statements of our principles and operating methods and practices that deal with the ongoing management and administration of the Bank. Employees are expected to know and understand what is expected of them and to demonstrate compliance with all company rules and workplace policies and procedures.

Any breach of company policy or workplace policy and procedure shall be dealt with promptly and according to the procedures set out in the policy. The corresponding penalty for such breach shall be commensurate to the severity of the breach committed. Employees are, likewise, to report any breach of company rules or workplace policies and procedures.

## **b. Creating Dignity and Unity in the Workplace**

BPI promotes inclusiveness not only with respect to clients and markets but to its Employees as well. As an employer, BPI is compliant with the laws and regulations and fosters a work environment that encourages respect for one another, equal opportunity and non-discrimination. BPI believes every person has the right to be treated with fairness, dignity and equal consideration and expects its Employees to do the same. All Employees shall not tolerate harassment of any form, whether this be an undesirable verbal statement or physical behavior that runs contrary to the professional conduct espoused by this Code. Employees are to treat each other with mutual respect and dignity and maintain a work environment where differences are valued and respected. Discrimination and harassment, which hinders the Bank's ability to achieve goals as One BPI and prevents Employees from reaching their highest levels of individual productivity, is to be avoided at all times.

Employees are to avoid as well as report any discriminatory acts on race, gender, religion, pregnancy, disability, marital status, culture, socioeconomic status etc., and intimidating, hostile or offensive behavior that violates the rights of any individual Employee or group of Employees. The Bank especially takes allegations of sexual harassment seriously. Investigations of reported violations will be handled with the utmost sensitivity.

BPI succeeds when all its Employees collaborate, act responsibly and treat co-Employees with respect, fairness and dignity.

(Please refer to detailed Policy on **Handling Employee Health and Protection, General Policy on Incident Management** and **Whistleblower Policy**)

## **c. Contributing to Workplace Health and Safety**

Employees must do their share to keep each other healthy, and maintain a safe and secure office environment by following applicable local laws or regulations governing the workplace and the Bank's internal protocols on health and safety, i.e., ban on smoking, ban on firearms, ban on alcohol and illegal substances, prioritized access for Persons With Disabilities, pest prevention and more.

Employees are expected to participate in regular disaster-preparedness activities which are conducted Bank- and Group-wide such as fire and earthquake drills, etc., and be mindful of frequent health and safety notices and reminders, i.e., annual vaccinations, which are broadcasted regularly through the Bank's intranet or posted where Employees can easily read them. Employees are encouraged to be proactive in preventing or reporting any incidents for the protection of the Bank and co-Employees.

(Please refer to detailed Policy on **Handling Employee Health and Protection, General Policy on Incident Management, General Policy on Physical Security Management** and other related policies).

## **d. Following Limits of Authority**

An officer's or employee's authority to act on behalf of the Bank is limited by the relevant laws, regulations and the Bank's by-laws, board resolutions and/or the respective

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unit's internal policies and procedures. Employees are to respect their limits of authority and not sign any documents or otherwise represent or exercise authority, on behalf of BPI unless specifically authorized to do so. Employees must be aware of limits on their authority and not take any action that exceeds those limits. Delegation of authority, where permissible under corporate policies and otherwise appropriate, should be reasonably limited in scope and subject to appropriate ongoing oversight.

(Please refer to [Delegation of Responsibilities and Approval Authorities](#))

#### **e. Avoiding Conflicts of Interest**

Employees are expected to act in accordance with the highest standards of personal and professional integrity, particularly in matters of ethics and governance. That integrity and reputation must never be compromised even for purported benefit of the Bank, and most especially for individual, personal benefit. As a financial services provider, the Bank also has a fiduciary responsibility to its clients. The Bank must not favor one client over another and must protect its clients at all times.

This is comprehensively detailed in the Bank's standards of Conflict-of-Interest, which mandates that, at all times, Employees must elevate the interest of the Bank above that of their personal interests and that of directors, officers, and co-Employees. Officers and Employees are prohibited from using their position of authority or rank in the Bank to directly or indirectly derive personal gain, profit or advantage. Officers and Employees of the Bank should best avoid conflict-of-interest situations, both in appearance and fact and take the necessary measures to prevent conflicts of interest.

In this regard, all Officers and Employees shall be required to submit every year a [Conflict of Interest and Related Party Declaration](#)<sup>6</sup> to the designated HR Acknowledgement database. Such disclosure shall remain confidential except to the extent necessary to evaluate or to prevent conflict of interest or impropriety.

#### **i. Outside Employment**

Employees are expected to perform their work duties and responsibilities at the Bank with dedication and diligence and as a first priority. In general, Employees are not to undertake outside activities or employment that can create actual or apparent conflict of interest, particularly if these:

- Compete with any of our business activities
- Interfere with an employee's job performance or work schedule
- Involves the use of BPI equipment or resources
- Violates confidentiality obligations to BPI and its clients
- Has a negative impact on BPI in terms of reputation, risk, etc.

Outside employment includes, but is not limited to:

- Jobs, whether full or part time, involving an employer other than the Bank;
- Consultancy and/or research work;

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<sup>6</sup> HR database link to BSP Bio-Data/Conflict of Interest and Related Party Declaration Form  
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- Teaching in schools and/or tutoring;
- Private practice of profession;
- Writing for an outside publication or writing any article on the Bank intended for publication/dissemination;
- Delivering outside lectures or accepting speaking engagements.

Employees must first obtain the requisite approvals and follow the internal HR procedures to ensure that conflict of interest and reputational risks are properly managed.

#### **ii.a Public Policy and Political Engagement**

With its vision of building a better Philippines, the Bank desires to instill civic consciousness and patriotism in its employees.

In this respect, electoral processes are key elements in nation-building and are integral components for democratic governance and development. BPI employees are thus encouraged and urged to be active participants and to be fully involved in these electoral processes, understanding the key issues and actively supporting the candidates of their choice, and supporting the conduct of free, fair and regular elections, promoting voter education and safeguarding the integrity of the electoral process.

However, employees are expected to exercise utmost prudence in ensuring that their personal political activities are separate from their work duties and responsibilities as the Bank is non-partisan and does not contribute or solicit political contributions, funds, assets or resources to any political candidate, party, or similar organization. Employees who wish to campaign for a political candidate or party may do so as long as this does not violate any of the HR policies of the Bank.

All officers are expected to exercise caution and prudence when expressing their political preferences or engaging in political activities in order that these will not be perceived as the position of the Bank that they represent.

#### **ii.b Running for Public Office**

The Bank does not prevent Employees who have a heart for public service from pursuit of such personal advocacies. However, Employees who intend to run for public office, defined as any elective position covering national or local positions in government (down to level of Brgy. Councilman) must also obtain the requisite approvals and follow internal HR procedures as well as consult the Bank's standards for Conflict of Interest.

#### **ii.c Interlocking Positions<sup>7</sup>**

Interlocking officerships are allowed provided that the positions do not pose conflicts of interest. As a general rule, interlocking officerships shall not be allowed except those held in the same capacity within a banking group as (i) corporate

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<sup>7</sup> BSP Circular 1129, s2021, Amendments to Corporate Governance Guidelines for BSP-Supervised Financial Institutions

secretary, (ii) security officer, (iii) chief risk officer, chief compliance officer, head of internal audit, or (iv) other positions performing similar functions as those in (i) to (iii); those held as corporate secretary or assistant corporate secretary between/among entities which are not part of the same banking group/conglomerate.

All officers with ranks VP and up are responsible to read, understand and comply with the Interlocking Positions Policy annually.

### **iii. Managing Personal Finances**

While, in general, employees' personal finances are private, employees must also consider that, as representatives of the Bank and in order to protect the Bank's reputation, they must also manage their personal finances in an appropriate and prudent manner, avoiding instances of excessive indebtedness or bankruptcy.

BPI's business depends on public confidence in its ability to help manage the financial affairs of its clients. A precarious personal financial position could undermine the credibility of both the employee and the Bank. It could also cause clients to question an employee's decision-making on the job or influence the actions or judgments made by the employee on behalf of BPI.

(1) Employees, as extensions of the Bank, are therefore expected to, likewise, display proper handling of their personal finances.

(2) Officers, in particular, are under the BSP's mandate to ensure that their financial records, credit-worthiness and history are beyond reproach; the appearance of impropriety, mismanaged personal finances or their inclusion in the negative data base will result in internal disciplinary as well as regulatory sanctions.

(3) Employees must refrain from any personal financial transaction with co-employees, customers or suppliers, whether borrowing or lending. Employees are also prohibited from acting as a co-signer, endorser, guarantor, or otherwise assume responsibility for the borrowings of any client or supplier of the Bank. Bank business with an employee's family member, other relative, or close personal or family relations, for which an employee wishes to act in any of the aforementioned capacities shall be evaluated on a case-to-case basis and be subject to the credit policies of the Bank.

(4) In general, Employees should refrain from engaging in activities, either as lender, player, agent, promoter, or stakeholder, among others, that could give the appearance of impropriety or mismanagement of personal finances; e.g. gambling, participation in unregistered investment schemes, trading in unregistered financial securities and unregistered financial exchanges, dealing in virtual currencies.

The Bank also has a separate Insider Trading Policy with respect to personal trading transactions and investments of employees.

(Please refer to standards on **Conflict-of-Interest** and the **Insider Trading Policy**)

**f. Protecting Assets, Facilities and Property of BPI and Others**

Employees are expected to use the Bank's assets, facilities and property properly, efficiently, in a manner that is not harmful to BPI or detrimental to its reputation or interests, and that is in accordance with Bank policies or procedures and applicable laws and regulations. Employees are also mandated to report any suspected fraud or theft of the Bank's property immediately.

Similarly, Employees must ensure that client-, supplier-, distributor- and other third-party assets which they may be using for bank operations under specific arrangement, rental or lease, are utilized only for approved purposes and in accordance with applicable laws and regulations, internal BPI policies and the terms and conditions of use under the corresponding specific arrangement, rental or lease.

(Please refer to detailed **General Policy on Incident Management**, **General Policy on Physical Security Management**, **General Policy on Technology Facilities Management**, **Employee Code of Conduct on Social Media** and other related policies)

**g. Recognizing Privacy of Employee Information**

Employees are expected to maintain appropriate safeguards as prescribed in the internal policies and procedures of the Bank, to respect the personal privacy of co-Employees and protect employee information, which includes but is not limited to, human resources related information, medical information, government-related information (as submitted to the different national or local government regulatory agencies such as BIR, SSS, Pag-Ibig, etc.) and background check information (Negative DataBase). Employees shall not engage in any unauthorized use, misappropriation or malicious disclosure of such information under any circumstances.

Employees must similarly comply with the Data Privacy Act of 2012 and all laws and regulations relating to the proper handling of personal information of Employees as well as of individuals with special working relationships with the Bank such as the Board of Directors and consultants. Employees must use or share information only for the purpose for which it was collected, and only with authorized persons.

Employees who provide employee information to third parties providing services to Employees of the Bank or under outsourcing arrangements, i.e., health insurance, payroll and human resources administration, etc., must strictly follow guidelines protecting the privacy and security of all Employees, as well as provisions of the respective Service Level Agreements and Bank policies on Outsourcing.

(Please refer to **Property and Outsourced Services Management policies** and related policies)

## IV. OUR SHAREHOLDERS

*We believe in our responsibility to our Shareholders. We treat capital as a most valuable asset, and seek to generate superior returns while being prudent in risk-taking, spending and investment.*

### **Values at work: Integrity, Excellence**

#### **a. Upholding the Bank's Reputation, Service Quality and Trust**

The Bank's reputation is its most valuable asset and the strength behind its brand. This reputation is built on the Bank's service quality which has earned our clients' trust for over 160 years. The service quality and, likewise, the reputation of the Bank and the group, as a whole, is determined by the actions and behavior of its employees. Every Employee, acting on behalf of the Bank as a part of the value chain for the delivery of bank products and services, is responsible for that service quality, for building the client's trust and for upholding the Bank's reputation.

There is no question that illegal or unethical conduct as well as failures in product or service fulfillment will cause considerable harm to our Bank's reputation. Instances of fraud, even if perpetuated externally, or unsafe and unsound banking practices, are certain to impact and damage our reputation as well. But our reputation can also be negatively affected by simple employee lapses such as being unable to sufficiently meet customer account needs or expectations, delayed responses to customer inquiries, or unintended violations in the privacy of customers.

Every Employee, therefore, must be aware of how their actions and behavior can affect the Bank's reputation. Employees must perform their duties and responsibilities with diligence, practice sound, ethical decision-making and take actions that will protect and reinforce the Bank's reputation as an institution that is trustworthy, honest and reliable to all its stakeholders: clients, employees, suppliers, business partners, communities. Each Employee is responsible for protecting the Bank's reputation on behalf of its shareholders, and for upholding this reputation with the regulators as well.

(Please refer to the policy on **Managing Reputational Risk**)

#### **b. Transparency, Liaison and Coordination with Regulators**

The Bank maintains candid, proactive and constructive relationships with its regulators, primary of which would be the BSP. Republic Acts 8791 and 7653 mandate that the BSP supervise and conduct periodic or special annual examinations to assess the soundness of a bank's operations.

Employees are, therefore, expected to be responsive, fair and transparent with BSP examination officers and provide appropriate support and cooperation to the Bank's Compliance Office which is tasked annually with coordinating Bank- and Group-wide efforts during such BSP examinations.

In the same manner, Employees who liaison and coordinate with the SEC and PSE with respect to the Bank's requirements as a publicly-listed company, must have the proper appreciation and understanding of the reputational impact of these regulatory

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requirements and the penalties for non-compliance. In this regard, Employees are also expected to provide support and cooperation to the Compliance Office, the Office of the Corporate Secretary and the Corporate Governance Department of the Bank.

### **c. Maintaining Company Records and Reporting Requirements**

As a financial institution in a highly-regulated industry of the financial services sector, and a publicly-listed company whose shares are traded on the Philippine Stock Exchange, part of protecting BPI's reputation is its commitment to integrity and transparency of financial reporting. The Bank's disclosures must always be full, fair, accurate, timely and understandable as mandated under applicable laws and regulation.

Employees who prepare reports and documents that are publicly disclosed, provided to regulators or for internal use of the Board and senior management, have a special responsibility to meet recording, processing and analysis standards of the data and information therein, and to ensure that these are prepared in accordance with applicable accounting standards, legal requirements and strict internal controls. In this regard, Employees are also to properly follow established document management and record-keeping policies in order for BPI to meet both legal and business requirements.<sup>8</sup>

### **d. Supporting Investors and the Market**

As a company listed on the Philippine Stock Exchange, BPI is bound to comply with listing standards, disclosure requirements (reports to shareholders and disclosures of material information) and corporate governance standards (independence of directors, internal control and risk management, Code of Business Conduct and Ethics). Employees are expected to protect this bond of trust between the Bank, its investors and the market especially with respect to conduct and activities which may harmfully affect the reputation of the Bank and its listed status.

Under the SEC Code of Corporate Governance for Publicly-listed Companies and the PSE Corporate Governance Disclosure Guidelines, the Board of Directors of publicly-listed companies are expected to adopt a code of conduct of ethical behaviors with corresponding actions for non-compliance and ensure adherence to the standards by all Employees. Similarly, BSP guidelines mandate bank employees to acknowledge in writing that they have read, understood and will observe the bank's code of conduct.<sup>9</sup>

Employees must also be aware that, with respect to listing standards and disclosure requirements, BPI's Investor Relations Unit, together with the Office of the Corporate Secretary and the Compliance Office have authority over the Bank's SEC- and PSE-mandated public disclosure requirements and communications with investors, analysts or the financial press of material or inside information.<sup>10</sup> The Bank's Strategic Brand Management or Corporate Communications Group, on the other hand, has the sole authority to issue press releases or public statements to the media. Employees are also encouraged to know the Bank's policy on the use of social media.

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<sup>8</sup> 2016 SEC Code of Corporate Governance, Recommendation 8.1.

<sup>9</sup> BSP Circular 900, s2016, Guidelines on Operational Risk Management

<sup>10</sup> 2016 SEC Code of Corporate Governance, Recommendation 8.7, 11.1 and 13.9.

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(Please see [Information Security-related policies](#), [Insider Trading Policy](#), and [Employee Code of Conduct on Social Media](#))

#### **e. Encouraging and Assisting Whistleblowing**

The Whistleblower Program is the Bank's mechanism for preventing and detecting fraud or misconduct, and enabling fast and coordinated incident responses and avenues for establishing cause, remedial actions, and damage control procedures.<sup>11</sup>

Every BPI Employee is relied upon to preserve the Bank's culture and reputation and its distinct competitive advantage as a trusted, ethical bank. It is therefore the responsibility of all Employees, including officers, to comply with the rules and regulations of the Bank and to report violations or suspected violations. Suspected violations can, in themselves, significantly compromise the reputation of the Bank or harm its clients or Employees. Early identification and timely resolution of suspected misconduct is therefore crucial in its prevention. Employees will also be expected to comply with the necessary Whistleblower Policy-related disclosures or affirmations as may be required by the Bank or mandated by law for good governance.

Whistleblowing report shall be reported formally or anonymously via telephone, in person, in writing, or optionally, by accomplishing the Whistleblower Report Form and submitting through the external email at [eye\\_report@bpi.com.ph](mailto:eye_report@bpi.com.ph) or the internal email at BPI Eye Report Box.

No action will be taken against anyone for reporting such violations in good faith, or participating or assisting in the investigation of a suspected violation of this Code. Any act of retaliation against a whistleblower is a violation of the Whistleblower Policy and this Code of Business Conduct and Ethics.

(Please refer to separate detailed [Whistleblower Policy](#))

#### **f. Handling Related Party Transactions**

Employees, including officers, must notify their unit heads or superiors of any business relationship or proposed business transaction BPI may have with any company in which they or a related party has a direct or indirect interest or from which they or a related party may derive a benefit, or where a related party is employed, if such a relationship or transaction might give rise to the appearance of a conflict of interest (for example, if an employee or a family member owns or controls property of significant value, that BPI is either purchasing or leasing).

BPI's Related Party Transactions 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 arrangements, trading of government securities and commercial papers, sale of assets, lease of bank premises, investment advisory/management, service arrangements and

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<sup>11</sup> 2016 SEC Code of Corporate Governance, Recommendation 15.3  
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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.<sup>12</sup>

RPTs are properly disclosed in the Bank's audited financial statements, and other applicable filings in accordance with the relevant rules and issuances of the Securities and Exchange Commission and other regulatory bodies.<sup>13</sup>

In the same manner for conflicts of interest, Employees are required to submit every year a Conflict of Interest and Related Party Declaration to the designated HR Acknowledgement database. Such disclosure shall remain confidential except to the extent necessary to evaluate or to prevent conflict of interest or impropriety.

(Please refer to separate detailed **standards of Conflict of Interest** and **Related Party Transactions Policy** and **Conflict of Interest and Related Party Declaration Form**)

## V. OUR COUNTRY

*We believe in our responsibility to our Country. Our prosperity is greatly dependent on the well-being of our nation. We aim to be inclusive and responsible in nation building. Through BPI Foundation, we are committed to the welfare and sustainability of the communities we serve.*

### **Values at work: Nurturing, Integrity, Excellence**

The Bank seeks to be the nation's partner for progress and works at the national and local levels on issues that affect the financial industry and influence the way in which the Bank can sustainably fulfill its role in the communities it serves and interacts with. As One BPI, all Employees are expected to support this goal and ensure that their activities are aligned with the Bank's direction and initiatives to be an agent for inclusive growth.

#### **a. Compliance with KYC, Anti-Money Laundering and FATCA Regulations**

Employee ethics and conduct in the Anti-Money Laundering domain, which defines and maintains the Bank's Know-Your-Customer policy (KYC identification and documentation, risk assessment, on-boarding decision process) and related Know-Your-Customer's-Customer and Know-Your-Employee policies, is a critical component to doing what is best for the country while protecting interests of clients, the Bank and the nation.

This is of particular importance for Employees who deal with clients and their transactions or client's records. Frontline Employees are expected to be able to support and monitor AML implementation in their respective business lines and units to contribute to the operational efficiency of all the KYC processes, through compliance with all anti-money laundering laws including economic sanctions regulations.

Responsible Head Office and Branch Employees are expected to be knowledgeable about AML measures, to identify and escalate potentially suspicious activity and complete regular training in preventing BPI from becoming a conduit for money laundering, terrorist financing and other criminal activity.

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<sup>12</sup> 2016 SEC Code of Corporate Governance, Recommendations 2.5, 3.5, 8.6, and 13.8.

<sup>13</sup> 2016 SEC Code of Corporate Governance, Recommendation 8.6



Employees are also expected to adhere to regulatory FATCA guidelines and diligently perform all tasks in the effort to protect the Bank's reputation, assets and property. Client-facing Employees must exercise utmost care and meticulousness in establishing the antecedents of clients and valid confirmation of U.S. personas at the client on-boarding stage and maintain appropriate oversight on operations involving clients' accounts for proper tagging and reporting.

(Please refer to detailed **Money Laundering and Terrorist Financing Prevention Program, Policy, Governing Principles on FATCA, Product Management Policies**)

#### **b. Preventing Insider Trading**

Part of conducting business fairly, responsibly and ethically and protecting interests of both our country's financial markets and the Bank's, is to prevent insider trading. BPI has an Insider Trading Policy which, in general, prohibits covered persons, i.e., directors, officers, employees of BPI and BPI's subsidiaries, and other parties who are considered to have knowledge, made aware of or have access to undisclosed or material non-public information, from buying or selling BPI stocks for their own personal account to benefit themselves or others.

Employees are expected to strictly comply with this policy and to be knowledgeable as well of the Bank's related policies, standards or internal procedures, such as on Conflict of Interest, and on Chinese walls/information barriers, which impact on insider trading as well. We also expect Employees to comply with the necessary Insider Trading Policy-related disclosures or affirmations as may be required by the Bank or mandated by law for good governance. Employees who violate the Insider Trading Policy shall be subject to disciplinary action as may be determined by management or the Board of Directors, without prejudice to any civil or criminal proceedings which BPI or regulators may file for violation of existing laws. Under the law, insider trading may be subject to penalty for damages or fine and/or imprisonment.

Employees who come into possession of undisclosed or material non-public information inadvertently or as part of their daily work activities also have the duty to safeguard it, prevent such information from being used dishonestly or unfairly and report any such violations immediately to the Compliance Office or follow the reporting procedures of the Whistleblower Policy.

(Please see separate detailed **standards of Conflict of Interest, Insider Trading Policy** and **Whistleblower Policy**)

#### **c. Enforcing Anti-Corruption and Anti-Bribery**

The Bank puts the highest premium on sound, responsible and effective corporate governance and does not tolerate bribery, corruption or improper acts of any kind in all business dealings. Bribery or corruption does not only involve monetary consideration. Bribery or corruption may also involve favors or other material gain such as employment, etc. As such, it has enabled and equipped the Bank's officers and Employees, with the requisite policies, programs and guidance through this Code of Business Conduct and

Ethics to combat risks in corruption and bribery.<sup>14</sup>

We expect our Employees and business partners to comply with all anti-bribery and anti-corruption laws. All Employees shall not offer, promise, give or authorize others to give anything of value, either directly or indirectly, to any client, person or entity for the purpose of corruptly influencing the recipient, secure an advantage, avoid a disadvantage or obtain or retain business. Offering or paying such remuneration either directly or through any intermediaries such as agents, attorneys or other consultants is also considered corruption and bribery and is also strictly prohibited.

Additional guidance on the Bank's anti-corruption and anti-bribery program is captured more thoroughly in detail through its Standards on Conflict of Interest under Request or Acceptance of Fees, Commissions, Gifts.

(Please refer to detailed **standards on Conflict-of-Interest**)

#### **d. Dealing with Suppliers and Business Partners**

BPI is one of the largest banking and financial services organizations in the Philippines with over 1,000 branches, offices or centers, and domestic as well as international presence in territories in Europe and Asia.

In ensuring a global supply chain for its business of banking, the Bank operates with a focus on two areas:

**Sustainability** - At all times, BPI's goal is to work collaboratively with supply chain partners on sustainability. The Bank's supply chain must not only be sustainable; it must also work towards improving the lives of workers, their communities and the environment. It is essential that BPI's suppliers promote fair and sustainable development and comply with national laws and internationally recognized standards and conventions for ethical, environmental and social conditions.

**Governance** - From a governance standpoint, the commercial transactions with suppliers should be economically beneficial to all parties involved and relationships should be based on the principle of fair and honest dealings. Compliance with internal policies must be in place to stop fraud, money laundering, bribery and corruption as well as to adhere to local or international laws and regulations.

Employees are expected to follow established processes for accreditation, vendor selection and suppliers audit to assure qualified suppliers of equal opportunity when bidding for projects with the Bank. All Employees, departments and divisions are also regularly advised to update and review their respective list of suppliers to meet accreditation requirements. Employees must also review the Bank's detailed policies on outsourcing services where applicable.

On behalf of the Bank, employees must also develop mutually beneficial relationships with business partners that are founded on trust and respect. Employees are

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<sup>14</sup> 2016 SEC Code of Corporate Governance, Recommendation 15.2

to conduct all transactions with business partners with fairness and integrity. Employees are also expected to follow Bank policies and processes with respect accreditation and dis-accreditation of business partners, and to ensure that all standards and code provisions such as those on conflict of interest, related party transactions, and intellectual property and confidential information are enforced and complied with.

(Please refer to detailed [Policies in Property & Outsourced Services Management](#))

#### **e. Caring for Sustainability and Communities**

The Bank's Sustainability Strategy and Framework of shared value guides BPI's thrust to become every Filipino's Banking Champion. BPI innovates for operational efficiency, to empower its people and society, to use resources efficiently, and to continue to build stakeholder trust focused on financial wellness, financial inclusion and sustainable development investments.

##### **i. Protection of Environment**

Apart from its institutional focus on sustainability efforts on three areas where it could deliver most impact — financial wellness, financial inclusion, and sustainable development initiatives, the Bank continues to empower its employees to innovate services, systems and products to address the nation's biggest sustainable development challenges.

Employees are expected to actively participate and support the Bank's sustainability practices such as: segregation of waste, energy efficiency and resource-saving measures, and programs to reduce greenhouse gas (GHG) footprint or become carbon neutral.

##### **ii. Entrepreneurship**

The Bank is also engaged in addressing social challenges in the areas of education, employment and inclusion or integration. Employees are encouraged to be a part of the Bank's initiatives to create and develop successful and responsible entrepreneurs with sustainable enterprises which ultimately result in financial inclusion and wellness.

##### **iii. Financial Literacy**

Caring for communities means building financial literacy in its members, founded on knowledge of good financial habits, financial instruments and investment options. Employees are expected to also help the Bank's clients to make better decisions on spending, saving and investing which also leads to financial inclusion and wellness.

##### **iv. Volunteerism**

Employees are expected to support the Bank's sustainability commitments in their respective business areas and in the communities the Bank has a presence in. The Bank also encourages Employees to get involved in nation-building through BPI BAYAN, which stands for "Bayanihan Para sa Inang Bayan", a platform for Employees to serve and empower the communities

where they reside or work. The programs being implemented by BPI BAYAN include skills-training for livelihood, financial wellness seminars, coastal clean-ups, tree-planting activities, improvement of public parks and day care centers, tutorial sessions for street children and out-of-school youth, and many more.

## CODE ADMINISTRATION

The administration and implementation of the Code shall be the primary responsibility of the Human Resources Management Group on a *unibank* basis or in its oversight with respect to the local Human Resources Units of principal, direct and indirect subsidiaries and the respective Unit or Department Heads.

The Human Resources Management Group shall be responsible for:

- Dissemination of the Code to all Employees;
- Monitoring of reported infractions as to action taken and progress of any administrative proceedings;
- Coordination, facilitation and/or participation in any administrative proceedings;
- Implementation of administrative sanctions;
- Periodic reporting, as needed, to the Audit and Corporate Governance Committees of the Bank on implementation and compliance with the Code.

Unit or Department Heads shall be responsible for:

- Initiating and/or conducting the initial or preliminary inquiry or fact-finding proceedings, issuances of memos and notices, submission of reports among others;
- Informing the Human Resources thru Labor Relations or UIU, in writing of all reported infractions and in appropriate cases, reporting to Audit Division. Department/Branch Heads or other Unibank officers shall be held liable to the Unibank for whatever damages that may result from inaction or delayed appropriate action.
- Ensuring compliance with BSP reportorial requirements on crimes and losses pursuant to pertinent BSP Circular Manual of Regulations, in coordination with the Compliance Unit of the Bank.

## Compliance with the Code

Every officer and Employee has the responsibility to fully read, understand and comply with this Code of Business Conduct and Ethics and all its related policies in order to be aware, at all times, of the pertinent procedures, regulations and other requirements herein that are relevant in carrying out BPI's business. Employees must know how the Code applies to their respective roles and duties at the Bank and are expected to behave according to the principles contained herein. New and existing Employees must complete code training.<sup>15</sup> Employees must also certify compliance every year through the Statement

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<sup>15</sup> 2016 SEC Code of Corporate Governance, Recommendation 7.2

of Affirmation (Annex “A” in this Code).<sup>16</sup>

### **Communication and Dissemination of the Code**

This Code of Business Conduct and Ethics can be accessed from the Management and Operating Manual in the Bank’s intranet electronic database. This Code is also posted on the company website at [www.bpi.com.ph](http://www.bpi.com.ph).<sup>17</sup>

### **Review and Amendment of the Code**

This Code of Business Conduct and Ethics shall be reviewed and assessed by the Human Resources Management Group or by a technical working group formed for such purpose, at least annually. Appropriate approval of any amendments and revisions to the Code shall likewise be obtained from the Board of Directors.

Upon approval of this Code, all existing internal policies, procedures, rules and memoranda inconsistent with the Code are deemed repealed or amended. The Bank reserves the right to repeal, amend, modify or supplement the provisions of this Code, as circumstances may warrant.

### **Current Version of the Code**

The current, Board-approved, in-force edition of the Code is posted on the Bank’s intranet as well as the company website. It may be amended from time to time, and all amendments are effective immediately upon approval by the Board of Directors. Considering that the review of the Code and amendments to the same, if any, are to be done annually, Employees should be guided that the latest, in-force edition of the Code *may* be dated *as of* the prior year. The current, in-force edition will, therefore, present two relevant dates: 1) date of last amendment, and; 2) date of latest Board approval of the Code.

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<sup>16</sup> BSP Circular No. 900, Guidelines on Operational Risk Management, Section 3. Duties and Responsibilities of the Board of Directors, (5), p.4. and 2016 SEC Code of Corporate Governance

<sup>17</sup> 2016 SEC Code of Corporate Governance, Recommendation 7.1

## EMPLOYEE AFFIRMATION STATEMENT

I, \_\_\_\_\_ (name), of the Bank of the Philippine Islands have received and read the Bank's MANUAL OF CORPORATE GOVERNANCE ('the Manual') and CODE OF BUSINESS CONDUCT & ETHICS ('the Code') and do hereby affirm that I will adhere to the principles and standards therein and will fully comply with the provisions of the Manual and the Code as they relate to my role, position and function in the Bank.

I agree to fully comply with the Bank's policies on CONFLICT OF INTEREST and RELATED PARTY TRANSACTIONS which are discussed in the Manual and Code, in respect of which:

- I have no conflict of interest or related party transaction to disclose;

Further, as an officer<sup>1</sup> currently covered by the Policy on DIRECTOR & OFFICER INTERLOCKING POSITIONS: (Please check box if applicable)

- I shall give notice and obtain prior approval from the appropriate approving authority in BPI before assuming a new interlocking position in any company, organization or entity.
- I have disclosed in/updated my current Bio-data submitted to the Human Resources Management Group, for any interlocking positions I may have as Director, Trustee or Officer both within and outside of the BPI Group;
- I am in compliance with policy limit of a maximum of ten (10) interlocking positions;<sup>2</sup>

I shall amend and resubmit this Statement of Affirmation within five (5) banking days, should there be any changes in the above circumstances and, in any event, after entering into or becoming aware of a new relationship or a change in an existing relationship that may present a conflict of interest or be a subject of the policies on Related Party Transactions and Director & Officer Interlocking Positions.

The information contained in this Statement of Affirmation is true and accurate to the best of my knowledge and belief.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Designation: \_\_\_\_\_

<sup>1</sup> Officers with rank of VP and up

<sup>2</sup> The limit for directors and officers shall not be applied to interlocking directorships/trusteeships and officerships in non-profit/civic organizations and financial services industry/ management/corporate governance associations

Department  
or Branch: \_\_\_\_\_

Date : \_\_\_\_\_

