



A subsidiary of BPI

ANNUAL REPORT 2018

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ABOUT BANKO

BPI Direct BanKo, Inc., A Savings Bank (“BanKo”), formerly known as BPI Direct Savings, Inc. (BPI Direct), is a wholly owned subsidiary of Bank of the Philippine Islands (BPI). It was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 26, 1986 primarily to engage in and carry on the general business of savings and mortgage banking. In December 29, 2016, BPI Globe BankO was merged into BPI Direct.

BanKo is now BPI’s microfinance arm which primarily targets Self-Employed Micro-Entrepreneurs (SEMEs). The bank provides SEMEs with an affordable and segment friendly loan product called NegosyoKo loan, and it imparts to its clients financial advice and solutions that promote the growth and expansion of their businesses. In only two years of operations, the organization has already made significant changes in the lives of thousands of Filipino micro-entrepreneurs who previously had limited financial options.

This 2019, BanKo hopes to relaunch its PondoKo Savings to address the segment’s other financial needs. This savings and transaction vehicle will encapsulate and utilize the recent enabling regulations on Branch Lite (Cir 987), Basic Deposit Accounts (Cir 992), Cash Agency (Cir 940), Customer Identification Policy Amendments (Cir 1022) and National Retail Payment System (NRPS).

BanKo’s current mission is to provide financial solutions to the wide swathe of the population who are currently financially excluded or underserved with the hope that access to these facilities will ultimately raise their quality of life, and ultimately will redound to nation building.

OUR MISSION AND VISION

Our Mission is ...

“... to raise the quality of life of the unbanked and under-banked.”

Our Vision is ...

“... to be the preferred lender of the self- employed micro entrepreneurs in the next 5 years by providing access to fast and easy credit, with affordable rates and high touch delivery of service.”

“...to be the preferred bank of at least 1M underserved and unbanked Filipinos for their major transactional and savings requirements in the next 5 years, and to continually grow this client base and expand the bank’s solutions to address the requirements of at least 90% of the bankable population.”

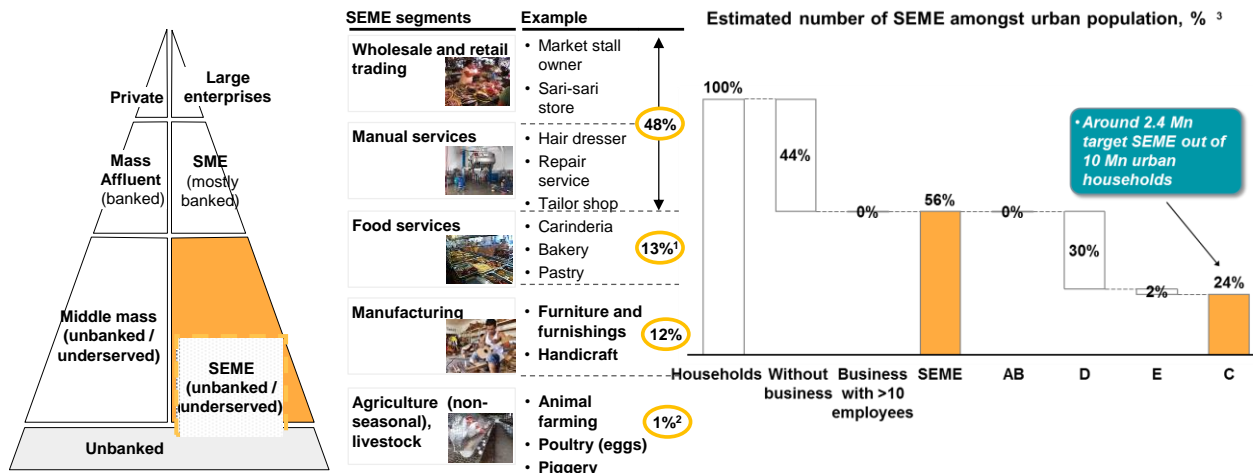
“...to provide relevant solutions to the underserved and unbanked on a sustainable basis.”

“...to be the employer of choice of the servants of the financially excluded.”

BUSINESS MODEL

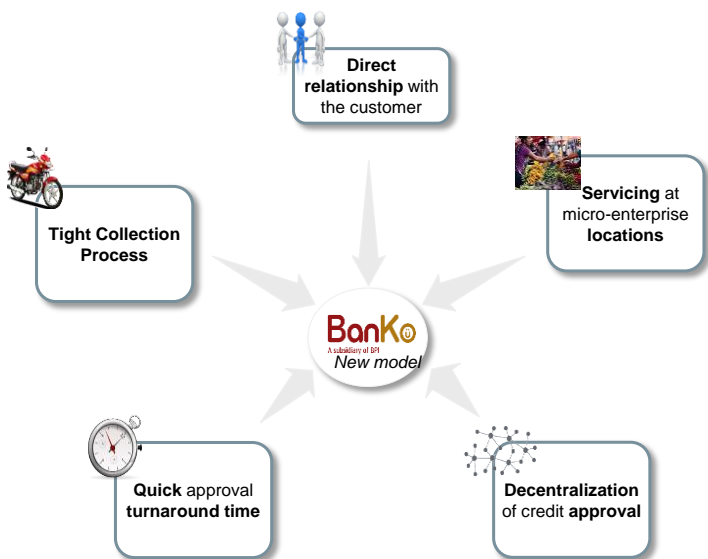
Micro-Enterprise Loan Business

Contributing to BPI's mission of financial inclusion, BanKo SEME Loan serves the credit requirements of the Self-Employed Micro-entrepreneur (SEME)



¹ It includes also accommodation services
² It refers to overall Agriculture, Forestry, and Fishing Source: DTI, PSRC Quantitative Study
³ Source: National incidence study conducted by PSRC on behalf of BPI in June-July 2015

Microfinance Lending Business Model, Vision and Customer Value Proposition



Vision

□ Be the lender of choice of Self-employed Micro-entrepreneurs, by providing access to fast and easy credit, with affordable rates, and high-touch delivery of service.

Customer Value Proposition

□ Reap more from your hardwork with less burden on interest from loans.

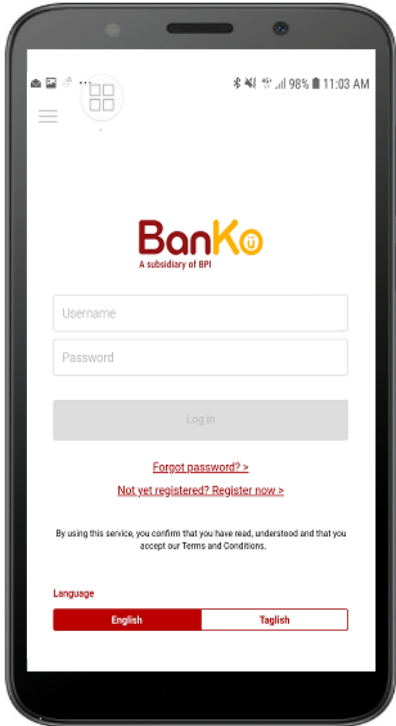
Street Lenders:			BanKo:		
Loan	Release	Interest Upfront	Loan	Release	Interest Upfront
P90K	P60K	P15,000	P60K	P60K	0
Daily Payment* P500.00			Daily Payment P380.00		
* Assuming 6 months term			Plus "Pay Yourself!": Micro Insurance: 5.00 Savings: 50.00 Added to Business: 65.00		

BUSINESS MODEL

Non Credit Financial Services

Digital Bank for the Unbanked that offers the following channels

BanKo App & Web



Cash Agents



12 accredited agents with approximately 1,400 outlets

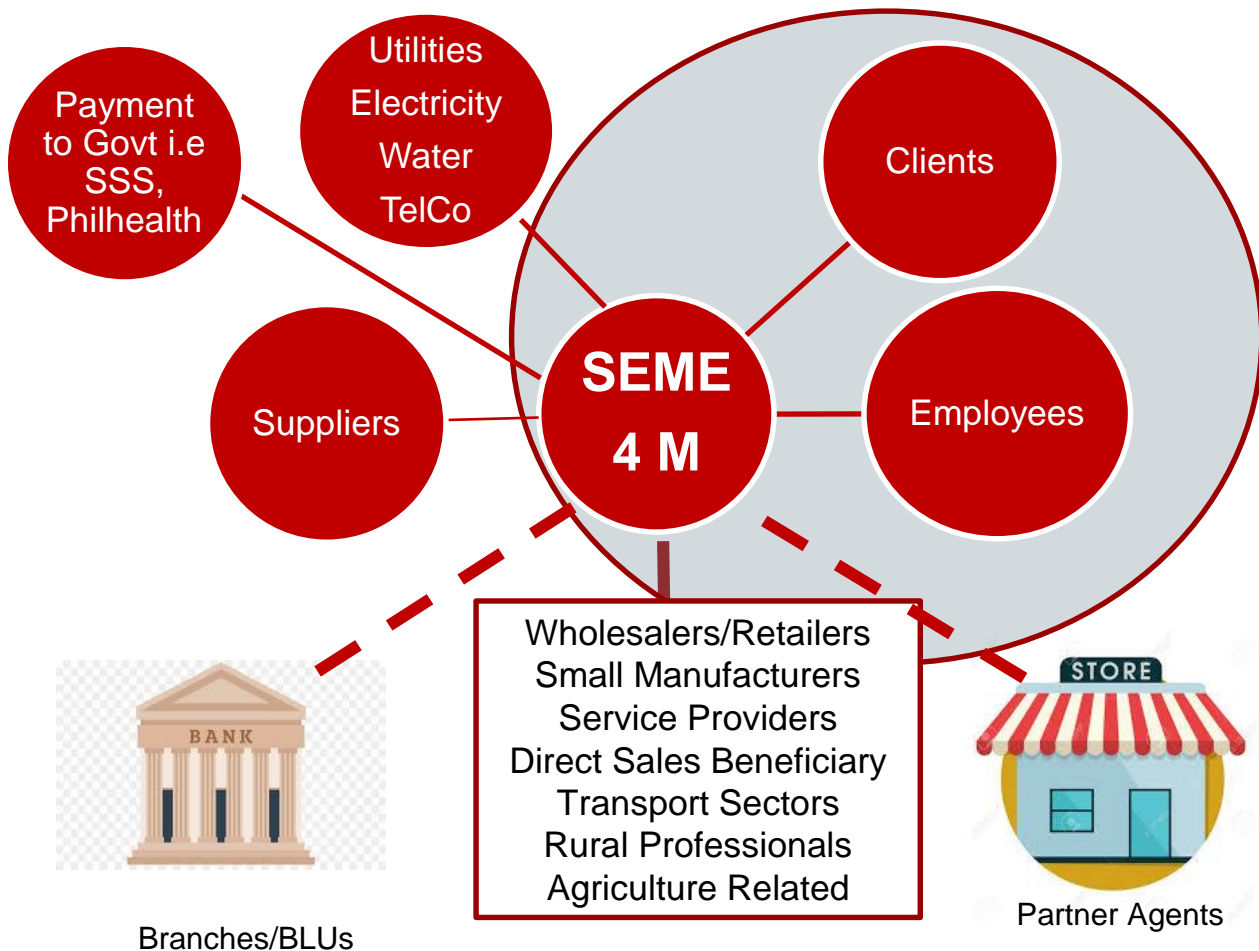
ATMs



BanKo Branches



Strengthen BanKo Presence in the SEME Ecosystem



FINANCIAL SUMMARY

Profitability

(In P Mn)	Current Year	Previous Year
	2018	2017
Revenues	P 1,982.5	P 745.2
Total Interest Income	P 1,718.7	P 563.3
Total Non-Interest income	P 263.8	P 181.9
Total Operating Expenses	P 1,223.3	P 536.5
Pre-provision operating profit	P 759.2	P 208.8
Provisions	P 402.8	P 1.9
Taxes	87.4	P 122.3
Net Income	P 268.9	P 84.5

Selected Balance Sheet Data

(In P Mn)	Current Year	Previous Year
	2018	2017
Liquid Assets	P 5,225.2	P 10,055.4
Net Loans	P 9,245.1	P 4,296.2
Total Assets	P 15,596.4	P 15,095.5
Deposits	P 12,560.6	P 12, 838.0
Total Equity	P 2,365.4	P 2,111.5

Selected Ratios

	Current Year	Previous Year
	2018	2017
Return on Equity	12.55%	4.17%
Return on Assets	1.94%	0.56%
Capital Adequacy Ratio	20.88%	33.90%

FINANCIAL CONDITION AND RESULTS OF OPERATION

In 2018, BanKo generated a Net Income of Php 268.9 million, up 3.1x from the previous year. This translate to a Return on Equity of 12.5% and Return on Assets of 1.94%. Our Earnings allowed us to grow our capital to Php 2.3 billion.

Loans grew by 2.1x to Php 9.2 billion while deposits decreased by 2.1% to Php 12.56 billion. The Bank's Loan-to-Deposit Ratio increased from 33.4% to 73.2% from previous year.

Net Interest Income increased by 3.1x to Php 1.71 billion from previous year's Php .56 billion driven by the improvement in loan yields by 2.7x from 8.86% to 23.62% and increased in average loan base from Php 4.51 billion to Php 7.33 billion this year.

Meanwhile, Fees and Commissions grew by 45.1%, driven by higher fees generated from SEME and Personal Loans.

Our efficient operations is reflected in our Cost- to-Income Ratio of 61.8% despite the increase in expenses driven by the continuous SEME branch expansion.

The Bank's gross 90-day Non-Performing Loan ratio despite the significant growth of our loan marginally increased to 7.2% from its end-2017 level of 6.2%. Consequently, our Reserve Cover rose from 70.3% to 87.8%. In 2018, we also concluded our preparations to the transition of the Bank to the new accounting standards required under PFRS9, which requires bank to adopt Expected Credit Loss models. The Bank's loan loss provisions are more than adequate even under the new accounting regime, which took effect on January 2018.

As of the end of 2018, our consolidated Common Equity Tier 1 Ratio stood at 19.99% and our Capital Adequacy Ratio 20.8%. These ratios are well above minimum regulatory requirements, with an adequate buffer to support the Bank's operations.

FINANCIAL CONDITION AND RESULTS OF OPERATION

200 Branches in 2 years

BanKo has seen tremendous growth in a span of two years. In 2016, its 10-branch network had 2,500 clients and a total loan amount of Php 170 million. Through aggressive branch expansion and community engagement programs, BanKo ended 2018 with 200 branches and Branch Lite Units (BLU) in key provincial areas, a client base of 40,305 and a total loan portfolio of P2.1Bn. an additional 100 BLUs are targeted to open in 2019.

To date, BanKo has around 600 loan officers nationwide (called BanKopare and BanKomare), who are tasked to engage SEMEs and help them choose the best products and solutions to help scale up their businesses.

Awards and Partnerships in 2018

Efforts to deliver financial services to the unbanked and underbanked were recognized by the Bangko Sentral ng Pilipinas (BSP) when BanKo was included as one of the finalists for the Financial Inclusion Champion in the 2018 Awarding Ceremony for BSP Stakeholders.

Partnerships with various stakeholder were undertaken to engage more SEMEs. BanKo participated in the Department of Trade and Industry's (DTI) Mentor Me program, tied up with local government units for their local market vendors programs and took part in BPI Foundation's entrepreneurship programs to introduce its loan products directly to the target market.

BanKo Digitization

A new loans origination system is being developed to support the bank's expansion. Currently in the pipeline is a mobile-based, telco-agnostic deposit product called Alternative Deposits and Payment System (ADPS), which is slated for a 2019 launch. The new technology of the ADPS will allow the unbanked to save and transact via a mobile app.

By changing the lives of more Filipinos and enabling them with the tools for a financially stable future, BanKo further strengthens its commitment towards sustainable development and nation building.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

The Board of Directors and Management, employees and shareholders of the BPI Direct BanKo, Inc., A Savings Bank (BanKo) believe that a sound and effective corporate governance is the cornerstone of its 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.

The Board of Directors and Management, hereby commit themselves to the principles and practices Contained in this Manual and acknowledge that the same will guide them in pursuing their corporate goals. They shall also undertake every effort necessary to create the necessary awareness of these principles and practices within the organization in order to ensure proper internalization by every member of the organization

GOVERNANCE STRUCTURE

Board of Directors

The Board of Directors (the Board) bears the primary responsibility for creating and enhancing the long term shareholder value of BanKo and ensuring that this objective is achieved in all its business activities. It must ensure BanKo's ability to satisfy the needs of its customers, sustain its leadership and competitiveness, and uphold its reputation in order to maintain BanKo's long term success and viability as a business entity. Its mandate consists of setting the strategic business directions of BanKo, 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 shareholders. It shall also provide an independent check on management.

Powers of the Board of Directors

The corporate powers of a bank shall be exercised, its business conducted and all its property controlled and held, by its board of directors. The power of the board of directors as conferred by law are original and cannot be revoked by the stockholders. The directors hold their office charged with the duty to exercise sound and objective judgment for the best interest of the bank.

Duties and Responsibilities

The position of a bank director is a position of trust. A director assumes certain responsibilities to different constituencies or stakeholders, i.e., the bank itself, its stockholders, its depositors and other creditors, its management and employees, the regulators, deposit insurer and the public at large. These constituencies or stakeholders have the right to expect that the institution is being run in a prudent and sound manner. The board of directors is primarily responsible for approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values. Further, the board of directors is also responsible for monitoring and overseeing the performance of senior management as the latter manages the day to day affairs of the institution.

Selection

Our shareholders may recommend candidates for board membership for consideration by the Nominations Committee. Such recommendations are sent to the Committee through the Office of the Corporate Secretary. 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. For this purpose, the Committee may utilize professional search firms and other external groups to search for qualified candidates.

The Nominations Committee pre-screens the candidates and prepares a final list of candidates prior to the Annual Stockholders Meeting. Only nominees whose names appear on the final list of candidates are eligible for election to the Board.

No other nomination shall be entertained after the final list of candidates are drawn up. No nomination shall be entertained or allowed on the floor during the Annual Stockholders Meeting.

Board members are elected by BanKo stockholders who are entitled to one vote per share at the Bank's Annual Stockholders 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.

Board Composition and Qualification

Simon R. Paterno (Non- Executive Director), Filipino, 59 years old, Chairman of BPI Direct BanKo board of directors, and the Head of BPI's Financial Products & Alternative Channels. As such, he is responsible for building and managing BPI's services capabilities across all asset, liability, payments, and bancassurance platforms. He also serves on the Bank's Management, Asset & Liability, Credit Committees, as well as on the Boards of BPI Capital Corporation, AF Payments, Zalora Philippines, BPI Asset Management Corporation, BPI Century Tokyo Lease and Finance Corporation, BPI Century Tokyo Rental Corporation, and BPI/MS Insurance Corporation.

Prior to joining BPI, Mr. Paterno represented CIMB in its search for a Philippine bank investment, having joined the group in late 2012 as CEO-designate of Bank of Commerce, which was targeted for acquisition by CIMB.

Between 2004 and 2012, he was Managing Director and Country Manager of Credit Suisse, where he also founded and served as Chairman of Credit Suisse Securities Philippines, Inc., the firm's securities broker/dealer subsidiary.

Between 2002 and 2004, Mr. Paterno was President and CEO of Development Bank of the Philippines and concurrently Chairman of the LGU Guarantee Corp. and other DBP subsidiaries. Prior to DBP, Mr. Paterno was a Managing Director at J.P. Morgan, where he spent 18 years in various capacities, rising from Head of Philippine Banking to Head for Sovereign Clients in all of Asia. During the Asian Financial Crisis, he led the project teams that advised the Indonesian Bank Restructuring Agency (IBRA) and its Malaysian counterpart, Danaharta. In his career, Mr. Paterno worked on some of the most significant sovereign financing transactions in the Philippines: restructuring of its foreign debt (1991), debut Eurobond (1992), Brady exchanges (1994), Domestic Bond Exchanges (2006), and Debt Exchange Warrants (2008).

Mr. Paterno received his MBA from Stanford University in 1984 and his AB Honors Program in Economics, cumlaude, from Ateneo de Manila University in 1980.

Aurelio R. Montinola III, (Non- Executive Director), Filipino, 67 years old, Non- Executive Director. He 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 the Chairman of the Bank's Personnel and Compensation Committee.

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 a 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 also a member of the Board of Trustees of BPI Foundation Inc. where he sits as Vice-Chairman.

Significant award 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 Harvard Business School in 1977.

Ignacio R. Bunye, (Independent Director), Filipino, 74 years old, Independent Directors, has been Independent member of the Board since June 27, 2018. He is the Chairman of the Bank's Corporate Governance and Related Party Committee. He is a member of the Bank's Risk Management Committee.

Mr. Bunye was a member of the Monetary Board of the Banko Sentral ng Pilipinas from 2008 to 2014. He previously held the positions of Presidential Political Adviser in 2008, Presidential Spokesperson in 2003, and Press Secretary in 2002.

He also worked for BPI's Treasury and Corporate Finance departments from 1983 before he began his government service in the City of Muntinlupa (then a municipality) as Officer-In-Charge and Mayor between 1986 and 1998.

During his twelve-year stewardship in Muntinlupa, Mr. Bunye founded the Muntinlupa Polytechnic College (now Pamantasan ng Lungsod ng Muntinlupa) and laid the foundation for the establishment of the Ospital ng Muntinlupa. He also served as Chairman of the Metropolitan Manila Authority (now Metropolitan Manila Development Authority) between 1991 and 1992, and was a member of the House and Representatives representing Muntinlupa between 1998 and 2001. A former print and broadcast journalist, he now writes a regular and weekly column for Manila Bulletin, Tempo, People's Tonight, Sun Star, BusinessWeek Mindanao, and Filipino Reporter (in New York).

Mr. Bunye is a member of the Philippine Integrated Bar. He Obtained his Bachelor of Arts degree and Bachelor of Laws degree from Ateneo de Manila University in 1964 and 1969 respectively. He passed the Philippine Bar Examination in 1969. Significant awards and recognition received by Mr. Bunye include the Asian Institute of Management Honor and Prestige Award, the Banko Sentral Service Excellence Medal, the Gran Oden de Isabela Catolica, and the Order of Lakandula.

Natividad N. Alejo, (Non- Executive Director), Filipino, 62 years old, Non- Executive Director. She is a member of the Bank's Audit Committee. She also served as Chairman of the Bank from June 2017 to December 2017. Ms. Alejo also served as President of BPI Family Savings Bank. She has been an Executive Vice President and Group Head of Retail Banking from 2012 to Feb. 28, 2015, Senior Vice President and Consumer Banking Group Head from 2007 to 2011 at the Bank of the Philippine Islands. She also served as the President and Director of BPI Capital Corporation and BPI Securities Corporation from 2001 to 2006. She has been a President of the Investment House Association of the Philippines in 2004 to 2006.

Ms. Alejo graduated with AB Economics degree (Summa Cum Laude and Gansewinkle Scholastic Trophy Awardee) from Devine World University, Tacloban City in 1976. She took up MA Economics at University of the Philippines in 1978 and completed the Advanced Management Program at Harvard Business School in fall of 2005.

Jesus V. Razon, Jr. (Independent Director), Filipino, 72 years old, Independent Director. He is the Chairman of the Bank's Audit Committee and member of the Corporate Governance Committee, Nomination Committee and Personnel and Compensation. Mr. Razon served as the Senior Vice President of Consumer Banking Group and Human Resources Management Group at the Bank of the Philippine Islands. He served as a Director of Prudential Bank since August 2005.

Jose Ferdinand B. Luzuriaga (Independent Director), Filipino, 57 years old, Independent Director. He is the Chairman of the Bank's Risk Management Committee and member of the Audit Committee.

Mr. Luzuriaga is the Group Investment Officer and Group Chief Finance Officer and Committee Chairman of Inquirer Group of Companies and President of LINQ Information Entertainment Quadrant Corporation (Philippines).

Marie Josephine M. Ocampo (Non- Executive Director), Filipino, 57 years old, Non- Executive Director. Ms. Ocampo is the Head of BPI's Unsecured Lending and Cards Group in which she oversees BPI's credit, debit and prepaid card businesses as well as personal loan. She is a member of the Bank's Corporate Governance Committee and member of the Nomination Committee.

Ms. Ocampo started her career in BPI as Vice-President for Marketing and Sales of BPI Credit Cards in 1996. She soon took the position of President for BPI Card Corporation, the bank's credit card subsidiary where she won the prestigious Agora Award-2000 Marketing Company of the Year. In 2005, Ms. Ocampo was then cross-posted to BPI's Consumer Banking Group as Head of Kiosk Banking and Head of Personal Banking. She also became the Chief Marketing Officer of BPI from 2008 until 2014 where she was responsible for retooling the bank's data warehouse and customer analytics capabilities into its distinct competitive advantage. Ms. Ocampo also developed the bank's CRM initiatives on top of driving the bank's advertising and digital initiatives across the breadth of products, channels and services. In 2015, she became the Payments and Remittance group head, and was tasked to grow fee revenue via expanding existing businesses and developing new payment platforms.

Prior to joining BPI, Ms. Ocampo gained her extensive marketing experience as Assistant Product Manager at Johnson & Johnson Australia in 1985 and as Associate Marketing Manager in Johnson & Johnson Philippines in 1987. She led the expansion of Johnson & Johnson's Health Care, Baby Care and Sanitary Protection business.

Ms. Ocampo graduated Magna Cum Laude and received her Bachelor of Science in Business Management, Honors Program at Ateneo de Manila University. She also completed the Advanced Management Program at the Harvard Business School in 2007

Rodolfo K. Mabiase, Jr. (Executive Director), Filipino, 43 years old, Executive Director. Head of BanKo's Microfinance Lending Group since 01 January 2017. Prior to that, He also served as Vice President of BPI's Northern Luzon Area.

Mr. Mabiase graduated with a degree in BS Accountancy and BS Commerce major in Economics from the St. Louie University in 1995.

Jerome B. Minglana (Executive Director), Filipino, 45 years old, Executive Director. President of BPI Direct Banko since 01 January 2017. Prior to that, He also served as President of BPI Globe Banko from 2015-2016, Vice President and Division Head of Retail Banking Group of Bank of the Philippine Island from January 2014 to September 2015, Assistance Vice President and Division Head of Retail Banking Group of Bank of the

Philippine Island from February 2013 to December 2013, He also served as BPI's Area Business Directors – Head of all BPI Branches in Extreme North Luzon Area in June 2009 to January 2013.

He obtained his degree in Bachelor of Science in Accountancy and BS Commerce major in Management from the St. Louie University in 1994 and 1995 respectively.

Board Committee

Board members with executive responsibilities are compensated as fulltime officers of the company, not as Executive Directors or Non-Executive Directors.

Chairman	Simon R. Paterno
Members	Rodolfo K. Mabiase, Jr. Jerome B. Minglana Aurelio R. Montinola III Natividad N. Alejo Marie Josephine M. Ocampo Ignacio R. Bunye . (Independent) Jesus V. Razon, Jr. (Independent) Jose Ferdinand B. De Luzuriaga (Independent)

Corporate Governance Committee and Related Party Committee

The Corporate Governance Committee assists the Board in fulfilling its corporate governance responsibilities, and ensures the Board's effectiveness and due observance of sound corporate governance principles and guidelines, as embodied in the Manual of Corporate Governance.

The Related Party Transaction Committee which is under the Corporate Governance Committee is charged with ensuring that the Bank's dealings with the public and various stakeholders are imbued with the highest standards of integrity. In conjunction with the Executive, Audit, Risk, and Corporate Governance Committees, this Committee endeavors to ensure compliance with Bangko Sentral regulations and guidelines on related party transactions. independently reviews, vets, and endorses significant and material related party transactions—above and beyond transactions qualifying under directors, officers, shareholders, and related interests restrictions—such that these transactions are dealt on terms no less favorable to the Bank than those generally available to an unaffiliated third party under the same or similar circumstances.

Chairman	Ignacio R. Bunye (Independent)
Members	Jesus V. Razon Jr. (Independent) Marie Josephine M. Ocampo

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 and resolve to effectively oversee the Bank 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	Simon R. Paterno
Members	Jesus V. Razon Jr. (Independent) Marie Josephine M. Ocampo

Audit Committee

The Audit Committee monitors and evaluates the adequacy and effectiveness of the Bank's system of internal control systems, risk management, and governance practices. It provides oversight on the integrity of the Bank's financial statements and financial reporting process, performance of the internal and external audit functions and compliance with bank policies, applicable laws, and regulatory requirements. This Committee also reviews the external auditor's annual audit plan and scope of work, and assesses its overall performance and effectiveness. In consultation with management, this Committee also approves the external auditor's terms of engagement and audit fees.

Chairman	Jesus V. Razon, Jr. (Independent)
Members	Natividad N. Alejo Jose Ferdinand B. De Luzuriaga (Independent)

Risk Management Committee

The Risk Management Committee is tasked with nurturing a culture of risk management across the enterprise. It supports the Board by overseeing and managing the Bank's exposures to financial and non-financial risks, assesses new and emerging risk issues across the Bank, regularly reviews the Bank's risk management appetite, policies, structures and metrics, and monitors overall liquidity and capital adequacy, in order to meet and comply with regulatory and international standards on risk measurement and management.

Chairman	Jose Ferdinand B. De Luzuriaga (Independent)
Members	Simon R. Paterno Ignacio R. Bunye

Personnel and Compensation Committee

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

Chairman	Aurelio R. Montinola III
Members	Simon R. Paterno Jesus V. Razon Jr. (Independent)

Executive Officers of BanKo

The executive Officers of BanKo are the President, Vice President, Secretary and Treasurer. The Executive Officers shall be appointed by the Board of Directors. In addition, the Board of Directors shall appoint (from time to time) such other senior officers as provided for in the BANKO By-Laws.

President	Jerome B. Minglana
Vice President	Rodolfo K. Mabiase, Jr.

Meetings and Attendance

The BPI Direct BanKo Board meets regularly for the effective discharge of its obligation. Regular board meetings are convened monthly, held every fourth Wednesday of the month. Board of Directors meetings are set immediately after the Annual Stockholder Meeting to cover the full term of the newly elected or re-elected members of the Board, reckoned from the date of the current year's Annual Stockholder Meeting to that of the following year. Special meetings may be called for as needed. Discussions during the board meetings are open independent views are given due consideration. Board reference materials are made available to the directors at least five days in advance of the scheduled meeting. Independent and Non-Executive Directors of the Bank also meet at least once a year without the presence of the executive director or management.

The Board's full-year attendance at the 2018 Board Meetings and Committee Meetings are outlined as follows:

Board

Name of Director	Attendance Percentage
Joseph Albert L. Gotuaco ^{*****}	75%
Cezar P. Consing ^{**}	88%
Aurelio R. Montinola III	79%
Natividad N. Alejo	93%
Jesus V. Razon, Jr.	100%
Jerome B. Minglana	100%
Rodolfo K. Mabiase, Jr.	100%
Jose Ferdinand B. de Luzuriaga	100%
Ignacio R. Bunye [*]	100%
Marie Josephine M. Ocampo ^{*****}	100%
Simon R. Paterno ^{***}	100%

*Elected as Board Member effective 27 June 2018

**Board Member until 25 July 2018

***Elected as Board member effective 26 July 2018

****Board Member until 31 October 2018

*****Elected as Board Member effective 01 November 2018

Audit Committee

Name of Director	Attendance Percentage
Cezar P. Consing*	100%
Jesus V. Razon, Jr.	100%
Jose Ferdinand B. de Luzuriaga	100%
Natividad N. Alejo**	100%

* Committee Member until 25 July 2018

**Elected as Committee Member effective 26 July 2018

Risk Management Committee

Name of Director	Attendance Percentage
Cezar P. Consing*	100%
Natividad N. Alejo*	100%
Jose Ferdinand B. de Luzuriaga	100%
Ignacio R. Bunye**	100%
Joseph Albert L. Gotuaco***	100%
Simon R. Paterno****	100%

* Committee Member until 27 June 2018

** Elected as Committee Member effective 27 June 2018

*** Elected as Committee Member effective 27 June 2018; Committee member until 25 July 2018

**** Elected as Committee Member effective 26 July 2018

Corporate Governance Committee

Name of Director	Attendance Percentage
Cezar P. Consing***	100%
Jesus V. Razon, Jr.	100%
Jose Ferdinand B. de Luzuriaga*	100%
Ignacio R. Bunye**	100%
Joseph Albert L. Gotuaco****	50%

* Committee Member until 26 June 2018

** Elected as Committee Chairman effective 27 June 2018

*** Committee member until 25 July 2018

**** Elected as Committee Member effective 26 July 2018

Nomination Committee

Name of Director	Attendance Percentage
Cezar P. Consing	100%
Aurelio R. Montinola III*	100%
Natividad N. Alejo*	100%

*Committee Member until 26 June 2018

Performance Evaluation and Self-Assessment

Monitoring of governance by the Board requires a continuous review of the internal structure of the Bank to ensure that there are clear lines of accountability for management throughout the organization.

In this regard, 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 all BPI stakeholders, and how it addresses issues that impact the Board's ability to effectively fulfill its fiduciary duties.

Succession Planning and Talent Management

Financials services today face many transformative factors – regulation, market disruption, new technologies and business models, competition- that affect the business in major and long-term ways. Our Board understands that the Bank must continually evolve, adapt, and even restructure the business to remain ahead of strategic, market, technology and regulatory shifts. The Board, through its Personnel and Compensation Committee, manages the talent pipeline and assembles the required personnel capable of navigating such changes.

In consultation with the President, The personnel and Compensation Committee reviews the Bank's talent development process for the proper management. Senior management provides a report to this Committee on the results of its talent and performance review process for key management positions and other high-potential individuals. Aside from ensuring that there is a sufficient pool of qualified internal candidates to fill senior leadership positions, this review process identifies opportunities, performance gaps, and proactive measures in the Bank's executive succession planning. And as part of the same executive planning process, the Committee as a whole or a part thereof, in consultation with the Board and the President and CEO, evaluates and nominates potential successors to the President and the CEO.

Induction and Director Education

Board members acquire appropriate skills appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses. New Directors are briefed on BPI Direct Banko's background. Organizational structure, and, in compliance with Banko Sentral Circular No. 758, the general and specific duties and responsibilities of the Board.

They also receive briefings on relevant policies and rules governing their roles as Directors. They are given an overview of the industry, regulatory environment, business of banking, strategic plans of the Bank, its governance framework, i.e. Manual of Corporate Governance, Director's Code of Conduct, Board operations (schedules, procedures and processes), including support from the Corporate Secretary and senior management. Continuing education of Board members includes internal meetings with senior executives and operational or functional heads, dedicated briefings, on specific areas of responsibility within the business and special presentations on current issue or regulatory initiatives with respect to Data Privacy, Cyber Risk, and Cyber Security, the Anti- Money Laundering and Terrorist Financing Prevention Program, Foreign Account Tax.

Compliance Act, Securities Regulations Code, SEC memorandum circulars, and Bangko Sentral regulations, among others. The Bank brings technical, subject matter experts as needed. Other in-bank courses on anti-money laundering, business continuity management, conflict of interest, risk management overview, and information security awareness. Board members also regularly attend governance for a, conferences, and summits.

Remuneration

Our remuneration decisions for the Board and management are aligned with risk incentives and support sustainable, long-term value creation. Apart from ensuring that Board and management pay appropriately reflects industry conditions and financial performance, the Bank likewise rebalances returns back to shareholders through dividend declaration.

Under the Bank's Amended By-Laws, as approved by the shareholders, the Board of Directors, as a whole, determines the level of remuneration and/or benefits for directors sufficient to attract and retain directors and compensate them for their time commitments and responsibilities of their role.

Our Personnel and Compensation Committee recommends to the Board the fees and other compensation for directors, ensuring that compensation fairly remunerates directors for work required in a company of BPI's size and scope. As provided by our Amended By-Laws and pursuant to a Board resolution, 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. In no case shall the total yearly compensation of the Board Directors exceed 1% of the Bank's net income before income tax during the preceding year.

Board members receive per diems for each occasion of attendance at meetings of the Board or of a board committee. All fixed or variable remuneration paid to directors may be given as approved by stockholders during the Annual Stockholders Meeting, upon recommendation of the Personnel and Compensation Committee. Other than the usual per diem arrangement for Board and Committee meetings and the aforementioned compensation of Directors, there is no standard arrangement as regards compensation of directors, directly or indirectly, for any other service provided by the directors for the last completed fiscal year.

Board members with executive responsibilities within the BPI group are compensated as fulltime officers of the company, not as Executive Directors or Non-Executive Directors. No director participates in discussions of the remuneration scheme for himself or herself. Historically, total compensation paid annually to all directors has been significantly less than the cap of 1% of the total net income stipulated by the Bank's Amended By-Laws. The remuneration policy is reviewed annually to ensure that it remains competitive and consistent with the Bank's high performance culture, objectives, and long-term outlook, risk assessment and strategies.

Retirement Policy

The best interests of BanKo are served by retention of directors that make very meaningful contributions to the Board and the organization, regardless of age. It is the Bank's strong view that with age often comes unmatched wisdom and experience, expert business judgement, invaluable industry and community relations and authority, and deeply ingrained appreciation of the principles of corporate governance.

The Bank believes that imposing uniform and fixed limit on director tenure is counter-productive as it may force the arbitrary retirement of valuable directors.

Nevertheless, the Bank has set a retirement age for Directors at 80 years old. In specific cases, the Board, in mutual agreement with the director, may opt to postpone said director's retirement depending on the following conditions:

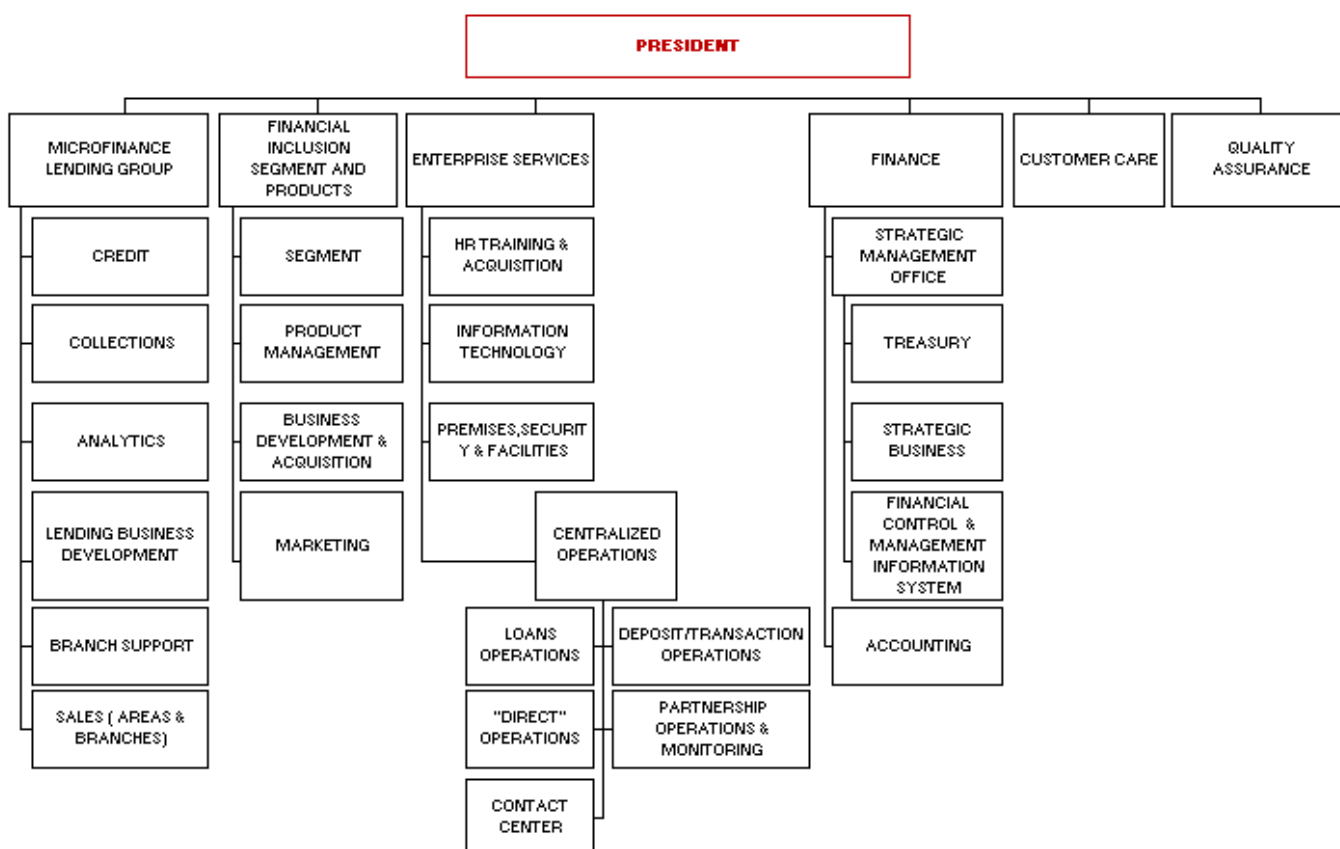
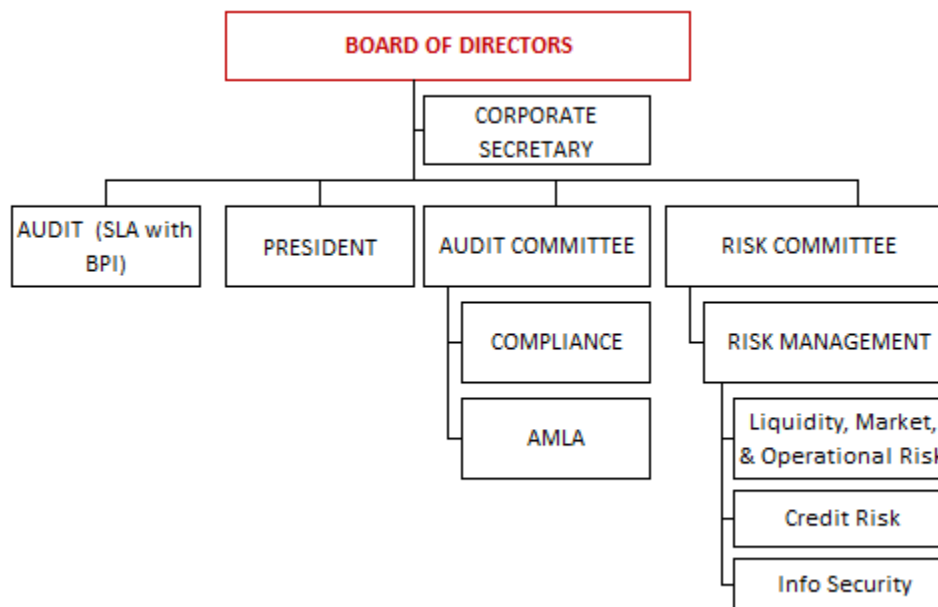
- i. Consistent and robust application of more dynamic and constructive corporate governance practices such as the annual Board's performance evaluation, regular succession planning, an exhaustive nomination process, and annual Fit and Proper assessment for more effective board refreshment.
- ii. The Board also evaluates all facts and circumstances when considering a director's tenure in accordance with good governance practices, including (without limitation) to accommodate the transition of a new CEO or new directors or to provide continuity to further strategic objectives or address external factors affecting the Bank.

Retirement of senior management is done with the requisite succession planning and in accordance with the Bank's policies and implementing guidelines of its retirement plan for all employees, the Bank's Amended By-Laws, Labor Code and the Corporation Code of the Philippines. Currently, the retirement age for employees of the Bank is set at 60 years of age.

OPERATING MANAGEMENT

The following is an overview of the Bank's principal activities and its functional organization (as of December 31, 2018):

TABLE OF ORGANIZATION



RISK MANAGEMENT

Comprehensive Framework

Risk management in the Bank covers all perceived areas of risk exposure, even as it continuously endeavors to uncover hidden risks. Capital management is understood to be a facet of risk management. The Board of Directors is the Bank's principal risk and capital manager, and the Bank's only strategic risk taker. The Board of Directors provides written policies for overall risk management, as well as written procedures for the management of credit risk, operational and IT risk, foreign exchange risk, interest rate risk, equity risk, liquidity risk, and contingency risk, among others.

The primary objective of the Bank is the generation of recurring acceptable returns to shareholders' capital. To this end, the Bank's policies, business strategies, and business activities are directed towards the generation of cash flows that are in excess of its fiduciary and contractual obligations to its depositors, and to its various other funders and stakeholders.

To generate acceptable returns to its shareholders' capital, the Bank understands that it has to bear risk, that risk-taking is inherent in its business. Risk is understood by the Bank as the uncertainty in its future income - an uncertainty that emanates from the possibility of incurring losses that are due to unplanned and unexpected drops in revenues, increases in expenses, impairment of asset values, or increases in liabilities.

The possibility of incurring losses is, however, compensated by the possibility of earning more than expected income. Risk-taking is, therefore, not entirely a bad step to be avoided. Risk-taking presents opportunities if risks are accounted, deliberately taken, and are kept within rationalized limits.

The most important risks that the Bank manages are credit risk, liquidity risk, market risk, operational and information technology (IT) risks. Market risk includes currency exchange risk, interest rate risk and other price risks.



Credit Risk

The Bank takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Bank by failing to discharge an obligation. Significant changes in the economy, or in the prospects of a particular industry segment that may represent a concentration in the Bank's portfolio, could result in losses that are different from those provided for at the reporting date. Management therefore carefully manages its exposure to credit risk.

Credit exposures arise principally in loans and advances, due from BSP, due from other banks, and accrued interest receivable and accounts receivable under other resources, net.

In measuring credit risk of loans and advances at a counterparty level, the Bank considers three components (i) the probability of default by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development; and (iii) the likely recovery ratio on the defaulted obligations. In the evaluation process, the Bank also considers the conditions of the

industry/sector to which the counterparty is exposed, other existing exposures to the group where the counterparty may be related, as well as the client and Bank's fallback position assuming the worst-case scenario. Outstanding and potential credit exposures are reviewed to likewise ensure that they conform to existing internal credit policies.

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. The Bank has internal credit risk rating systems designed for retail accounts. The consumer credit scoring system is a formula-based model for evaluating each credit application against a set of characteristics that experience has shown to be relevant in predicting repayment. The Bank regularly validates the performance of the rating systems and their predictive power with regard to default events, and enhances them if necessary.

Market, Interest Rate in the Banking Book and Liquidity Risk

The Bank is exposed to market risk - the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is managed by the Risk Management Office (RMO) and confirmed by the Board of Directors.

Market risk management is incumbent on the Board of Directors through its Risk Management Committee (RMC). Market risk management in the Bank covers managing exposures to trading risk, foreign exchange risk, counterparty credit risk, interest rate risk of the banking book and liquidity risk.

At the management level, the Bank's market risk exposure is managed RMO, headed by the Bank's Chief Risk Officer (CRO) who reports directly to the RMC. In addition, Internal Audit is responsible for the independent review of risk assessment measures and procedures and the control environment.

The Bank reviews and controls market risk exposures of both its trading and non-trading portfolios. Trading portfolios include those positions arising from the Bank's market-making transactions.

Non-trading portfolios primarily arise from the interest rate management of the Bank's retail and commercial banking assets and liabilities.

Value-at-Risk (VaR) measurement is an integral part of the Bank's market risk control system. This metric estimates, at 99% confidence level, the maximum loss that a trading portfolio may incur over a trading day. This metric indicates as well that there is 1% statistical probability that the trading portfolios' actual loss would be greater than the computed VaR. In order to ensure model soundness, the VaR is periodically subject to model validation and back testing. VaR is supplemented by other risk metrics and measurements that would provide preliminary signals to Treasury and to the management to assess the vulnerability of Bank's positions. To control the risk, the RMC sets risk limits for trading portfolios which are consistent with the Bank's goals, objectives, risk appetite, and strategy.

Stress tests indicate the potential losses that could arise in extreme conditions that would have detrimental effect to the Bank's positions. The Bank periodically performs stress testing (price risk and liquidity risk) to assess the Bank's condition on assumed stress scenarios. Contingency plans are periodically reviewed to ensure the Bank's preparedness in the event of real stress. Results of stress tests are reviewed by senior management and by the RMC.

There are two types of interest rate risk - (i) fair value interest rate risk and (ii) cash flow interest rate risk. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may also result in losses in the event that unexpected movements arise.

The Board of Directors sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the RMO.

Interest rate risk in the banking book arises from the Bank's core banking activities. The main source of this type of interest rate risk is repricing risk, which reflects the fact that the Bank's assets and liabilities are of different maturities and are priced at different interest rates.

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The Bank's liquidity profile is observed and monitored through its metric, the Minimum Cumulative Liquidity Gap (MCLG). The MCLG is the smallest net cumulative cash inflow (if positive) or the largest net cumulative cash outflow (if negative) over the next three (3) months. The MCLG indicates the biggest funding requirement in the short term and the degree of liquidity risk present in the current cash flow profile of the Bank. The MCLG is computed monthly and reported in the RMC meetings. A red flag is immediately raised and reported to management and the RMC when the MCLG level projected over the next 3 months breaches the RMC prescribed MCLG limit.

Operational and Information Technology Risk

Our Operational and Information Technology Risk Management unit monitors risks arising from inadequate or failed internal processes, people, and systems or from external events such as natural disasters that damage physical assets, electrical or telecommunication failures that disrupt 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 our processes and services. We define IT risk as the risk of any potential adverse outcome arising from the use of or reliance on IT (i.e. computer hardware, software, devices, systems, applications and networks). IT risk includes, but is not limited to, information security, service availability, reliability and availability of IT operations, completion-on specification of IT development projects, and regulatory compliance pursuant to the Bangko Sentral's policy guidelines on Information Technology Risk Management.

Capital Adequacy

Capital adequacy ratio, or CAR, is a measure of the Bank's total qualifying capital relative to its risk-weighted assets, and indicates the ability of its capital funds to cover various business risks.

The Bank ensures compliance with regulatory and internal minimum capital adequacy requirements, referred to as the Bank's internal minimum CAR, or IMCAR, and the CAR management action trigger, or CARMAT, which incorporate the Bank's internal capital buffers and limit triggers, and capture risks beyond Pillar 1 (credit, market, and operational).

Furthermore, the Bank is responsible for assessing and raising the strategic capital needs of the Bank, as well as initiating approvals for dividend payments to shareholders.

Effective capital management supports the Bank's assets and absorbs losses that may arise from credit, market and liquidity, operational and IT, and other risk exposures. The Bank's capital management framework ensures that on stand-alone and group bases, there is sufficient capital buffer at all times to support the respective risk profiles of the various businesses of the Bank, as well as changes in the regulatory and accounting standards and other future events.

The Bank submits a comprehensive internal capital adequacy assessment process, or ICAAP, document annually to the Bangko Sentral through Parent Bank, in accordance with the Pillar 2 guidelines of the Basel framework.

As of December 31, 2018, BanKo's CAR stood at 19.99%, higher than the minimum regulatory requirement of 10% and the Bank's internally set IMCAR and CARMAT.

The table below shows the Bank's CAR components for 2018 and 2017:

2018	Risk (Php Mn)	
	2018	2017
Credit Risk	9,216	3,910
Market Risk	14	10
Operational Risk	1,298	1,329
Total	10,528	5,249
Capital Adequacy (Php Mn)	2018	2017
CET1/Net Tier1 ^{1/}	2,105	1,740
T2/Net Tier2 ^{2/}	93	39
Total QC ^{3/}	2,198	1,779
Total CRWA ^{4/}	9,216	3,910
Total MRWA ^{5/}	14	10
Total ORWA ^{6/}	1,298	1,329
TRWA ^{7/}	10,528	5,249
Ratios (%)		
CAR	20.88	33.60
CET1	19.99	33.14

^{1/} Common Equity Tier 1 Capital/Net Tier 1

^{2/} Tier 2 Capital/Net Tier 2

^{3/} Qualifying Capital

^{4/} Credit risk-weighted assets

^{5/} Market risk-weighted assets

^{6/} Operational risk-weighted assets

^{7/} Total risk-weighted assets

Related Party Transactions

In the ordinary course of business, the Bank has transactions with its directors, officers, stockholders and related interests (DOSRI) and with its Parent Bank such as cash deposit arrangements, purchase of investment securities and outsourcing of certain services, primarily loans operations, branch operations and human resource-related functions.

As part of the Bank's effort to ensure that transactions with related parties are normal banking activities and are done at arm's length, vetting is done either by the Board-level Corporate Governance Committee, depending on materiality, prior to implementation.

Significant related party transactions are disclosed in the Audited Financial Statements, particularly Note 19 on RPTs.

COMPLIANCE

Regulatory Compliance

The Bank views compliance to mean not only adherence to laws, regulations, and standards but, more importantly, the *consistent conduct of the affairs of the Bank within a culture of high integrity, bounded by conformity to ethical business practice, abiding by the principles of fair dealing, accountability and transparency*. This ensures that in all our areas of activity, the Bank and its stakeholders are protected from business risks as comprehensively as possible. We value most our reputation and the fact that we are trusted by our shareholders, clients, employees, partners, and members of the communities we serve.

Oversight of the management of the Bank's business risk and implementation of its compliance function is the responsibility of our Board of Directors, through the Audit Committee. At the management level, the compliance function is carried out by the Compliance Office, led by our Compliance Officer.

Anti- Money Laundering Compliance

The prevention of financial crimes is a top priority of Banko, not only because they pose a significant threat to our reputation, but because they weaken the integrity of the global financial system. Hence, 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.

The Compliance Office's Anti-Money Laundering Department is responsible for monitoring customer and counterparty transactions in compliance with the Anti-Money Laundering Law, its implementing rules and regulations, and Bangko Sentral Circular No. 950. Developed under the guidance of the Bangko Sentral's Money Laundering and Terrorist Financing Prevention Program.

Financial Consumer Protection

The Bank establish a financial consumer protection governance structure that aims to establish a business environment that protects the interest of financial consumers and 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.

Banko Customer Care Office in coordination with other units in BanKo Compliance Office shall be responsible for creating a Consumer Protection Compliance Program aimed at preventing or reducing regulatory violations and protecting customer from harm or loss associated with non-compliance.

Data Privacy

BanKo has a strong Data Privacy Policy in place, which describes to whom the policy applies to, what personal data the Bank collects and how such data is collected, how the Bank may use personal data for core business and marketing purposes, how the Bank may disclose and share such personal data, how such personal data is stored and retained, and how such data can be accessed or corrected. The Data Privacy Policy is posted on the company website and complies with the requirements of the Data Privacy Act and the National Privacy Commission.

Internal Audit and Control

The enterprise Internal Audit Division is an independent body that supports the BPI and its subsidiaries' respective Audit Committees in fulfilling its oversight responsibilities by providing an independent, objective, assessment on the adequacy and effectiveness of the Bank's risk management, internal controls, and governance processes through well-established risk-based audit plans. Internal Audit also ensures that the Bank's operating and business units adhere to internal process and procedures and to regulatory and legal requirements.

It collaborates with other assurance providers such as the Risk Management Office, Compliance Office, external auditors, and other oversight units for a comprehensive review of risks and compliance in the institution, and ensures that business units proactively manage the risk and compliance exposures.

The internal audit function as empowered by the Internal Audit Charter includes free access to all records, properties and personnel. In this respect, the Audit Committee reviews the internal audit function, including its independence and the authority of its reporting relationship. The Internal Audit Division continuously improves the capabilities of its auditors through continuous education on specialized areas knowledge, auditing techniques, regulations, and banking products and services.

The enterprise Internal Audit Division has an established quality assurance and improvement program to ensure that audit activities conform to the International Standards for the Professional Practice of Internal Auditing. The program includes periodic internal and external quality assessment and ongoing monitoring of the performance of the internal audit activity. Periodic internal assessment are conducted annually, while external quality assessments are conducted at least once every five years by a qualified independent validator. This unit maintains its "generally conforms" ratings on both internal and external assessment, which indicate that its activities have continuously conformed to professional standards, code of ethics, and other internal standards.

The Board appoints a Chief Audit Executive who reports functionally to the Board of Directors through the Audit Committee and administrative to the President. This ensures that the Chief Audit Executive is not dependent on any bank executive or operating officer for the security of his or her position. Additionally, it ensures that the Chief Audit Executive has access to the Board, on a confidential basis, and that the Internal Audit Divisions is independent of bank management, approves the external auditor's term of engagement and audit fees. They also oversee the resolution of disagreement and the external auditors in the event that they arise.

Dividend Policy

Stockholders have the right to receive dividends subject to the discretion of the Board. However, the Commission may direct Banko to declare dividends when its retained earnings is in excess of 100% of its paid-in capital stock, except:

- When justified by definite corporate expansion projects or programs approved by the Board;
- When Banko is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured;
- When it can be clearly shown that such retention is necessary under special circumstances obtaining, such as when there is a need for a special reserve for probable contingencies.

For 2018, as approved by the Board, the Bank has no dividend declaration as Bank's retained earnings will be used for branch expansion, capital expenditures and loan growth.

Corporate Social Responsibility Initiatives

BanKo's current mission is to provide financial solutions to the wide swathe of the population who are currently financially excluded or underserved with the hope that access to these facilities will ultimately raise their quality of life, and ultimately will redound to nation building. In 2018, with BanKo's NegosyoKo Loan, the Bank were able to serve 40,305 families.

Financial Consumer Protection Framework

BPI Direct BanKo handles customer inquiries and complaints through its Customer Care Unit, which provides report to BPI Parent's Customer Experience Management Office (CXMO) regularly. This is to ensure that customer feedbacks are captured and address accordingly and aligned with the Bank's Consumer Protection Policies.

For 2018, the Bank tracked and monitored customer issues and feedback concerning its products and services action plans were implemented to ensure that the most pressing and important issues raised by customers were resolved within the committed turn-around times.

SUPPLEMENTARY SCHEDULES ON CAPITAL AND RISK MANAGEMENT DISCLOSURES PURSUANT TO THE BANKO SENTRAL'S MEMORANDUM M-2017-011

Capital Structure

The Bank's qualifying capital for the years ended 2018 and 2017 were Php2.10 billion and Php1.74 billion, respectively. The Bank's total qualifying capital for 2018 and 2017 were largely composed of CET1 capital and Tier1 at 96.0% and 98.0%, respectively.

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

Capital Structure (Php Mn)	December 31, 2018			December 31, 2017		
	CET1/ Tier1	Tier 2	TOTAL	CET1/ Tier1	Tier 2	TOTAL
Core Capital	2,369	93	2,462	2,047	39	2,086
Paid-up common stock	405	-	405	405	-	405
Additional paid-in capital	-	-	-	-	-	-
Retained earnings	1,675	-	1,675	1,556	-	1,556
Undivided profits	286	-	286	80	-	80
Net unrealized gains or losses on AFS securities	-	-	-	2	-	2
Cumulative foreign currency translation	-	-	-	-	-	-
Remeasurements of Net Defined Benefit Liability (Asset)	3	-	3	4	-	4
Minority interest ^{1/}	-	-	-	-	-	-
General loan loss provision ^{2/}	-	93	93	-	39	39
Deductions	264	-	264	307	-	307
Total O/S unsecured credit accommodations ^{3/}	-	-	-	-	-	-
Total O/S unsecured loans ^{4/}	-	-	-	-	-	-
Deferred tax assets	237	-	237	264	-	264
Other intangible assets	20	-	20	30	-	30
Defined benefit pension fund assets	7	-	7	13	-	13
Investments in equity ^{5/}	-	-	-	-	-	-
Significant minority investments ^{6/}	-	-	-	-	-	-
Other equity investments ^{7/}	-	-	-	-	-	-
TOTAL QUALIFYING CAPITAL	2,105	93	2,198	1,740	39	1,779
% to Total	96%	4%	100%	98%	2%	100%

^{1/} Minority interest in subsidiary banks, which are less than wholly-owned

^{2/} General loan loss provision, limited to a maximum of 1% of credit risk-weighted assets, and any amount in excess thereof shall be deducted from the credit risk-weighted assets in computing the denominator of the risk-based capital ratio

^{3/} Total outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI)

^{4/} Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates

^{5/} Investments in equity of unconsolidated subsidiary banks and quasi-banks, and other financial allied undertakings

(excluding subsidiary securities dealers/brokers and insurance companies), after deducting related goodwill, if any (for solo basis only and as applicable) and Investments in equity of unconsolidated subsidiary securities dealers/brokers and insurance companies after deducting related goodwill, if any (for both solo and consolidated bases and as applicable)

^{6/} Significant minority investments (10%-50% of voting stock) in securities dealers/brokers and insurance companies, after deducting related goodwill, if any (for both solo and consolidated bases)

^{7/} Other equity investments in non-financial allied undertakings and non-allied undertakings

Credit risk-weighted assets. Using the Basel regulatory standardized approach, our total credit risk-weighted assets as of December 31, 2018 amounted to Php9.33 billion, and composed of on-book credit exposures after risk mitigation of Php9.21 billion.

The table below provides a summary of the Bank's credit risk-weighted assets for 2018 and 2017:

Credit RWAs (Php Mn)	Amount	
	2018	2017
Total RWA (On-balance sheet) ^{0/}	9,331	3,956
Total RWA (Off-balance sheet) ^{0/}	0	0
Total counterparty RWA (banking book) ^{1/}	0	0

Total counterparty RWA (trading book)	0	0
Total RWA credit-linked notes (banking book)	-	-
Total Gross RWA	9,331	3,956
Deductions: General loan loss provision ^{2/}	116	46
Total Credit RWAs	9,215	3,910

0/ Risk-weighted assets

1/ For derivatives and repo-style transactions

2/ In excess of the amount permitted to be included in upper Tier 2

Schedule A

December 31, 2018								
(Php Mn)	Exposure after risk mitigation		Risk Weights					Total CRWA ^{1/}
			0%	20%	50%	75%	100%	
Cash on hand	86	86	-	-	-	-	-	86
Checks and other cash items	-	-	-	-	-	-	-	-
Due from BSP	3,861	3,861	-	-	-	-	-	3,861
Due from other banks	885	-	-	824	-	61	-	885
Available-for-sale (AFS)	100	-	100	-	-	-	-	100
Held-to-maturity (HTM)	-	-	-	-	-	-	-	-
UDSCL ^{2/}	-	-	-	-	-	-	-	-
Loans and receivables	9,454	-	-	2,055	2,043	5,290	66	9,454
Loans and receivables - Others ^{3/}	300	300	-	-	-	-	-	300
Sales contract receivables	-	-	-	-	-	-	-	-
ROPA ^{4/}	57	-	-	-	-	-	57	57
Sub-total	14,744	4,247	100	2,879	2,043	5,351	123	14,744
Other assets	804	-	-	-	-	804	-	804
Total exposure, plus other assets	15,548	4,247	100	2,879	2,043	6,155	123	15,548
Total risk-weighted OBSA (no CRM) ^{0/5/}			20	1,439	1,532	6,155	185	9,332
Total risk-weighted OBSA (with CRM) ^{5/}			-	-	-	-	-	-
Total RWA (On-Balance Sheet)			20	1,439	1,532	6,155	185	9,332

December 31, 2018								
(Php Mn)	Exposure after risk mitigation		Risk Weights					Total CRWA ^{1/}
			0%	20%	50%	75%	100%	
Cash on hand	26	26	-	-	-	-	-	26
Checks and other cash items	-	-	-	-	-	-	-	-
Due from BSP	8,807	8,807	-	-	-	-	-	8,807
Due from other banks	967	-	-	882	-	85	-	967
Available-for-sale (AFS)	103	-	103	-	-	-	-	103
Held-to-maturity (HTM)	-	-	-	-	-	-	-	-
UDSCL ^{2/}	-	-	-	-	-	-	-	-
Loans and receivables	4,314	-	-	2,528	455	1,312	19	4,314
Loans and receivables - Others ^{3/}	165	-	-	-	-	-	-	165
Sales contract receivables	-	-	-	-	-	-	-	-
ROPA ^{4/}	76	-	-	-	-	-	76	76
Sub-total	14,458	8,999	103	3,409	455	1,397	95	14,458
Other assets	349	-	-	-	-	349	-	349
Total exposure, plus other assets	14,807	8,999	103	3,409	455	1,746	95	14,807
Total risk-weighted OBSA (no CRM) ^{0/5/}			21	1,705	342	1,746	142	3,956
Total risk-weighted OBSA (with CRM) ^{5/}			-	-	-	-	-	-
Total RWA (On-Balance Sheet)			21	1,705	342	1,746	142	3,956

^{1/} Credit risk-weighted assets

^{2/} Unquoted debt securities classified as loans

^{3/} Loans and receivables arising from repurchase agreements, certificates of assignment/participation with recourse, and securities lending and borrowing transactions

^{4/} Real and other properties acquired

^{5/} Not covered by, and covered by credit risk mitigants, respectively

Market risk-weighted assets. In terms of capital usage using the Basel standardized approach, total market risk-weighted assets stood at Php14 million as of end-2018, of which foreign exposures accounted for more than half, followed by interest rate exposures and equity exposures, respectively.

The table below presents the breakdown of the Bank's market risk-weighted assets for 2018 and 2017:

MARKET RWA (Php Mn)	2018	2017
Using standardized approach		
Interest rate exposures		-
Foreign exposures		9
Equity exposures		-
TOTAL MARKET RWA ^{0/}		9

^{0/} Risk-weighted assets

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 2018, the Bank's total operational risk-weighted assets stood at Php1, 329 million.

The table below presents the breakdown of the Bank's market risk-weighted assets for 2018 and 2017:

OPERATIONAL RWA (Php Mn)	2018	AMOUNT	2017
Gross income (a)	2,077		2,127
Capital requirement ^{1/}	311		319
Average capital requirement (b) ^{2/}	103		106
Adjusted capital charge (c) ^{3/}	129		133
TOTAL OPERATIONAL RWA ^{0/ 4/}	1,298		1,329

^{0/} Risk-weighted assets

^{1/} (a) multiplied by 15 percent

^{2/} Average of 15 percent of (a) for the past (3) years

^{3/} (b) multiplied by 125 percent

^{4/} (c) multiplied by factor 10

Corporate Information

The following is an overview of the Bank's major stockholders, including nationality, percentage of stockholdings and voting status (as of December 31, 2018):

AMENDED GENERAL INFORMATION SHEET (GIS)					
STOCK CORPORATION					
===== PLEASE PRINT LEGIBLY =====					
CORPORATE NAME:		BPI DIRECT BANKO, INC., A SAVINGS BANK (formerly BPI Direct Savings Bank, Inc.)			
TOTAL NUMBER OF STOCKHOLDERS:		10	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:		1
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: P 15,095,524,704.00					
STOCKHOLDER'S INFORMATION (as of 01 November 2018)					
NAME AND NATIONALITY	SHARES SUBSCRIBED				AMOUNT PAID (PhP)
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP	
1. BANK OF THE PHILIPPINE ISLANDS Filipino	Common A	3,455,712	345,571,200.00	100.00%	405,571,200.00
	Common B	600,000	60,000,000.00		
	TOTAL	4,055,712	405,571,200.00		
2. SIMON R. PATERNO Filipino	Common A	1	100.00	0.00%	100.00
	TOTAL	1	100.00		
3. IGNACIO R. BUNYE Filipino	Common A	1	100.00	0.00%	100.00
	TOTAL	1	100.00		
4. NATIVIDAD N. ALEJO Filipino	Common A	1	100.00	0.00%	100.00
	TOTAL	1	100.00		
5. JOSE FERDINAND B. DE LUZURIAGA Filipino	Common A	1	100.00	0.00%	100.00
	TOTAL	1	100.00		
6. RODOLFO K. MABIASEN, JR. Filipino	Common A	1	100.00	0.00%	100.00
	TOTAL	1	100.00		
7. JEROME B. MINGLANA Filipino	Common A	1	100.00	0.00%	100.00
	TOTAL	1	100.00		
8. AURELIO R. MONTINOLA, III Filipino	Common A	1	100.00	0.00%	100.00
	TOTAL	1	100.00		
9. MARIE JOSEPHINE M. OCAMPO Filipino	Common A	1	100.00	0.00%	100.00
	TOTAL	1	100.00		
10. JESUS V. RAZON, JR. Filipino	Common A	1	100.00	0.00%	100.00
	TOTAL	1	100.00		
TOTAL AMOUNT OF SUBSCRIBED CAPITAL		4,055,721	405,572,100.00	100.00%	405,572,100.00
TOTAL AMOUNT OF PAID-UP CAPITAL					
INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS					
<i>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.</i>					

Product and Services

DEPOSITS

Peso

Checking Account

Savings Account

Time Deposits Account

Foreign Currency

Savings Account

LOANS

Consumer

Auto Loans

Housing Loans

Microfinance

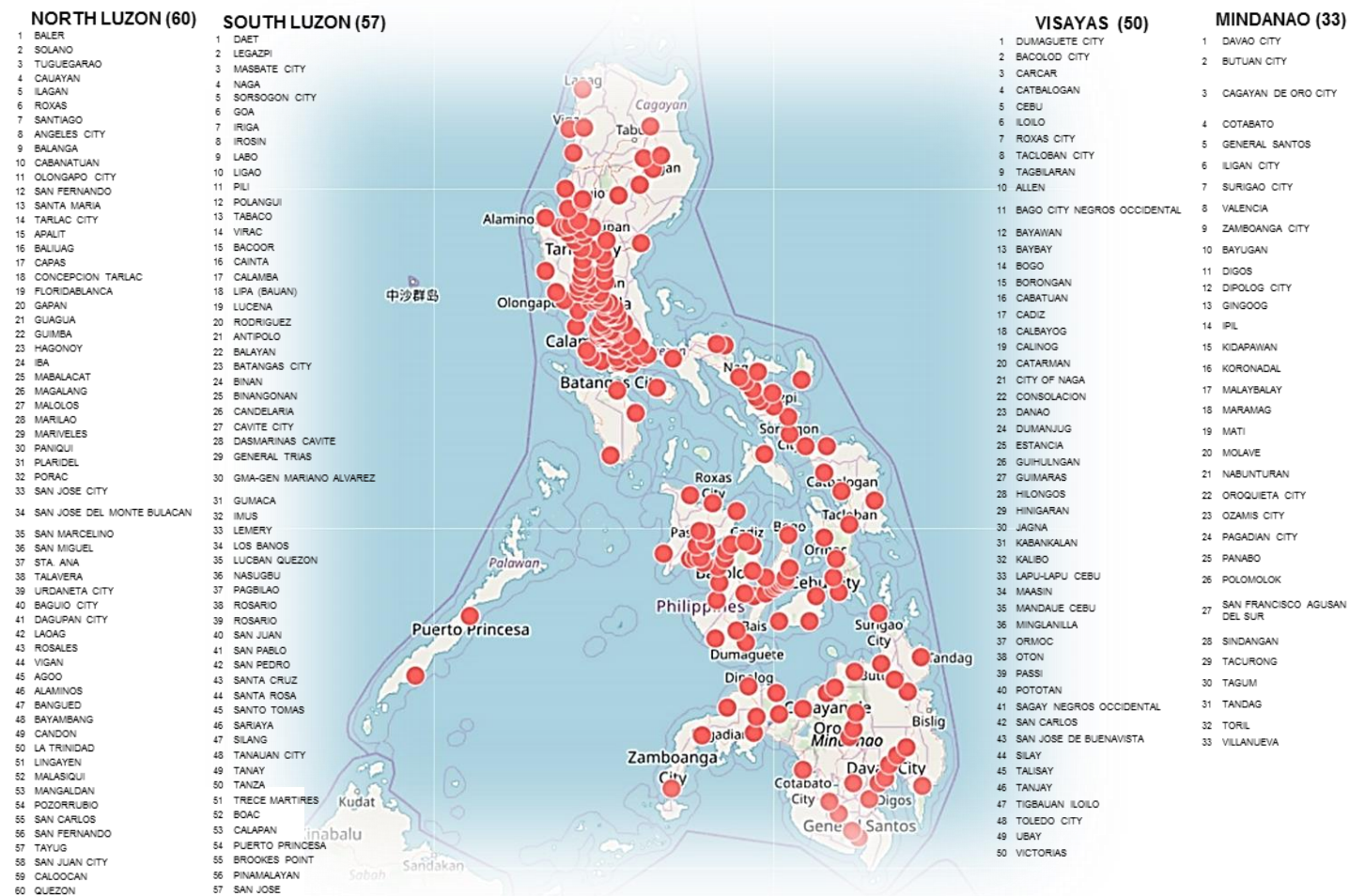
BanKo NegosyoKo Loan

Microdeposits

Bank Website

<http://www.banko.com.ph>

List of Banking Units



- NORTH LUZON (60)**
- BALER
 - SOLANO
 - TUGUEGARAO
 - CALAYAN
 - ILIGAN
 - ROXAS
 - SANTIAGO
 - ANGELES CITY
 - BALANGA
 - CABANATUAN
 - OLONGAPO CITY
 - SAN FERNANDO
 - SANTA MARIA
 - TARLAC CITY
 - APALIT
 - BALIUAG
 - CAPAS
 - CONCEPCION TARLAC
 - FLORIDABLANCA
 - GAPAN
 - GUAGUA
 - GUIMBA
 - HAGONOY
 - ISA
 - MAHALACAT
 - MAGALANG
 - MALCLOS
 - MARILAO
 - MARIVELES
 - PANQUI
 - PLARIDEL
 - PORAC
 - SAN JOSE CITY
 - SAN JOSE DEL MONTE BULACAN
 - SAN MARCELINO
 - SAN MIGUEL
 - STA. ANA
 - TALAVERA
 - URDANETA CITY
 - BAGUIO CITY
 - DAGUPAN CITY
 - LAOAG
 - ROSALES
 - VIGAN
 - AGOO
 - ALAMINOS
 - BANGUED
 - BAYAMBANG
 - CANDON
 - LA TRINIDAD
 - LINGAYEN
 - MALASIQUI
 - MANGALDAN
 - POZORRUBIO
 - SAN CARLOS
 - SAN FERNANDO
 - TAYUG
 - SAN JUAN CITY
 - CALOOCAN
 - QUEZON

- SOUTH LUZON (57)**
- DAET
 - LEGAZPI
 - MASBATE CITY
 - NAGA
 - SORSOGON CITY
 - GOA
 - IRIGA
 - ROSIN
 - LABO
 - LIGAO
 - PILI
 - POLANGUI
 - TABACO
 - VIRAC
 - BACOOD
 - CAINTA
 - CALAMBA
 - LIPA (BALUAN)
 - LUCENA
 - RODRIGUEZ
 - ANTIPOLO
 - BALAYAN
 - BATANGAS CITY
 - BINAN
 - BINANGONAN
 - CANDELARIA
 - CAVITE CITY
 - DASMARINAS CAVITE
 - GENERAL TRIAS
 - GMA-GEN MARIANO ALVAREZ
 - GUMACA
 - IMUS
 - LEMERY
 - LOS BANOS
 - LUCBAN QUEZON
 - NASUGBU
 - PAGBILO
 - ROSARIO
 - ROSARIO
 - SAN JUAN
 - SAN PABLO
 - SAN PEDRO
 - SANTA CRUZ
 - SANTA ROSA
 - SANTO TOMAS
 - SARIAYA
 - SILANG
 - TANAUAN CITY
 - TANAY
 - TANZA
 - TRECE MARTIRES
 - BOAC
 - CALAPAN
 - PUERTO PRINCESA
 - BROOKES POINT
 - PINAMALAYAN
 - SAN JOSE



- VISAYAS (50)**
- DUMAGUETE CITY
 - BACOLOD CITY
 - CARCAR
 - CATBALOGAN
 - CEBU
 - ILOILO
 - ROXAS CITY
 - TACLOBAN CITY
 - TAGBILARAN
 - ALLEN
 - BAGO CITY NEGROS OCCIDENTAL
 - BAYAWAN
 - BAYBAY
 - BOGO
 - BORONGAN
 - CABATUAN
 - CADIZ
 - CALBAYOG
 - CALINOG
 - CATARMAN
 - CITY OF NAGA
 - CONSOLACION
 - DANAO
 - DUMANJUG
 - ESTANCIA
 - GUIHULNGAN
 - GUIMARAS
 - HILONGOS
 - HINGARAN
 - JAGNA
 - KABANKALAN
 - KALIBO
 - LAPU-LAPU CEBU
 - MAASIN
 - MANDAUE CEBU
 - MINGLANILLA
 - ORIMOC
 - OTON
 - PASSI
 - POTOTAN
 - SAGAY NEGROS OCCIDENTAL
 - SAN CARLOS
 - SAN JOSE DE BUENAVISTA
 - SILAY
 - TALISAY
 - TANJAY
 - TIGBAUAN ILOILO
 - TOLEDO CITY
 - UBAY
 - VICTORIAS

- MINDANAO (33)**
- DAVAO CITY
 - BUTUAN CITY
 - CAGAYAN DE ORO CITY
 - COTABATO
 - GENERAL SANTOS
 - ILIGAN CITY
 - SURIGAO CITY
 - VALENCIA
 - ZAMBOANGA CITY
 - BAYLUGAN
 - DIGOS
 - DIPOLOG CITY
 - GINGOOG
 - IPIL
 - KIDAPAWAN
 - KORONADAL
 - MALAYBALAY
 - MARAMAG
 - MATI
 - MOLAVE
 - NABUNTURAN
 - OROQUETA CITY
 - OZAMIS CITY
 - PAGADIAN CITY
 - PANABO
 - POLOMOLOK
 - SAN FRANCISCO AGUSAN DEL SUR
 - SINDANGAN
 - TACURONG
 - TAGUM
 - TANDAG
 - TORIL
 - VILLANUEVA

COUNT	LOCATION	BRANCH TYPE	ADDRESS
1	Angeles, Pampanga	Branch	Romercial Purok 5, San Francisco St. Lourdes Northwest, Angeles City, Pampanga
2	Naga	Branch	3rd Floor, Nagaland, E-Mall, Penafrancia Ave., Naga City
3	Iloilo	Branch	161 Fuentes Street, Barangay San Jose, Iloilo City, Iloilo
4	Dumaguete	Branch	K12 Twin Arcade Bldg., Perdices St., Dumaguete
5	Davao	Branch	Door 110 JLF Parkway Bldg. Magallanes corner Tomas Claudio Sts., Davao City
6	General Santos, South Cotabato	Branch	Laiz Building, Santiago Blvd., General Santos City, South Cotabato
7	Cainta	Branch	Unit 7 ARDI Building, Ortigas Ave. Extension, Cainta Rizal
8	Lipa	Branch	10 Kapitan Simeon Luz, Barangay 4, Lipa City Batangas
9	Caloocan	Branch	G/F 98 A. Mabini Street, Maypajo, Caloocan City
10	Main Branch (Greenhills)	Branch	BanKO Center, Groundfloor Ortigas Avenue, North Greenhills, San Juan City
11	San Fernando, Pampanga	Branch	EKO Bldg. Consunji St., Barrio Sto. Rosario, San Fernando City, Pampanga
12	Legazpi, Albay	Branch	2/F Hotel Rex Building, Aguinaldo corner Penaranda Sts. Legaspi City, Albay
13	Iligan City, Lanao Del Norte	Branch	Door #4 Alco Building, Gregorio T. Lluch, Sr Ave. corner F. B. Laya St. Iligan City, Lanao Del Norte
14	Butuan City, Agusan Del Norte	Branch	Purok 7, Brgy. Limaha 14, Langihan Road, Butuan City, Agusan Del Norte
15	Santa Maria, Bulacan	Branch	J.C. De Jesus St., Poblacion Sta Maria, Bulacan
16	Dagupan City, Pangasinan	Branch	# 26 C Rizal St., Dagupan City, Pangasinan
17	Tarlac City, Tarlac	Branch	NP Magbag Bldg. F. Tanedo St. corner Zafiro St. San Nicolas Tarlac
18	Baguio City, Benguet	Branch	(2F) RG Balingit Bldg. along Kayang Road Baguio City
19	Tuguegarao, Cagayan Valley	Branch	Rizal Street, Corner Balzain Road, Tuguegarao City, Cagayan
20	Balanga, Bataan	Branch	(GF) Capinpin Road, Market Site, San Jose, Balanga City, Bataan

List of Banking Units

COUNT	LOCATION	BRANCH TYPE	ADDRESS
21	Puerto Princesa, Palawan	Branch	GSK Bldg. Lacao St. Puerto Princesa City, Palawan
22	Cagayan de Oro City, Misamis Oriental	Branch	Hayes St., Cogon, Cagayan De Oro City
23	Bacolod City, Negros Occidental	Branch	Unit 5 Ava Arcade San Sebastian St., Brgy. 13, Bacolod City, Negros Occidental
24	Roxas City, Capiz	Branch	(GF) Lot 382, Roxas Ave., Roxas City, Capiz
25	Tacloban City, Leyte	Branch	cor. Zamora St. Paterno St. Tacloban City, Leyte
26	Surigao City, Surigao del Norte	Branch	Borromeo - Magallanes St. Brgy. Washington Surigao City, Surigao Del Norte
27	Vigan, Ilocos Sur	Branch	Alcantara St. cor. Del Pilar Ext., Vigan City
28	Masbate City, Masbate	Branch	GoodStar Bldg., corner Cortidor Zurvito St., Masbate City
29	Calamba, Laguna	Branch	Parian Commerce Center, National Highway, Parish Brgy. Parian, Calamba, Laguna
30	Laoag, Ilocos Norte	Branch	2/F Conching Bldg., Rizal St., Brgy. 16, Laoag City, Ilocos Norte
31	Tagbilaran Bohol	Branch	6R's Bldg. Belderol St., Cogon, Tagbilaran City, Bohol
32	Calapan, Oriental Mindoro	Branch	JP Rizal St. San Vicente Central, Calapan, Oriental Mindoro
33	Lucena, Quezon	Branch	29A Quezon Avenue cor. Ravanzo St., Brgy I, Lucena City, Quezon
34	Cebu City	Branch	Unit 6, The Eden, Colon St., Kalubihan Cebu City
35	Solano, Nueva Vizcaya	Branch	1 De Luna Bldg. Espino St. Brgy. Quirino, Solano, Nueva Vizcaya
36	Baler, Aurora	Branch	Purok 2, Sitio Kinalapan, Bgy Pingit, Baler, Aurora
37	Cabanatuan, Nueva Ecija	Branch	Cor. Burgos and Sanciangco Sts., Brgy Fatima, Cabanatuan City, Nueva Ecija
38	Valencia, Bukidnon	Branch	NVM Mall, Guinoyuran Road, P-4, Poblacion, Valencia City, Bukidnon
39	Olongapo City, Zambales	Branch	GF 1995 Ave., West Bajac Bajac, Olongapo City, Zambales 2200
40	Sorsogon City, Sorsogon	Branch	Quezon St., Polvorista, Sorsogon City, Sorsogon
41	Bacoor Cavite	Branch	369 Gen. Aguinaldo Highway Unit C Talaba IV, Bacoor City, Cavite
42	Rodriguez, Rizal	Branch	#50 E. Rodriguez Hi-way cor. Kalantas St., Bgy San Jose, Rodriguez, Rizal
43	Boac, Marinduque	Branch	Del Mundo St. Cor Madrigal St., Brgy. Malusak, Boac, Marinduque
44	Rosales, Pangasinan	Branch	CSC Bldg, General Luna St., Zone 3, Poblacion, Rosales, Pangasinan
45	Daet, Camarines Norte	Branch	Bagasbas Road cor. Diego Linan St., Bgy 6, Daet, Camarines Norte
46	Carcar, Cebu	Branch	San Vicente St., Poblacion 1, Carcar City, Cebu
47	Cotabato City	Branch	Ground Floor Happy King Hotel and Restaurant Jose Lim St., Cotabato City
48	Catbalogan, Samar	Branch	2nd Floor Casa Cristina Hotel Building 152 San Roque St., Bgy. Poblacion 11, Catbalogan City, Samar
49	Zamboanga City	Branch	Jilron Bldg., La Purisima St. Zone II, Zamboanga City, Zamboanga del Sur;
50	CUBAO, QUEZON CITY	Branch	St. Anthony Bldg., Aurora Blvd., Bgy. E. Rodriguez, Cubao, Quezon City
51	Tabaco, Albay	BRANCH-LITE UNIT	VSP Building Riosa St., Divino Rostro, Tabaco City, Albay
52	Iriga, Camarines Sur	BRANCH-LITE UNIT	Unit 808-809 Transylit Building, Zone 4, Alfelor St, San Roque, Iriga City, Camarines Sur
53	Apalit, Pampanga	BRANCH-LITE UNIT	St. Jude Commercial Bldg., along MacArthur Highway, Brgy. San Vicente, Apalit, Pampanga
54	Guagua, Pampanga	BRANCH-LITE UNIT	G/F 174 Lapid Bldg., Brgy. Sto. Nino, Guagua Pampanga
55	Sta. Ana, Pampanga	BRANCH-LITE UNIT	945 San Joaquin Street, Brgy. San Bartolome, Sta. Ana, Pampanga
56	Bayawan, Negros Oriental	BRANCH-LITE UNIT	Lot 1-A corner Rizal and Bollos Sts., Brgy. Boyco, Bayawan City, Negros Oriental
57	Tanjay, Negros Oriental	BRANCH-LITE UNIT	Josephine Building, Lot 642, Magallanes St., Opao Barrio Poblacion, Tanjay City, Negros Oriental
58	Guihulngan, Negros Oriental	BRANCH-LITE UNIT	Nesto Commercial Space, ML Quezon St., Guihulngan, Negros Oriental
59	Tagum, Davao del Norte	BRANCH-LITE UNIT	DCC Building, Dalisay-Dante Toad, Brgy. Bagupo West, Tagum City, Davao Del Norte
60	Panabo, Davao del Norte	BRANCH-LITE UNIT	Asaje Realty Corporation Property, Prk. Tambis, Brgy. Sto. Nino, Panabo City

List of Banking Units

COUNT	LOCATION	BRANCH TYPE	ADDRESS
61	Digos, Davao del Sur	BRANCH-LITE UNIT	Unit 14, Bello Bldg., Gen. Luna St., Zone III, Digos City
62	Mati, Davao Oriental	BRANCH-LITE UNIT	Lot 12, Blk 13, Asaje Building, Central City of Mati, Davao Oriental
63	Pili, Camarines Sur	BRANCH-LITE UNIT	Guevarra St., Old San Roque, Pili, Camarines Sur
64	Ozamis City, Misamis Occidental	BRANCH-LITE UNIT	132 A Gomez Ext. Cor. Zulueta, Ozamis City, Misamis Occidental
65	Tanauan City, Batangas - through Lipa	BRANCH-LITE UNIT	Rafael Almeda Bldg., 110 A. Burgos St., Tanauan, Batangas
66	Baliuag, Bulacan - through Sta Maria	BRANCH-LITE UNIT	G/F, Juzmag Building, 321 B.S. Aquino Avenue, Brgy. Bagong Nayon, Baliuag, Bulacan
67	Urdaneta, Pangasinan	BRANCH-LITE UNIT	Mc Arthur Hi Way Brgy. Poblacion Urdaneta City, Pangasinan
68	Toril, Davao del Sur - through Davao	BRANCH-LITE UNIT	Purok 8 Vdlr Street, Lower Portion, Brgy. Bayabas Crossing, Toril District, Davao City
69	San Jose de Buenavista, Antique	BRANCH-LITE UNIT	Bantayan Road, San Jose, Antique
70	Gingoog, Misamis Oriental	BRANCH-LITE UNIT	Princity Bldg, Princetown, Gingoog National Hiway, Barangay 19 Gingoog, Misamis Oriental
71	Kidapawan, North Cotabato	BRANCH-LITE UNIT	Padilla St, Kidapawan City, Cotabato City, Maguindanao
72	Marilao, Bulacan - through Sta. Maria	BRANCH-LITE UNIT	208 Poblacion 2nd, Marilao, Bulacan
73	Iba, Zambales - San Fernando Pampanga	BRANCH-LITE UNIT	2nd flr. Purok 4 Paulien Subd. 284 National Road, Zone 1, Iba Zambales
74	Silang, Cavite	BRANCH-LITE UNIT	1 Yakal St. Brgy. San Miguel Uno Silang Cavite
75	Ilagan, Isabela	BRANCH-LITE UNIT	Rizal St., Brgy. San Vicente, Ilagan City, Isabela
76	Concepcion Tarlac	BRANCH-LITE UNIT	Arthur Go Bldg., L. Cortez St., San Jose Concepcion, Tarlac
77	Binangonan, Rizal	BRANCH-LITE UNIT	GMG Building, Block 1 Lot 1, Blueridge Village, Brgy. Tagpos, Binangonan, Rizal
78	Mandaue Cebu	BRANCH-LITE UNIT	Unit 1B, Zion Center, A. del Rosario St., Brgy. Guizo, Mandaue City Cebu
79	Estancia, Iloilo	BRANCH-LITE UNIT	E. Reyes Avenue, Poblacion Zone 2, Estancia, Ilo Ilo
80	Santa Rosa, Laguna	BRANCH-LITE UNIT	(GF) # 94 Rizal Blvd., Brgy. Tagapo, Sta. Rosa, Laguna
81	Gumaca, Quezon	BRANCH-LITE UNIT	JP Rizal St., Brgy., Penafrancia, Gumaca, Quezon
82	Kalibo, Aklan	BRANCH-LITE UNIT	Door F & G, Barrios Bldg., Roxas Ave., Extension, Kalibo, Aklan
83	Paniqui, Tarlac	BRANCH-LITE UNIT	G/F Patricia Anne Bldg. M.H. Del Pilar St. Estacion Paniqui, Tarlac
84	Kabankalan, Negros Occidental	BRANCH-LITE UNIT	ADA Bldg., G. Cordova St., Brgy. 3, Kabakalan City, Negros Occidental (GF)
85	La Trinidad, Benguet	BRANCH-LITE UNIT	Rose Buan Bldg., La Trinidad, Benguet
86	Tanay, Rizal	BRANCH-LITE UNIT	Road to Sampaloc, Plaza Aldea, Tanay, Rizal
87	Cabatuan, Iloilo	BRANCH-LITE UNIT	Rizal Street, Ilauod, Cabatuan, Iloilo
88	Malaybalay, Bukidnon	BRANCH-LITE UNIT	Brgy. 5 corner Moreno and Tabios St., Malaybalay City, Bukidnon
89	San Francisco Agusan Del Sur	BRANCH-LITE UNIT	Poblacion, Brgy. 04, San Francisco, Agusan Del Sur
90	Antipolo, Rizal	BRANCH-LITE UNIT	Cogeo Trade Hall, Antipolo City, Rizal
91	San Carlos, Negros Occidental	BRANCH-LITE UNIT	JL Tourist Inn, S. Carmona St., Brgy IV, San Carlos City, Negros Occidental (GF)
92	Gapan, Nueva Ecija	BRANCH-LITE UNIT	Brgy. San Vicente Bucana Gapan Nueva Ecija
93	Malolos, Bulacan	BRANCH-LITE UNIT	31 Tanjeco St., San Vicente, Malolos City, Bulacan
94	Santiago, Isabela	BRANCH-LITE UNIT	A and A Musngi Bldg, City Road, Centro East, Santiago City, Isabela
95	Cauayan, Isabela	BRANCH-LITE UNIT	King Street Mall #105 Rizal Avenue, District III (Pob.), Cauayan City Isabela, Region 2 Cagayan Valley
96	San Carlos, Pangasinan	BRANCH-LITE UNIT	#38 Rizal Ave. San Carlos City, Pangasinan
97	San Jose City, Nueva Ecija	BRANCH-LITE UNIT	126 Maharlika Road, Malasin, San Jose City, Nueva Ecija
98	Tacurong, Sultan Kudarat	BRANCH-LITE UNIT	JC Ave., City of Tacurong, Sultan Kudarat
99	Balayan, Batangas	BRANCH-LITE UNIT	Damballelos, Balayan, Batangas (infront Balayan Public Market)
100	Catarman, Samar	BRANCH-LITE UNIT	Corner Quirino St., Brgy., J.P. Rizal, Catarman, Northern Samar

List of Banking Units

COUNT	LOCATION	BRANCH TYPE	ADDRESS
101	Candelaria, Quezon	BRANCH-LITE UNIT	Del Valle Street, Candelaria, Quezon
102	Polomolok, South Cotabato	BRANCH-LITE UNIT	Sanchez Subdivision, Canary Road, Polomolok, South Cotabato
103	Ormoc, Leyte	BRANCH-LITE UNIT	Lamb Space Bldg., Carlos Tan corner Mabini St., Ormoc City, Leyte
104	Ligao, Albay	BRANCH-LITE UNIT	McKinley St., Centro Ligao City, Albay
105	Bangued, Abra	BRANCH-LITE UNIT	Badajos Bldg. McKinley St. Zone 2, Bangued, Abra
106	Lapu-Lapu Cebu	BRANCH-LITE UNIT	Umpad St. Poblacion Lapu Lapu City, Cebu
107	Danao, Cebu	BRANCH-LITE UNIT	Rizal St., Poblacion, Danao City, Cebu
108	Maasin, Southern Leyte	BRANCH-LITE UNIT	Oppus St., Tunga Tunga, Maasin City, Souther Leyte
109	Santa Cruz, Laguna	BRANCH-LITE UNIT	1618 J. Falcon St., Poblacion 5, Sta. Cruz Laguna
110	San Jose Del Monte Bulacan	BRANCH-LITE UNIT	MASJ Building (Unit D&E) Carriedo St., Muzon, SJDM, Bulacan
111	Silay, Negros Occidental	BRANCH-LITE UNIT	Prince Hypermart, Cor. Antonio Luna and Rizal St., Brgy I, Silay City, Negros Occidental
112	Sagay Negros Occidental	BRANCH-LITE UNIT	Avancena St. cor. Osmena St. Poblacion 1, Sagay City, Negros Occ.
113	Binan, Laguna	BRANCH-LITE UNIT	Bonifacio St. Canlalay, Binan, Laguna
114	San Jose, Occidental Mindoro	BRANCH-LITE UNIT	401 Capt. Cooper St., Poblacion, Brgy IV, San Jose, Occidental Mindoro
115	Polangui, Albay	BRANCH-LITE UNIT	Sapalicio St., Basud, Polangui, Albay
116	San Fernando, La Union	BRANCH-LITE UNIT	BHF Bldg., 147 P. Burgos St., Ilocanos Sur, San Fernando City, La Union
117	Batangas City, Batangas	BRANCH-LITE UNIT	Diego Silang St., cor M. de Jesus St., Batangas City, Batangas
118	Virac, Catanduanes	BRANCH-LITE UNIT	Brgy. Concepcion, Virac, Catanduanes
119	Koronadal, South Cotabato	BRANCH-LITE UNIT	149 Morales Ave., Salanga Bldg., Bgy. Gen. Paulino Santos, Koronadal City, South Cotabato
120	ROXAS, ISABELA	BRANCH-LITE UNIT	Bethany Hotel Bldg., Osmena St., Brgy. Bantug, Roxas, Isabela
121	TIGBAUAN ILOILO	BRANCH-LITE UNIT	Tupas St., Brgy. 6, Poblacion, Tigbauan, Ilo Ilo
122	BROOKES POINT, PALAWAN	BRANCH-LITE UNIT	NT Bldg., Poblacion District 2, National Highway, Brookes Point, Palawan
123	CADIZ, NEGROS OCCIDENTAL	BRANCH-LITE UNIT	Magsaysay Ext., Andrea Village, Brgy Zone 3, Cadiz City, Negros Occidental
124	Pinamalayan, Oriental Mindoro	BRANCH-LITE UNIT	Amando Marciano Bldg., cor Mabini and Quezon St., Brgy MarFrancisco Pinamalayan, Oriental Mindoro
125	Trece Martires, Cavite	BRANCH-LITE UNIT	13 Martyrs St., Mariden Bldg, Brgy. San Agustin, Trece Martires, Cavite
126	Consolacion, Cebu	BRANCH-LITE UNIT	Westside Properties, 803 V&G Subdivision, Brgy Nangka, Consolacion Cebu
127	Lingayen, Pangasinan	BRANCH-LITE UNIT	41 C. Avenida Rizal, East Poblacion, Lingayen, Pangasinan
128	Minglanilla, Cebu	BRANCH-LITE UNIT	1316 Natalio B. Bacalso, South National Highway, Poblacion Ward I, Minglanilla, Cebu
129	Dasmaringas Cavite	BRANCH-LITE UNIT	Unit 6 Ground Floor AVM Building, Isidro Mangubat ST., Bgy Zone IV, Dasmaringas, Cavite
130	Pototan, Iloilo	BRANCH-LITE UNIT	#5008 SRG Bldg., Villa Cecilia Sub., Bgy. Malusgod, Pototan, Iloilo
131	Rosario, Cavite	BRANCH-LITE UNIT	#248 Abutin Bldg., Gen. Trias Drive, Tejeros Convention, Bgy. Tejeros, Rosario, Cavite
132	Talisay, Cebu	BRANCH-LITE UNIT	Talisay Town Center Unit 12, Victorias St., Bgy. Tabunok, Talisay City, Cebu
133	GMA-Gen Mariano Alvarez, Cavite	BRANCH-LITE UNIT	Door 4 Congressional Road, Umerez Properties Bldg., Bgy. San Gabriel, GMA (formerly Carmona), Cavite
134	Cavite City, Cavite	BRANCH-LITE UNIT	P. Burgos Avenue, Caridad, Cavite City, Cavite
135	Sariaya, Quezon	BRANCH-LITE UNIT	Maharlika Highway, cor. Pablo St., Poblacion 4, Sariaya, Quezon
136	Lemery, Batangas	BRANCH-LITE UNIT	Miranda Building Ilustre Avenue, District 3, Lemery, Batangas
137	Guimaras, Iloilo	BRANCH-LITE UNIT	Zemkamps Chalet Bldg. Stall 5 & 6, New Site, San Miguel, Jordan, Guimaras
138	Plaridel, Bulacan	BRANCH-LITE UNIT	JMET's Building 215 J. Garcia St., Banga 1st, Plaridel, Bulacan
139	General Trias, Cavite	BRANCH-LITE UNIT	9026 C. M. Delos Reyes St., Bgy. Manggahan, Gen. Trias City, Cavite
140	Bayambang, Pangasinan	BRANCH-LITE UNIT	Rizal Ave., Poblacion Sur, Bayambang, Pangasinan

List of Banking Units

COUNT	LOCATION	BRANCH TYPE	ADDRESS
141	Bago City Negros Occidental	BRANCH LIGHT UNIT	2nd St., Marhil Subdivision, Poblacion, Bago City, Negros Occidental
142	Talavera, Nueva Ecija	BRANCH LIGHT UNIT	Maharlika Highway, Brgy Esguerra, Talavera, Nueva Ecija
143	Imus, Cavite	BRANCH LIGHT UNIT	R. Nuguid & Sons, Inc. Building, Emilio Aguinaldo Highway, Bgy. Tanzang Luma 3, Imus, Cavite
144	Lucban Quezon	BRANCH LIGHT UNIT	Quezon Avenue, Lucban, Quezon (beside Lucban Municipal Bldg)
145	Mangaldan, Pangasinan	BRANCH LIGHT UNIT	602 Rizal St., Bgy. Poblacion, Mangaldan, Pangasinan
146	Floridablanca, Pampanga	BRANCH LIGHT UNIT	Sta. Maria St., Poblacion, Floridablanca, Pampanga
147	San Juan, Batangas	BRANCH LIGHT UNIT	Gen. Luna St., Poblacion, San Juan, Batangas
148	Nasugbu, Batangas	BRANCH LIGHT UNIT	Brias St., Barangay 9, Nasugbu, Batangas
149	Bogo, Cebu	BRANCH LIGHT UNIT	J. Almerante St., Bgy San Vicente, Bogo City, Cebu
150	Baybay, Leyte	BRANCH LIGHT UNIT	Prince Town Baybay Unit N-24 A. Bonifacio St., Baybay City, Leyte
151	Ubay, Bohol	BRANCH LIGHT UNIT	Tan Nene St., Poblacion, Ubay, Bohol
152	Pagadian City, ZaBLUanga del Sur	BRANCH LIGHT UNIT	Ariosa St., San Francisco District, Pagadian City, ZaBLUanga del Sur
153	baybay, Leyte	BRANCH LIGHT UNIT	cor. Osmena St., Rizal St., Poblacion Centro, Calinog, Iloilo
154	Mariveles, Bataan	BRANCH LIGHT UNIT	Lot 1B, Jonalyn's Bldg., C.Pascua St., Poblacion, Mariveles, Bataan
155	Dipolog City, ZaBLUanga del Norte	BRANCH LIGHT UNIT	Quezon Avenue, Bgy. Central, Dipolog City, ZaBLUanga del Norte
156	Magalang, Pampanga	BRANCH LIGHT UNIT	Acejo, Arnel B. Bldg, Sta. Cruz, Magalang, Pampanga
157	Bayugan, Agusan del Sur	BRANCH LIGHT UNIT	Libres St., Taglatawan, Bayugan, Agusan del Sur
158	Maramag, Bukidnon	BRANCH LIGHT UNIT	Jacob, Juanity Bldg. P-2 South Poblacion, Maramag, Bukidnon (near D&M Enterprises)
159	Santo Tomas, Batangas	BRANCH LIGHT UNIT	Sierra Makiling Building, Km. 60.7, Maharlika Highway, Bgy. San Antonio, Sto. Tomas, Batangas
160	Guimba, Nueva Ecija	BRANCH LIGHT UNIT	Onjianco St., Bgy Sta. Veronica, Guimba, Nueva Ecija
161	Labo, Camarines Norte	BRANCH LIGHT UNIT	Don Juan Building 2, Bgy. Masalong, Labo, Camarines Norte
162	Candon, Ilocos Sur	BRANCH LIGHT UNIT	De Guia Building, Bgy San Juan, Candon City, Ilocos Sur
163	Pagbilao, Quezon	BRANCH LIGHT UNIT	Corner Alvarez Bonifacio St., Bgy. Del Carmen, Pagbilao, Quezon
164	Nabunturan, Davao	BRANCH LIGHT UNIT	Arellano St., Purok 5, Poblacion, Nabunturan, Compostela Valley
165	Mabalacat, Pampanga	BRANCH LIGHT UNIT	Clark Gateway Commercial Complex, L290 & 292 Velasquez St., San Francisco, Mabacalat, Pampanga
166	Jagna, Bohol	BRANCH LIGHT UNIT	7S Shopping Center, Looc, Jagna, Bohol
167	Toledo City, Cebu	BRANCH LIGHT UNIT	V&U Bldg., corner Rafols and Poloyapoy St., Toledo City, Cebu
168	Tandag, Surigao del Sur	BRANCH LIGHT UNIT	Cabrera St., Purok Maligaya, Bag-ong Lungsod, Tandag City, Surigao del Sur
169	Irosin, Sorsogon	BRANCH LIGHT UNIT	St. Vincent Building Bgy. San Julian, Irosin, Sorsogon
170	Agoo, La Union	BRANCH LIGHT UNIT	56 National Highway, San Miguel, Agoo, La Union
171	Hilongos, Leyte	BRANCH LIGHT UNIT	C.V Alcuino St. Hilongos, Leyte
172	Capas, Tarlac	BRANCH LIGHT UNIT	Sto. Cristo St., Sto. Rosario, Capas, Tarlac
173	Hinigaran, Neg. Occidental	BRANCH LIGHT UNIT	Rizal B St., Bgy. 4, Poblacion, Hinigaran, Negros Occidental (beside Gasoline Station)
174	Villanueva, Misamis Occidental	BRANCH LIGHT UNIT	NVDCDC Building 1, National Highway, Katipunan, Villanueva, Misamis Oriental
175	Alaminos, Pangasinan	BRANCH LIGHT UNIT	BHF Blue Horizon Building, Quezon Avenue, Poblacion, Alaminos, Pangasinan
176	Oroquieta City	BRANCH LIGHT UNIT	John Paul Co. Bldg., Barrientos St., Poblacion 2, Oroquieta City, Misamis Occidental
177	Allen, Northern Samar	BRANCH LIGHT UNIT	Rizal St., Bgy. Sabang 1, Allen, Northern Samar
178	Ipil, ZaBLUanga Sibuyan	BRANCH LIGHT UNIT	Ipil Citi Suites Hotel Building Purok San Francisco, Poblacion, Ipil, ZaBLUanga Sibuyan
179	Molave, ZaBLUanga del Sur	BRANCH LIGHT UNIT	Rizal Ave., cor Quezon St., Purok Bulawanon, bgy. Madasigon, Molave, ZaBLUanga del Sur
180	Rosario, Batangas	BRANCH LIGHT UNIT	26 Carandang St. Brgy. C, Rosario, Batangas

List of Banking Units

COUNT	LOCATION	BRANCH TYPE	ADDRESS
181	Calbayog, Samar	BRANCH-LITE UNIT	Rosales Blvd., Bgy. Central, Calbayog City, Western Samar
182	Borongan, Samar	BRANCH-LITE UNIT	Brgy. Songco, Borongan City Eastern Samar
183	Sindangan, ZaBLUan	BRANCH-LITE UNIT	Gov. Lim St., cor. Mabini St., Poblacion, Sindangan, ZaBLUanga del Norte
184	Dumanjug, Cebu	BRANCH-LITE UNIT	Gaisano Grand Mall Dumanjug Unit DMG-ARS-03 (G/F Arcade) Villa St., cor. G. Gica St., Poblacion, Dumanjug, Cebu
185	Porac, Pampanga	BRANCH-LITE UNIT	General Luna St., Bgy. Cangatba, Porac, Pampanga
186	Goa, Camarines Sur	BRANCH-LITE UNIT	Rizal St. Brgy. Panday, Goa, Camarines Sur
187	Malasiqui, Pangasinan	BRANCH-LITE UNIT	JB Realty Calle Montemayor, Bgy. Poblacion, Malasiqui, Pangasinan
188	San Pedro, Laguna	BRANCH-LITE UNIT	14-E Luna St., Poblacion, San Pedro, Laguna
189	Oton, Iloilo	BRANCH-LITE UNIT	J.C. Zulueta St., Poblacion South, Oton, Iloilo
190	San Marcelino, Zamboanga	BRANCH-LITE UNIT	Delta Building, National Highway, Bgy. Consuelo Sur, San Marcelino, Zamboanga
191	Hagonoy, Bulacan	BRANCH-LITE UNIT	#2 Emilio Perez St., Purok 4, Bgy. Sto. Nino, Hagonoy, Bulacan
192	Pozorrubio, Pangasinan	BRANCH-LITE UNIT	Poblacion, District IV, Pozorrubio, Pangasinan
193	Tayug, Pangasinan	BRANCH-LITE UNIT	Corner Magtali St. and Bonifacio St., Bgy. Poblacion B, Tayug, Pangasinan
194	Passi, Iloilo	BRANCH-LITE UNIT	Padernilla St., Poblacion, Passi City, Iloilo
195	Victorias, Negros Occidental	BRANCH-LITE UNIT	Lot 51-54 Blk 1 Osmena Avenue, Brgy 13, Victorias City, Negros Occidental
196	Tanza, Cavite	BRANCH-LITE UNIT	Antero Soriano Highway, Poblacion 4., Tanza, Cavite
197	San Pablo, Laguna	BRANCH-LITE UNIT	A. Flores St., Bgy. 7-C, San Pablo City, Laguna
198	San Miguel, Bulacan	BRANCH-LITE UNIT	Tecson St., Bgy. San Jose, San Miguel, Bulacan
199	City Of Naga, Cebu	BRANCH-LITE UNIT	National Highway, South Poblacion, City of Naga, Cebu
200	Los Banos, Laguna	BRANCH-LITE UNIT	Ocho Miembros Bldg., Brgy. Maahas, National Highway Los Baños, Laguna