

January 17, 2023

BPI shareholders approve BPI and Robinsons Bank merger

In a special stockholders' meeting today, Bank of the Philippine Islands (BPI) shareholders approved the proposed merger between BPI and Robinsons Bank Corporation (RBC), with BPI as the surviving entity, subject to regulatory approvals.

"The proposed merger with Robinsons Bank Corporation will unlock various synergies across several products and service platforms and expand the customer and deposit base of both banks," BPI President and CEO Jose Teodoro K. Limcaoco said during the special stockholders meeting on Tuesday.

With RBC's consumer loans posting a 30% compounded annual growth rate (CAGR) over the past five years, the bank's consumer loans account for 42% of its loan mix, while BPI's comprise 20%. As the relatively high mix of consumer loans has been a key driver for net income growth, it is aligned with BPI's aspirations of increasing its consumer loans to 30% of its total loan book.

"Apart from growing BPI's client and deposit base, and expanding synergies, the merger will increase shareholder value by providing BPI opportunities to collaborate across the Gokongwei Group's ecosystem, which includes market leading businesses in food manufacturing, air transportation, real estate and property development, and multi-format retail companies," Limcaoco said. "In addition, the merger will also expand BPI's access to the Gokongwei network, especially to the Filipino-Chinese market segment, which has been the significant advantage of our closest competitors.

Also during the special stockholders' meeting, shareholders approved the amendment of Article Seventh of the Bank's Articles of Incorporation to reflect:

- the increase in the Bank's authorized capital stock by Four Billion Pesos (Php4,000,000,000.00) to cover the required number of common shares to be issued to the RBC stockholders as a result of the proposed merger with Robinsons Bank, including a portion allocated for employee stock incentive plans;
- the combination of the 1.5% allocation of authorized common shares for the Executive Stock Option Plan and the 1.5% allocation of authorized common shares for the Stock Purchase Plan into a 3% allocation for all employee stock incentive plans;
- the denial of pre-emptive rights over the Four Hundred Six Million One Hundred Seventy-Nine Thousand Two Hundred Seventy-Six (406,179,276) treasury shares issued pursuant to the earlier merger between BPI and BPI Family Savings Bank to enable disposition thereof by BPI in accordance with Republic Act No. 8791, otherwise known as the General Banking Law of 2000.

ABOUT BPI

The 171-year-old Bank of the Philippine Islands is the first bank in the Philippines and Southeast Asia. We are licensed as a universal bank by the Bangko Sentral ng Pilipinas to provide a diverse range of financial services: deposit taking and cash management, payments, lending and leasing, asset management, bancassurance, investment banking, securities brokerage, foreign exchange and treasury. BPI has investment-grade ratings of BBB+ (S&P), Baa2 (Moody's), BBB (Capital Intelligence), and BBB- (Fitch).

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Press Release



Following the special stockholders meeting, BPI and RBC will sign the Plan of Merger and the Articles of Merger to formalize the merger, subject to receipt of final regulatory approvals. On effective date of the merger, BPI will issue primary common shares to the RBC stockholders that will result in the RBC Shareholders owning approximately 6% of the resulting outstanding common shares of BPI as of the effective date of the merger but in no case more than 318,912,319 primary common shares.

The merger will be effective on the first day of the calendar quarter following the completion of the regulatory approvals which is expected to be on 1 January 2024. The parties are in the process of filing with the Philippine Competition Commission and will file shortly with the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission.

BPI Capital Corporation acted as Deal Financial Adviser.

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