

## BANK OF COMMERCE INVESTOR RELATIONS FAQs

<b>FAQ</b>
<b>Inquiries on Bank of Commerce filing for an Initial Public Offering</b>
<b>Why did Bank of Commerce apply for an Initial Public Offering (IPO) of Common Shares?</b>
<p>Given the growth of Bank of Commerce (BankCom) as a Commercial Bank, its long-term strategy is to be upgraded to a Universal Bank which will allow it to offer new products to its Corporate and Retail customers. One of the requirements of becoming a Universal Bank is to be a publicly listed company on the Philippine Stock Exchange which is the reason why the Bank has applied to list.</p> <p>The application for an IPO will have no immediate impact on the Bank's customers. Even before the IPO, the Bank's capital levels were well above BSP requirements and the industry average for local banks. Regardless of the outcome of this application, the Bank will continue to focus on servicing its customers' needs.</p> <p>On November 2, 2022, BankCom disclosed to the Philippine Stock Exchange (PSE) that it had been conferred by the Bangko Sentral ng Pilipinas (BSP) the authority to operate as a universal bank in the Philippines.</p> <p>Following its change of status to a universal bank from a commercial bank, BankCom is setting its sights on playing a more significant role in SMC Corporation's overall efforts to help boost the Philippine economy. It plans to achieve this by providing smart financial solutions, investing to upgrade its systems and strengthening its capabilities to enhance customer experience to more segments. It also plans to expand through new strategic business lines such as investment banking which successfully acted as a selling agent for two of the country's largest bond issuances in 2022.</p>
<b>Additional questions on IPO</b>
<p>Due to the regulations around releasing information on the application for an IPO, we will have to refer you to the Bank's website for the <a href="#">prospectus</a> document which contains all the publicly available information for the transaction.</p> <p>If you have additional questions that are not answered in the prospectus, please reach out to:</p> <p>Robby Carlo J. Gaerlan Assistant Vice President and Head Corporate Planning Division Bank of Commerce 12/F San Miguel Properties Centre E-mail Address: <a href="mailto:InvestorRelations@bankcom.com.ph">InvestorRelations@bankcom.com.ph</a></p>
<b>Corporate Information</b>
<b>1.1 What is Bank of Commerce's Corporate Name?</b>
<p>The Bank's official name is Bank of Commerce, effective November 1991. The Bank's official shortname is "BankCom", which bears a copyright license issued in December 2020.</p>
<b>1.2 Where is BankCom's head office located?</b>
<p>BankCom's Head Office is located at San Miguel Properties Centre, No.7 St. Francis St., Mandaluyong City.</p>

<b>1.3 What are BankCom's core values and mission statement?</b>
Please refer to the Mission, Vision and Service Promise; and Corporate Philosophy Section under the About Us page of the corporate website.
<b>1.4 What are BankCom's major milestones?</b>
Please refer to the Company Profile under About Us section of the corporate website for BankCom's major milestones.
<b>1.5 What bank products and services are offered by BankCom?</b>
Bank of Commerce provides innovative banking solutions and a complete range of products and services in deposit, commercial loans, credit card services, consumer banking, corporate banking, treasury, asset management, transaction banking, and trust and investments. In terms of service reach, the Bank has online banking facilities for retail and corporate clients, BankCom [Personal] and BankCom [Business], respectively, and a new mobile banking app, to encourage consumers and corporate clients to transact regular banking services such as bills payment, fund transfers, card loading, and other services via these online banking platforms.  With its universal banking license, BankCom will be able to provide clients a broader range of financial solutions by being able to generate and warehouse interest-bearing assets such as marketable securities, and offer more investment banking products and services.  For a complete list, please click this <a href="#">link</a> . For the descriptions of these products, please refer to the Products section found in the homepage of this website.
<b>1.6 What is BankCom's ranking in the banking industry?</b>
As of September 2022, BankCom is ranked as the Top 15 <sup>th</sup> Bank in the Philippines in terms of Assets.
<b>1.7 How many branches does BankCom have? Where can I find a list of your branches?</b>
As of December 2022, BankCom has 140 branches and 259 Automated Teller Machines (ATMs) in the Philippines. Please refer to Branches/ATMs section of this website for the complete list of names and contact details of BankCom branches and ATMs.
<b>1.8 Where can I find a list of BankCom's correspondent banks?</b>
Please refer to Correspondent Banks under Remittance Partners section of the Remittance Services webpage under Personal Products section of this website for the Bank's list of correspondent banks.
<b>1.9 Where can I find a list of BankCom's Subsidiaries and Affiliates?</b>
Please refer to the Conglomerate Structure under the Corporate Governance section of the 2021 Annual Report which downloadable from the Financial Information – Annual Report section under About Us webpage of the corporate website.
<b>Board of Directors and Shareholder Matters</b>
<b>2.1 Who are the members of BankCom's Board of Directors and what is their business experience?</b>
Please refer to the Board of Directors section of the 2021 Annual Report downloadable from the Annual Report under Financial Information section of the About Us webpage of this corporate website.

<b>2.2 How many independent Directors comprise BankCom’s Board?</b>
BankCom has five (5) Independent Directors out of fifteen (15) total members of the Board of Directors (BOD). Please refer to the Board of Directors section under Corporate Governance of the 2021 Annual Report downloadable from the Annual Report under Financial Information section of the About Us webpage of this corporate website.
<b>2.3 Does BankCom have a term limit for Independent Directors?</b>
Yes. An Independent Director of BankCom may only serve as such for a maximum cumulative tenure of nine (9) years reckoned from 1 January 2012, after which the Independent Director shall be perpetually barred from re-election as such in the Bank but may continue to serve as a regular director of the Bank.
<b>2.4 Who are the members of BankCom's executive management and what is their business experience?</b>
Members of BankCom’s Senior Executive Team (SET) are enlisted in the Senior Executive Team section under About Us webpage of this corporate website.
<b>2.5 Who are BankCom’s major shareholders?</b>
BankCom’s controlling shareholders are the San Miguel Properties, Inc. and San Miguel Corporation Retirement Plan.  For more details, please refer to About Us section of this corporate website.
<b>2.6 When is BankCom’s Annual Stockholder’s Meeting?</b>
It was held virtually on April 29, 2022 with the proceedings livestreamed via Zoom.
<b>Compliance</b>
<b>3.1 Does the Bank have Anti-Money Laundering (AML) policies? Where can I find information on BankCom’s compliance with the Anti-Money Laundering Act (AMLA)?</b>
BankCom has AML policies in place. To see the Bank’s AML KYC Questionnaire and the Wolfsberg Anti-Money Laundering, please refer to the Compliance and AMLA webpage in the About Us section of this website.
<b>3.2 Is BankCom a signatory to the US Foreign Account Tax Compliance Act (FATCA)?</b>
Yes, BankCom signed up on June 2014 as a participating Foreign Financial Institution (FFI) in the US FATCA.
<b>Sustainability and Environmental, Social and Governance (ESG)</b>
<b>4.1 Which principles does the Bank’s sustainable development strategy adhere to?</b>
The Bank will use internationally recognized principles, such as UN Sustainable Development Goals (SDGs), as reference in developing its own ESG principles and objectives.
<b>4.2 Does the Bank have a Sustainability Framework?</b>

The Bank has a transition plan to produce its own Sustainability Framework by 2023 and has an ESG and Sustainability Framework Manual approved by the Board of Directors.

#### **4.3 What are the Bank's sustainability strategies?**

The Bank's sustainability strategies will be finalized and approved in 2023, in line with its transition plan.

#### **4.4 Are there any significant milestones of the Bank on sustainability?**

The Bank's Sustainability Framework is embodied in its ESG and Sustainability Framework Manual which was released in 2022. It identifies the possible sustainability principles that can be adopted by the Bank.

### **Financial Information**

#### **5.1 When does BankCom report its financial results?**

In accordance with regulatory requirements, BankCom reports to the Philippine Dealing System and Holdings Corporation (PDS) interim financial results within forty-five (45) days after the end of each quarter, while annual results are filed within 105 days after the end of the financial year with PDS and the Securities and Exchange Commission (SEC). Upon listing of its shares, BankCom will begin filing with SEC quarterly.

#### **5.2 What is the basis of preparation of BankCom's financial statements?**

The financial statements of BankCom are prepared in accordance with Philippine Financial Reporting Standards (PFRS).

For more details, please refer to Note 2 of the 2021 Audited Financial Statements published in the 2021 Annual Report under the Financial information section of this website.

#### **5.3 Who is BankCom's independent auditor?**

BankCom's independent auditor is R.G. Manabat & Co, a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited.

#### **5.4 Where can I obtain information on BankCom's latest financial results?**

BankCom's latest and historical financial results are available under Annual Reports of the Financial Information section under About Us webpage. The Audited Financial Statements (AFS) from 2018-2021 are also available for download from the corporate website.

#### **5.5 Are BankCom Annual Reports available online?**

BankCom Annual Reports are available for downloading under the Financial Information - Annual Report section under the About Us webpage of this website.

#### **5.6 Where can I access a copy of the Offering Circular for the Stock Rights Offer or Bonds and LTNCTD (Long-Term Negotiable Certificates of Time Deposit) previously issued by the Bank?**

The Offering Circular for the Bank's LTNCTD can be found under the LTNCTD section under the List of Products and Services webpage of this website.

### **Investor Relations**

#### **6.10 Who do I contact for inquiries about my shareholding?**

BankCom has resolved to develop and maintain a Program which will reflect standards of disclosure, dialogue and transparency. The primary objective of the Program is to foster quality communication flows between the Company and its stockholders, and to govern the organization and execution of the investor relations functions in the Bank.

Pursuant to this objective, the person named below has been appointed as Investor Relations Officer who may be contacted through the following contact details:

Robby Carlo J. Gaerlan  
Assistant Vice President and Head  
Corporate Planning Division  
Bank of Commerce  
12/F San Miguel Properties Centre  
Telephone Number: (+632) 8982-6062  
E-mail Address: InvestorRelations@bankcom.com.ph

#### **6.11 Where can I get specific details about the IPO?**

Please refer to the Bank's website for the [prospectus](#) document which contains all the publicly available information for the transaction.

#### **6.12 Where can I inquire about BankCom shares?**

For general inquiries concerning transactions using your existing shares, we recommend you reach out to your preferred stock brokerage.

For important disclosures about the Bank, please visit the PSE EDGE Portal at <https://edge.pse.com.ph/> and type in "BNCOM", the Bank's stock trading symbol, in the search box.

#### **6.13 How do I buy or sell BankCom shares?**

Purchase or sale of BankCom shares are coursed through stock brokerage firms accredited by the PSE. To get a complete list of accredited stockbrokers, visit the PSE website, [www.pse.com.ph](http://www.pse.com.ph), or contact the PSE through the following:

E-mail Address: info@pse.com.ph  
Tel. No.: (632) 8876-4888  
Fax No.: (632) 8891-9004

If you are a new investor, we recommend to go through the answers to frequently asked questions found at this website: <https://www.pseacademy.com.ph/LS/staticpages/id-1309854652920/FAQs.html>.

#### **6.14 What are the requirements for the replacement of lost stock certificates?**

Please follow the procedures under "Questions on the Replacement of Certificates of Stock" found in the website of our stock transfer agent, SMC Stock Transfer Service Corporation (STSC): <https://smcstocktransfer.com.ph/FAQ.html>.

#### **6.15 What are the requirements for the transfer of shares of deceased stockholders?**

Please follow the procedures on "Questions on Transfers of Shares of Stock" found in our stock transfer agent's website: <https://smcstocktransfer.com.ph/FAQ.html>.

#### 6.16 How have the proceeds from the IPO been utilized?

In addition to fulfilling the UB license requirement, the net proceeds from the IPO, which were initially estimated at PHP3.2 billion based on the offer price of PHP12.00 per share, were originally earmarked for the following purposes:

- 85% of the proceeds or PHP2.7 billion to support the Bank's loan book; and
- the remaining balance of 15% or PHP480.4 million will be used for acquisition of investment securities.

On October 26, 2022, BankCom disclosed to the PSE that having utilized more than 70% of its P3.367 Billion proceeds from its Initial Public Offering ("IPO") for loans and securities purchases, its management and its Board of Directors revisited the planned use of the remaining P940 Million for Information Technology ("IT") capital expenditure requirements. Negotiations with IT vendors indicated that the payment scheme for IT investments would stretch over multiple years, and with the significant increase in BankCom's profit run rate over the past year (2021), IT investments could already be fully funded by revenues from its regular banking operations. Given this, BankCom's Board of Directors approved during its meeting on October 25, 2022 the reallocation of the remaining P940 Million from the IPO proceeds for lending activities beginning in the 4th quarter of 2022.

On January 13, 2023, BankCom submitted to the PSE its Quarterly Progress Report on the Disbursement of Proceeds from the IPO, indicating that the IPO proceeds had been fully utilized. The Report showed that out of the outstanding balance of the proceeds as of September 30, 2022 amounting to P940.02 million, P937.70 million was used for lending activities and P2.32 million was used to settle additional IPO related expenses during the fourth quarter of 2022 (see table below).

Use of Proceeds	Amount (in PHP Millions)
Balance as of 30 September 2022	940.02
Less: IPO Related Expenses	2.32
Total	937.70
Less: Lending Activities	937.70
<b>Balance as of 31 December 2022</b>	<b>0.00</b>