



PHILAMLIFE AND BPI ANNOUNCE STRATEGIC LIFE INSURANCE JOINT VENTURE

Makati City, August 26, 2009. The Philippine American Life and General Insurance Company (Philamlife), the largest life insurer in the Philippines, and Bank of the Philippine Islands (BPI) have agreed to enter a strategic bancassurance joint venture. As a result, Philamlife has agreed to acquire a 51% stake in Ayala Life Assurance Inc. (Ayala Life), BPI's life insurance subsidiary. Ayala Life will serve as the platform for BPI and Philamlife's strategic bancassurance partnership.

The joint venture is expected to benefit from the combined synergies, first-class resources and strength of two leading companies in the Philippines' financial industry. Philamlife will bring insurance distribution, product development, and innovation to the joint venture, particularly in the area of bancassurance, while gaining exclusive access to BPI's customer base via its extensive branch network.

Philamlife's President and CEO Trevor Bull said, "This partnership is a direct result of our strategy to focus on the core life insurance and wealth management business. Philamlife and BPI are strong and trusted brand names in the industry. This is an exciting and positive development that will significantly increase our distribution footprint and offer a substantially wider selection of quality life insurance products to BPI's customers, which are keys to success under the growing popularity of bancassurance in the region."

BPI President and CEO Aurelio Montinola III said that this joint venture is fully in-line with BPI's vision to offer a full range of financial products and services to its customers. He said, "We always look for quality partners and we are excited about the prospects of this partnership with Philamlife. We believe that there are significant cross selling opportunities on both sides. We feel that in the same way that Philamlife will have access to our customer base for life insurance products, BPI will have reciprocal access to Philamlife's customers for banking products."

Philamlife is currently in the process of becoming part of the AIA Group, subject to regulatory approvals. The AIA Group is a leading pan-Asian life insurance organization with a unique heritage of serving the world's most dynamic region for 90 years, with over US\$60 billion in assets and a large base of over 20 million customers.

With 158 years of experience in the local banking industry, BPI is one of the largest universal banks in the Philippines today, offering a whole breadth of financial services to both retail customers and corporate clients. BPI serves more than 3 million customers through its network of over 800 branches and 1,500 Automated Teller Machines (ATMs) nationwide.

Ayala Life is the seventh largest life insurance company in the country today, with over Php1.8billion of gross premiums in 2008. For 2009, Ayala Life's gross premiums for the first seven months have already reached Php2.6billion, up 140% year-to-date, as a result of strong bancassurance sales. With over 129,000 policies in-force, Ayala Life offers a wide range of products from pure protection to savings and investments for both individuals and corporate clients.

The joint venture is subject to regulatory approvals.

BPI Capital and ING acted as financial advisors to BPI while Deutsche Bank acted as sole financial advisor to Philamlife and AIA for this transaction.

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About Philamlife

The Philippine American Life and General Insurance Company is the largest life insurance company in the Philippines and the market leader for over sixty years. Philamlife offers a comprehensive line of products that provide solutions to various financial needs including income protection, retirement, education, investment, health, personal accident, group life and credit life. Philamlife has more than a million individual and corporate policyholders, and maintains the most extensive network of offices and sales agencies nationwide.

Subject to regulatory approval, Philamlife will become part of the AIA Group, a leading pan-Asian life insurance organization with a unique heritage of serving the world's most dynamic region for 90 years.

About BPI

Founded in 1851, Bank of the Philippine Islands (BPI) is the oldest bank in the Philippines. BPI is the third largest commercial bank in the country in terms of total assets with significant market share in deposits, corporate and consumer lending, and asset management and trust business. The Bank also leads in the overseas Filipinos' remittance business, finance and operating lease business, government securities dealership, securities distribution, and foreign exchange business. BPI is the recognized leader in electronic banking, having introduced most of the firsts in the industry such as the automated teller machines (ATMs), a point-of-sale debit system, kiosk banking, phone banking, Internet banking, and mobile banking. It has the largest distribution network of over 800 branches and 1,500 ATMs.

BPI has the largest market capitalization in the industry and the highest credit ratings from international rating agencies.

About Ayala Life

Founded on April 27, 1933, Ayala Life Assurance, Inc. is a subsidiary of Bank of the Philippine Islands. Ayala Life is a full-service life insurance company, offering a wide-range of life insurance plans for individuals and corporate clients. Ayala Life offers financial solutions to address the different needs of the Filipinos, with its portfolio of products for basic protection, saving for college education, building capital for entrepreneurial venture, or accumulating funds for retirement.

Aside from its head office in the financial district of the Makati City, Ayala Life maintains more than 50 Business Development Offices & Satellite Offices nationwide with about 1,500 well-trained agency leaders and agents.

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