I would not be where I am today without twenty plus years of tutelage under Xavier Loinaz, my predecessor as president of Bank of the Philippine Islands.

I am told that he has a mixed reputation in the community—brilliant as a banker, rock solid on integrity, tough as a negotiator, and determined to plow through even alone when he believes in something. Others sometimes criticize him for being “unfeeling” when in fact he is only doing his job to protect the interests of his shareholders, or too blunt when dealing with employees not reaching his high standards of excellence.

I did not (and still do not) agree with him on everything—he has his style, I have mine—but there is no question I learned many valuable lessons from him.

Among these are:

1. Treat the bank’s money as if it were your own.
   Whenever there was a gray-area credit request of a below-market-pricing recommendation, he would ask the question, “If it were your money, would you do it?”

2. “Don’t wiggle”—make a rule then stick to it, no matter what.
   This was often one of the toughest rules to follow as, by nature, Filipinos (and I) have an exception mentality.
   Xavier’s view was that you used your best judgment to make the rule, and then you stuck to the rule as long as it was relevant. If you were consistent, in the end people would respect you, even if those requesting exceptions would feel you were too strict.

3. If you make an exception, you are either making a new rule or a new
precedent.

Once you decide for one, you have to be fair and decide the same way for all who come after.

4. "I am paid to worry.

Xavier saw risks where others didn't. Yet, he always believed that banking was a risk management business, and therefore there was nothing wrong with being conservative. Time would prove him right every time there was a crisis, and we have one every decade.

5. If you have to make a people decision, and you don't have the best choice, pick the best available and test him.

My biggest break came twice in the 1980s, both with corporate banking. In the first instance, he wanted a change and he convinced my boss (who thought I was too young and inexperienced) to split the territory in two and appoint me as Division Head. Next, in 1985, some key members of management left the Bank, and I was suddenly elevated (not the best, but the best available) to become Corporate Bank Head at the relatively young age of 35.

6. If you are not ready to make a decision (particularly on people choices), don't.

This is the opposite of the above, and is selectively applied when there is no severe time pressure. Put simply, if there is doubt on whether to promote or not, or to replace someone or not, don't decide; wait for six months to have a better view and better conviction on the process.

7. If the markets are low growth, and/or organic growth is slow, buy or merge.


8. Constantly develop emerging markets and innovate through technology.

We did ATMs in 1983, bought Family Bank for its consumer banking
business in 1985, developed phone banking, internet, and mobile, and significantly grew overseas banking by improving payment processes.

Today, we continue to use technology as a weapon in our never-ending drive to make banking more accessible, faster, and cheaper for the client.

In closing, there are probably other Xavier rules that I may have learned by osmosis working with him for twenty-five years, but these are the most striking ones I remember.

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