SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

 For the fiscal year er
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Dec 31, 2021

2. SEC Identification Number

34001

3. BIR Tax Identification No.

000-708-174-000

4. Exact name of issuer as specified in its charter

BDO Unibank, Inc.

5. Province, country or other jurisdiction of incorporation or organization Metro Manila

- 6. Industry Classification Code(SEC Use Only)
- 7. Address of principal office

BDO Corporate Center, 7899 Makati Ave., Makati City Postal Code 0726

8. Issuer's telephone number, including area code (632) 8840-7000 / 8702-6000

9. Former name or former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	4,385,938,015
Preferred	515,000,000

11	Are an	v or all o	f registrant's	securities listed	on a Stor	k Exchange?
	. Alt al	ıv oı alı o	1 104131141113	SCUILLICS HSLCU	UII a Side	n Excilative:

Yes
No

If yes, state the name of such stock exchange and the classes of securities listed therein: Philippine Stock Exchange - Common Shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)
Yes No
(b) has been subject to such filing requirements for the past ninety (90) days Yes No
13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form
P233,654,121,072.70 (P120.70 BDO share price as of December 31, 2021)
APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS
14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.
○ Yes No
DOCUMENTS INCORPORATED BY REFERENCE
15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:
(a) Any annual report to security holders
(b) Any information statement filed pursuant to SRC Rule 20
(c) Any prospectus filed pursuant to SRC Rule 8.1

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



BDO Unibank, Inc. BDO

PSE Disclosure Form 17-1 - Annual Report References: SRC Rule 17 and Section 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	Dec 31, 2021
Currency	PhP (in Millions)

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2021	Dec 31, 2020
Current Assets	1,339,369	1,394,406
Total Assets	3,623,749	3,374,900
Current Liabilities	2,936,671	2,663,174
Total Liabilities	3,199,201	2,981,879
Retained Earnings/(Deficit)	249,743	214,525
Stockholders' Equity	424,548	393,021
Stockholders' Equity - Parent	422,934	391,423
Book Value Per Share	95.26	88.11

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2021	Dec 31, 2020
Gross Revenue	206,233	212,241
Gross Expense	133,408	135,971
Non-Operating Income	-	-
Non-Operating Expense	17,063	30,240
Income/(Loss) Before Tax	55,762	46,030
Income Tax Expense	12,907	17,776
Net Income/(Loss) After Tax	42,855	28,254
Net Income/(Loss) Attributable to Parent Equity Holder	42,791	28,246
Earnings/(Loss) Per Share (Basic)	9.68	6.37
Earnings/(Loss) Per Share (Diluted)	9.68	6.37

Financial Ratios

	Farmula	Fiscal Year Ended	Previous Fiscal Year					
	Formula	Dec 31, 2021	Dec 31, 2020					
Liquidity Analysis Ratios:								
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	45.6%	52.4%					
Quick Ratio	(Current Assets - Inventory - Prepayments) / Current Liabilities	45.6%	52.3%					
Solvency Ratio	Total Assets / Total Liabilities	113.3%	113.2%					

Financial Leverage Ratios			
Debt Ratio	Total Debt/Total Assets	88.3%	88.4%
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	753.6%	758.7%
Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	512.0%	297.3%
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	853.6%	858.7%
Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	90.7%	85.1%
Net Profit Margin	Net Profit / Sales	20.8%	13.3%
Return on Assets	Net Income / Total Assets	1.2%	0.8%
Return on Equity	Net Income / Total Stockholders' Equity	10.1%	7.2%
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	12.5	16.8

Other Relevant Information

Please note that Financial Ratios are in percentage except for Price/Earnings Ratio.

Please see attached SEC Form 17-A for further reference.

Filed on behalf by:

Name	Elmer Serrano
Designation	Corporate Information Officer

COVER SHEET

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COMPANY INFORMATION Company's Email Address Company's Telephone Number/s (632) 8840-7000																														
No. of Stockholders						1	Annual Meeting Month/Day									Fiscal Year Month/Day														
December 31																														
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Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1.	For the fiscal year ended: 31 December 2021
2.	SEC Identification Number: 34001 3. BIR Tax Identification No. 000-708-174-000
4.	Exact name of registrant as specified in its charter: BDO UNIBANK, INC.
5.	Metro Manila, Philippines Province, Country or other jurisdiction of incorporation or organization 6. (SEC Use Only) Industry Classification Code:
7.	BDO Corporate Center, 7899 Makati Avenue, Makati City 0726
	Address of principal office Postal Code
8.	(632) 8840-7000
	Issuer's telephone number, including area code
9.	N.A Former name, former address, and former fiscal year, if changed since last report.
10.	Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA
	<u>Title of Each Class</u> <u>Number of Shares</u>
	Common Stock, ₽10.00 par value 4,385,908,115 (as of April 5, 2022) Preferred Stock, ₽10.00 par value 515,000,000
11.	Are any or all of these securities listed on a Stock Exchange.
	Yes [X] No []
	If yes, state the name of such stock exchange and the classes of securities listed therein:
	Philippine Stock Exchange 4,385,908,115 Common Shares (as of April 5, 2022)
12.	Check whether the issuer:

(a)	has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);			Sections 26 (12) months			
	Yes [X]	No []				
(b)	has been subject to such filing requirements for the past ninety (90) days.						
	Yes [X]	No []					
13.	Aggregate mar		•	,	non-affiliate	es: P 233,65	4,121,072.70

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Audited Financial Statements and Independent Auditors' Report (December 31, 2021, 2020 and 2019)

Supplementary Schedules Sustainability Report

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

1) Business Development

(a) Form and Year of Organization

BDO Unibank, Inc. (BDO or the "Bank"), originally known as Acme Savings Bank, was acquired by the SM Group in 1976. The SM Group is one of the largest conglomerates in the Philippines, with substantial interests in financial services, real estate development, and tourism and entertainment, founded around its core business in commercial centers and retailing. BDO listed its shares on the Philippine Stock Exchange (PSE) on 21 May 2002.

BDO is now the market leader in most of its core business lines following its merger with Equitable PCI Bank (EPCI) in May 2007. The Bank offers a complete array of products and services, i.e. Retail Banking, Lending (Corporate, Commercial, Consumer, and SME), Treasury, Trust, Credit Cards, Corporate Cash Management and Remittances. Through its subsidiaries, the Bank offers Leasing and Financing, Investment Banking, Private Banking, Bancassurance, Insurance Brokerage and Stock Brokerage services. It has one of the largest branch networks, with 1,470 operating domestic branches (including 288 BDO Network Bank, Inc. (BDO Network) (formerly One Network Bank, Inc.) branches) and two full-service branches in Hong Kong and Singapore. As of 31 December 2021, its network includes 16 overseas remittance and representative offices across Asia, North America, Europe and the Middle East, and 4,484 automated teller machines (ATMs) (including 332 BDO Network ATMs), 624 cash deposit machines and 9 self-service teller machines.

Over the past several years, the Bank has experienced significant growth. This resulted from organic growth arising from a wider array of products and services, as well as through mergers and acquisitions of banks. Sustaining earlier gains, the Bank is currently the largest bank in the Philippines in terms of total assets, loans, deposits and trust assets as of 31 December 2021.

BDO's diverse subsidiaries and investments in allied undertakings provide an extensive range of banking and other financial services. The Bank's subsidiaries and associates as of 31 December 2021 are as follows:

Philippine Subsidiaries	% Interest Held
Averon Holdings Corp.	100%
BDO Insurance Brokers, Inc.	100%
BDO Private Bank, Inc.	100%
BDO Finance Corporation	100%

BDO Rental, Inc.	100%
BDO Securities Corporation	99.99%*
BDO Strategic Holdings, Inc.	100%
BDO Capital & Investment Corporation	99.88%
BDO Life Assurance Company, Inc.	97%
BDO Leasing and Finance, Inc.	87.43%
BDO Network Bank, Inc.	84.87%
Armstrong Securities, Inc.	80%
Equimark – NFC Development Corp.	60%
Foreign Subsidiaries	% Interest Held
BDO Remit (Canada), Ltd.	100%
BDO Remit (Japan), Ltd.	100%
BDO Remit (Macau), Ltd.	100%
BDO Remit (USA), Inc.	100%
BDO Remit (UK) Ltd.	100%
BDO Remit (Spain) S.A.	100%
CBN Greece S.A.	99.92%
BDO Remit Limited	100%
BDORO Europe Ltd.	100%
BDO Remit International Holdings B.V.	96.32%
Associates	% Interest Held
SM Keppel Land, Inc.	50%
Taal Land, Inc.	33.33%
Northpine Land, Inc.	20%
NLEX Corporation (formerly Manila North Tollways Corporation)	11.70%
*	

^{*97.35%} owned via BDO Cap and 2.65% directly owned by BDO

None of the Bank's subsidiaries and associates is under any bankruptcy, receivership or similar proceedings. Further, such subsidiaries and associates have not engaged in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets that is not in the ordinary course of business.

2) Business of Issuer

(i) Principal Products and Services

BDO offers a wide array of Peso, Dollar, and Third Currency deposit products and services catering to a broad and diversified client base. These products cut across all age groups and

customer profiles (such as kids, young professionals, entrepreneurs, OFWs and their beneficiaries and retirees). Further details on the Bank's various deposit products can be accessed at its website www.bdo.com.ph.

Remittance

BDO's strength in providing top remittance services lies in its extensive international reach spanning Asia, Europe, North America, and the Middle East. On the distribution side, a strong domestic coverage consisting of the Bank's wide branch network and remittance partners that include, among others, ShoeMart (SM), thrift banks, pawnshops, as well as other financial service partners, complements the Bank's international presence. BDO also has tie-ups with SM and its partner establishments, as well as food outlets (like Jollibee and Max's) that provide clients with unique value-added services such as gift and food remittance delivery.

Trust Services

BDO has created and grown its trust services and investment product offerings to provide solutions for every kind of client or investor need under a trust or an agency agreement. It is currently the dominant player in the local trust industry and is the first local financial institution to breach the PhP 1 trillion assets under management (AUM) threshold as of end-2016. In the Unit Investment Trust Fund business, BDO also has a lion's share, a testament to its investment expertise.

Treasury

The Bank provides treasury products and services to clients ranging from retail, middle market and large corporates, both onshore and offshore. These services include purchase and sale of foreign exchange, fixed income securities as well as offering hedging tools (in the form of derivatives) to mitigate the clients' interest and foreign exchange risks. As the bank is committed to be its clients' partner for growth, the bank holds periodic economic briefings and forums to keep its clients abreast of the financial market conditions. This also serves as a venue for the bank to listen to the clients' needs and offer solutions. On several occasions, the Bank has been recognized and has been a recipient of various awards in the area of foreign exchange and fixed income securities.

Transaction Banking

BDO's transaction-based services provide high value-added cash management government entities, and small- and medium-enterprises (SMEs). The Bank's electronic banking services, which include the Bank's over 4,439 ATMs nationwide (including 275 ATMs under BDO Network), 599 cash deposit machines and five self-service tller machines, as well as browser-based, mobile app, and landline banking facilities, allow customers to access their accounts and perform an extensive range of banking transactions at their convenience anytime and anywhere. Meanwhile, the Bank's debit card facility lets customers enjoy the

convenience of hassle-free cashless payment and easy cash access using either pre-loaded or account-funded cards

Credit Cards

In the credit card industry, BDO issues the most brands in the country, namely Mastercard, Visa, JCB, UnionPay, Diners Club and American Express, including corporate and tie-up cards with different companies.

The bank likewise dominates the merchant acquiring business in the Philippines with BDO POS terminals being the pioneering terminals in the industry to accept the six (6) credit card brands and all locally issued ATM/Debit Cards.

Investment Banking

Through its subsidiary, BDO Capital & Investment Corp., the Bank provides expertise and optimal solutions to address the capital raising needs of corporations and government entities plus meet the investment needs of retail and institutional investors. The Bank's strong origination and structuring capabilities, robust distribution network, dominant presence in both the equities and capital markets, and established track record all highlight BDO's brand of investment banking.

Insurance

The Bank provides its clients non-life and group life insurance through BDO Insurance Brokers, Inc., a wholly owned subsidiary. The Bank also has a bancassurance license with BDO Life that permits it to market and sell individual life insurance products through its nationwide network, permitting customers access to a wide array of insurance products.

Trade Services

Trade finance plays a key role in the Bank. BDO's commitment to the trade business is reflected in its significant investments in technology, processing capabilities and people. BDO's strategy is to be able to provide a variety of trade solutions that fit clients' requirements at the least cost possible. We take a proactive role in finding out what our clients need and customize trade solutions to meet these needs.

Given BDO's leading standing in the industry and broad client coverage, BDO is able to capture a significant market share of customers' trade finance transactions.

BDO has the ability to offer competitive pricing because of its access to low-cost funding as well as preferential pricing from its network of correspondent bank relationships.

Trade transactions are being serviced in 5 Trade Processing Centers geographically located across the country with 3 centers in Metro Manila and one each in Cebu and Davao. These

centers are manned by around 100 employees who are trained in all aspects of international trade processing. Moreover, each center has a dedicated Customer Service team who are equipped to provide prompt response to clients' inquiries and concerns. We have also implemented groundbreaking services in the Philippines which include weekend banking and extended banking hours for our domestic branch network.

BDO is also able to service trade requirements of clients who would like to open their Letters of Credit offshore through the trade capabilities of BDO Hong Kong and BDO Singapore branches.

BDO offers a wide variety of documentary products and services including: 1) Letters of Credit (LC); 2) Import LC Openings and Negotiations; 3) Domestic LC; 4) Standby LCs; 5) Trust Receipt Financing; 6) Export Letters of Credit; 7) Export LC Advising and Confirmation; 8) Export Advances; 9) Export Bills Purchase; 10) Non-Letters of Credit; 11) Open account remittances; 12) Documents against Acceptance; and, 13) Documents against Payment.

International Desks

The International Desks (IDesks) of BDO's Institutional Banking Group comprise teams of relationship managers with international and local banking experience, dedicated to address the financial needs of foreign companies and nationals conducting business and/or with business interests, or residing in the Philippines, as well as embassies, diplomats, multilateral organisations, foreign chambers of commerce and international schools. IDesks' teams have been organized along geographic lines: ASEAN, China, EU, Japan, South Korea, North America/Australia and New Zealand, and Taiwan. Furthermore, several IDesks team members speak Japanese, Korean and the Chinese dialects of Mandarin and Fookien. In addition, IDesks' Multilateral and ECA (Export Credit Agency) Desk manage and facilitate specialized guarantee facilities and wholesale long term loan facilities for eligible clients and projects sourced from multilateral organizations such as the Asian Development Bank and the World Bank's International Finance Corporation; international export credit agencies such as the Japan Bank of International Cooperation and the Korea Export Import Bank; and domestically from the specialized lending facilities of the Development Bank of the Philippines, Land Bank, and the Social Security System.

Leasing

BDO Leasing and Finance provides leasing and financing products to commercial clients. Leasing products include direct leases and sale and leaseback arrangements. Its financing products consist of commercial and consumer loans, installment paper purchases, receivables discounting and factoring. Assets financed include automobiles, trucks, office equipment, industrial, agricultural and office machinery, real property, and financial assets such as receivables.

(ii) Distribution Methods of Products or Services

The Bank's products and services are available mainly through the branches, but select services are also accessible through other channels such as call centers, mobile and landline telephones, internet, and point-of-sale terminals The Bank's extensive distribution network provides it good market coverage that is superior to many of its competitors. Aside from a branch in Hong Kong and Singapore, and a consolidated domestic network of 1,542 operating domestic branches (including of 351 branches of BDO Network Bank, Inc.), the Bank has 4,484 ATMs (including of 332 ATMs under BDO Network Bank), 624 Cash Deposit Machines and 9 self-service teller machines as of 31 December 2021.

The Bank's foreign operation is comprised of banking branches in Hong Kong and Singapore along with various remittance subsidiaries operating in Asia, Europe, and the United States.

(iii) Status of Publicly Announced New Products or Service

None

(iv) Competition

The Philippine universal and commercial banking sector consists of 21 universal and 25 commercial banks. Of the 21 universal banks, 12 are private universal domestic banks, 6 are branches of foreign universal banks and 3 are government-controlled universal banks. Of the 25 commercial banks, 5 are private commercial domestic banks, 18 are branches of foreign banks and 2 are subsidiaries of foreign banks.

The total assets of the universal/commercial banking system as of 31 December 2021 reached P19.25 trillion.

As of 31 December 2021, the liabilities and capital liabilities of the universal/commercial banking system amounted to P16.90 trillion, while total deposits were at P15.02 trillion. The total capital accounts of the universal/commercial banking system amounted to P2.35 trillion as of December 2021.

Note: All the data used in the discussion above are from the BSP.

(v) Transactions with and/or Dependence on Related Parties

In the ordinary course of business, the Bank has loans, deposits and other transactions with its related parties, and with certain directors, officers, stockholders and related interest (DOSRI). These loans and other transactions are made on the same terms as with other individuals and businesses of comparable risks and in compliance with all regulatory requirements.

(vi) Patents, Trademarks, Licenses, Franchises, Concession, Royalty Agreement or labor contracts including duration

The Bank has registered the following trademarks with the Intellectual Property Office of the Philippines:

	Trademarks	Duration
1	Banco De Oro	May 12, 2011 to May 12, 2021
2	BDO Kabayan Auto Loan	September 13, 2013 to September 13, 2023
3	BDO Kabayan Home Loan	September 13, 2013 to September 13, 2023
4	BDO Kabayan Loans	September 13, 2013 to September 13, 2023
5	BDO Remit Cash Cards	September 13, 2013 to September 13, 2023
6	BDO Remit & Device	September 13, 2013 to September 13, 2023
7	BDO Kabayan Personal Loan	September 13, 2013 to September 13, 2023
8	BDO Cash Management	September 13, 2013 to September 13, 2023
9	BDO Asenso Kabayan and Logo	September 13, 2013 to September 13, 2023
10	BDO Kabayan Savings	September 13, 2013 to September 13, 2023
11	BDO Asenso Kabayan & Device	September 13, 2013 to September 13, 2023
12	BDO Kabayan Bills Bayad	September 13, 2013 to September 13, 2023
13	BDO Remit	September 13, 2013 to September 13, 2023
14	BDO Banco De Oro Kabayan Home Loan & Device	September 13, 2013 to September 13, 2023
15	BDO (Stylized and In Color)	September 13, 2013 to September 13, 2023
16	BDO On Site & Device	September 13, 2013 to September 13, 2023
17	BDO Banco De Oro Kabayan Loan & Device	September 13, 2013 to September 13, 2023
18	BDO Banco De Oro Personal Loan & Device	September 13, 2013 to September 13, 2023
19	BDO Banco De Oro Auto Loan & Device	September 13, 2013 to September 13, 2023
20	BDO Remit & Device	September 13, 2013 to September 13, 2023
21	BDO Banco De Oro in class 36	September 13, 2013 to September 13, 2023
22	BDO Unibank (wordmark)	September 13, 2013 to September 13, 2023

	Trademarks	Duration
23	BDO Unibank (Stylized and in Color)	September 13, 2013 to September 13, 2023
24	BDO Unibank (Stylized and in Color) in class 16	September 13, 2013 to September 13, 2023
25	BDO (Stylized and in Color) in class 16	May 9, 2014 to May 9, 2024
26	BDO Banco De Oro device in class 16	May 4, 2014 to May 4, 2024
27	BDO Securities Corporation	April 29, 2014 to April 29, 2024
28	BDO Capital & Investment Corporation	May 4, 2014 to May 4, 2024
29	BDO Foundation, Inc.	May 2, 2014 to May 2, 2024
30	BDO Private Bank in class 16 & 36	May 4, 2014 to May 4, 2024
31	BDO Leasing	May 4, 2014 to May 4, 2024
32	BDO Insurance Brokers, Inc.	May 4, 2014 to May 4, 2024
33	bdo.com.ph	May 4, 2014 to May 4, 2024
34	BDORO Europe Ltd. (blue) in class 16 & 36	April 3, 2014 to April 3, 2024
35	BDORO Europe Ltd. (blue & yellow) in class 16 & 36	April 3, 2014 to April 3, 2024
36	BDORO (color) in class 16 & 36	May 8, 2014 to May 8, 2024
37	BDORO (monochrome) in class 16 & 36	May 8, 2014 to May 8, 2024
38	Kabayan College Secure	June 30, 2008 to June 30, 2018
39	Kabayan College Secure & Device	June 30, 2008 to June 30, 2018
40	Kabayan Home Loan	June 23, 2008 to June 23, 2018
41	Kabayan Auto Loan	June 23, 2008 to June 23, 2018
42	Kabayan Personal Loan	June 30, 2008 to June 30, 2018
43	We find ways	November 20, 2014 to November 20, 2024
44	BDO Banco De Oro (Stylized) in class 36	May 7, 2015 to May 7, 2025
45	#bdobancodeoro	July 23, 2015 to July 23, 2025
46	#bdounibank	July 23, 2015 to July 23, 2025

	Trademarks	Duration
47	BDO Padala & Device	February 11, 2016 to February 11, 2026
48	#bdowefindways	December 17, 2015 to December 17, 2025
49	#wefindways	April 7, 2016 to April 7, 2026
50	#bdoremit	December 17, 2015 to December 17, 2025
51	#bdo	December 17, 2015 to December 17, 2025
52	One Network A Rural Bank of BDO (horizontal)	June 2, 2016 to June 2, 2026
53	One Network A Rural Bank of BDO (vertical)	June 2, 2016 to June 2, 2026
54	One Network A Savings Bank of BDO (horizontal)	June 2, 2016 to June 2, 2026
55	One Network A Savings Bank of BDO (vertical)	June 2, 2016 to June 2, 2026
56	One Network A Rural Bank of BDO Unibank (horizontal)	June 23, 2016 to June 23, 2026
57	One Network A Rural Bank of BDO Unibank (vertical)	June 2, 2016 to June 2, 2026
58	One Network A Savings Bank of BDO Unibank (horizontal)	June 23, 2016 to June 23, 2026
59	One Network A Savings Bank of BDO Unibank (vertical)	June 2, 2016 to June 2, 2016
60	One Network A Rural Bank of BDO (in series horizontal)	June 2, 2016 to June 2, 2026
61	One Network A Rural Bank of BDO (in series vertical)	June 2, 2016 to June 2, 2026
62	One Network A Savings Bank of BDO (in series horizontal)	June 2, 2016 to June 2, 2016
63	One Network A Savings Bank of BDO (in series vertical)	July 14, 2016 to July 14, 2026
64	One Network A Rural Bank of BDO Unibank (in series horizontal)	July 14, 2016 to July 14, 2026
65	One Network A Rural Bank of BDO Unibank (in series vertical)	July 14, 2016 to July 14, 2026
66	One Network A Savings Bank of BDO Unibank (in series horizontal)	July 7, 2016 to July 7, 2026

	Trademarks	Duration
67	One Network A Savings Bank of BDO Unibank (in series vertical)	July 7, 2016 to July 7, 2026
68	ONB	July 7, 2016 to July 7, 2026
69	One Network	July 28, 2016 to July 28, 2026
70	BDO Life (wordmark)	August 4, 2016 to August 4, 2026
71	BDO Life (monochrome black)	September 8, 2016 to September 8, 2026
72	BDO Life (monochrome blue)	September 8, 2016 to September 8, 2026
73	BDO Life (reverse black)	October 6, 2016 to October 6, 2026
74	BDO Life (reverse blue)	October 6, 2016 to October 6, 2026
75	We Protect (monochrome black)	September 1, 2016 to September 1, 2026
76	We Protect (in color)	September 1, 2016 to September 2, 2026
77	We Protect (reverse)	September 8, 2016 to September 8, 2026
78	We Protect (word)	September 8, 2016 to September 8, 2026
79	BDO Life (in color)	September 8, 2016 to September 8, 2026
80	BDO Life (reverse in color)	September 8, 2016 to September 8, 2026
81	BDO Invest Online	December 8, 2016 to December 8, 2026
82	Master the Art of Trading	December 8, 2016 to December 8, 2026
83	Diamond Rewards	November 5, 2015 to November 5, 2025
84	Sapphire Rewards	20 February 2015 to 20 February 2025
85	BDO Rewards (vertical)	November 10, 2014 to November 10, 2024
86	BDO Rewards (horizontal)	November 10, 2014 to November 10, 2024
87	Emerald Rewards	November 10, 2014 to November 10, 2024
88	Cash Agad (device)	August 4, 2016 to August 4, 2026
89	Cash Agad in Partnership with BDO	October 27, 2016 to October 27 2026
90	www.e-onb.com.ph	March 29, 2012 to March 29, 2022

	Trademarks	Duration
91	www.onenetworkbank.com.ph	March 29, 2012 to March 29, 2022
92	my life my bdo vertical	April 27,2017 to April 27, 2027
93	my life my bdo horizontal	April 27,2017 to April 27, 2027
94	just debit with bdo horizontal	May 11,2017 to May 11,2027
95	just debit with bdo vertical	May 11,2017 to May 11,2027
96	My Life, My BDO Debit	December 28, 2017 to December 28, 2027
97	My Life, My BDO Debit	May 11, 2018 to May 11, 2028
98	BDO Kabayan	March 1, 2018 to March 1, 2028
99	BDO Kabayan	December 21, 2017 to December 21, 2027
100	BDO Kabayan	December 21, 2017 to December 21, 2027
101	BDO Kabayan	December 21, 2017 to December 21, 2027
102	BDO Kabayan	December 21, 2017 to December 21, 2027
103	BDO Kabayan	November 23, 2017 to November 23, 2027
104	BDO Unibank	May 31, 2018 to May 31, 2028
105	BDO Unibank (Device)	May 31, 2018 to May 31, 2028
106	BDO Banco De Oro (Device)	May 31, 2018 to May 31, 2028
107	BDO Remit (Device)	May 31, 2018 to May 31, 2028
108	BDO We Find Ways (Dreamline)	February 3, 2018 to February 3, 2028
109	BDO We Find Ways (Dreamline)	February 3, 2018 to February 3, 2028
110	BDO We Find Ways (Dreamline)	February 3, 2018 to February 3, 2028
111	BDO We Find Ways (Dreamline)	February 3, 2018 to February 3, 2028
112	myPERA	April 5, 2018 to April 5, 2028
113	myBDOPERA	April 5, 2018 to April 5, 2028
114	MyPERA	April 5, 2018 to April 5, 2028

	Trademarks	Duration
115	MyBDOPERA	April 5, 2018 to April 5, 2028
116	BDOPERA	April 12, 2018 to April 12, 2028
117	BDO Easy Retirement Plan	October 14, 2018 to October 14, 2028
118	ERP	June 21, 2018 to June 21, 2028
119	BDO ERP	April 12, 2018 to April 12, 2028
120	BDO NETWORK BANK	August 29, 2019 to August 29, 2029
121	BDO NETWORK BANK, A RURAL BANK	August 29, 2019 to August 29, 2029
122	BDO NETWORK, A RURAL BANK	August 29, 2019 to August 29, 2029
123	BDO NETWORK BANK, INC.	August 29, 2019 to August 29, 2029
124	WE FIND WAYS	July 28, 2019 to July 28, 2029
125	Insure me, insurance made easy (white background	December 9, 2018 to December 9, 2028
126	Insure me, insurance made easy (blue background)	December 9, 2018 to December 9, 2028
127	Insure me, insurance made easy @SM (white background)	December 9, 2018 to December 9, 2028
128	Insure me, insurance made easy @SM (blue background)	December 9, 2018 to December 9, 2028
129	Insure me (white background)	September 9, 2018 to September 9, 2028
130	Insure me (blue background)	September 9, 2018 to September 9, 2028
131	WWW.INSUREME.NET.PH	December 30, 2018 to December 30, 2028
132	WWW.INSUREME.ORG.PH	December 30, 2018 to December 30, 2028
133	BDO WE FIND WAYS Application Number: 42019503945	November 7, 2019 to November 7, 2029
134	BDO We find ways (in black) Application Number: 42019503948	November 7, 2019 to November 7, 2029
135	BDO We find ways (in blue) Application Number: 42019503950	November 7, 2019 to November 7, 2029
136	BDO We find ways (in blue & yellow) Application Number: 42019503952	December 5, 2019 to December 5, 2029

	Trademarks	Duration
137	WE FIND WAYS (wordmark) Application Number: 42019503996	January 19, 2020 to January 19, 2030
138	WE FIND WAYS Application Number: 42019503997	January 19, 2020 to January 19, 2030
139	BDO (wordmark) Application Number: 42019503940	November 7, 2019 to November 7, 2029
140	We find ways (in blue) Application Number: 42019503941	November 7, 2019 to November 7, 2029
141	We find ways (in yellow) Application Number: 42019503942	November 7, 2019 to November 7, 2029
142	WWW.BDOINSURE.COM.PH	June 16, 2019 to June 16, 2029
143	BDO Network Bank Device Registration Number: 42018021523	August 8, 2019 to August 8, 2029
144	BDO Network Bank Device (in blue bg) Registration Number: 42018021524	February 15, 2020 to February 15, 2030
145	BDO Network Bank Device (in blue font) Registration Number: 42018021525	February 15, 2020 to February 15, 2030
146	BDO Network Bank Device (in yellow bg) Registration Number: 42018021526	February 15, 2020 to February 15, 2030
147	BDO Network Bank Device (in black font) Registration Number: 42018021527	December 1, 2019 to December 1, 2029
148	BDO Network Bank Device (in black bg) Registration Number: 42018021528	December 1, 2019 to December 1, 2029
149	BDO Network Bank Device (vertical) Registration Number: 42018021529	December 1, 2019 to December 1, 2029
150	BDO Network Bank Device (vertical in blue bg) Registration Number: 42018021530	January 2, 2020 to January 2, 2030
151	BDO Network Bank Device (vertical in blue font) Registration Number: 42018021531	December 1, 2019 to December 1, 2029
152	BDO Network Bank Device (vertical in black bg) Registration Number: 42018021532	December 1, 2019 to December 1, 2029
153	BDO Network Bank Device (vertical in black font) Registration Number: 42018021533	August 8, 2019 to August 8, 2029
154	BDO Network Bank Device (vertical in yellow bg) Registration Number: 42018021534	August 8, 2019 to August 8, 2029

	Trademarks	Duration
155	BDO Network Bank Device (horizontal 1-liner) Registration Number: 42018021535	August 8, 2019 to August 8, 2029
156	BDO Network Bank Device (horizontal 1-liner blue bg) Registration Number: 42018021536	August 8, 2019 to August 8, 2029
157	BDO Network Bank Device (horizontal 1-liner blue font) Registration Number: 42018021537	August 8, 2019 to August 8, 2029
158	BDO Network Bank Device (horizontal 1-liner black font) Registration Number: 42018021538	August 8, 2019 to August 8, 2029
159	BDO Network Bank Device (horizontal 1-liner black bg) Registration Number: 42018021539	January 12, 2020 to January 12, 2030
160	BDO Network Bank Device (horizontal 1-liner yellow bg) Registration Number: 42018021540	January 12, 2020 to January 12, 2030
161	WE FIND WAYS wordmark Registration Number: 42019501752	July 28, 2019 to July 28, 2029
162	BDO Network Bank Device (horizontal 2-liner yellow bg) Registration Number: 42019012899	April 4, 2020 to April 4, 2030
163	BDO Network Bank Device (vertical 2-liner yellow bg) Registration Number: 42019012898	April 4, 2020 to April 4, 2030
164	FIND YOUR WAY wordmark Registration Number: 42019505926	June 28, 2020 to June 28, 2030
165	BDO FINANCE wordmark Registration Number: 42020502655	November 20, 2020 to November 20, 2030
166	BDO FINANCE CORP. wordmark Registration Number: 42020502658	November 20, 2020 to November 20, 2030
167	BDO Finance Device Vertical Registration Number: 42020502662	December 6, 2020 to December 6, 2030
168	BDO Finance Device Horizontal Registration Number:42020502661	December 6, 2020 to December 6, 2030
169	BDO Prime Device horizontal Registration Number: 42020504860	December 18, 2020 to December 18, 2030

	Trademarks	Duration
170	BDO Prime Device horizontal Registration Number: 42020504857	December 18, 2020 to December 18, 2030
171	BDO Prime Device horizontal (in black bg) Registration Number: 42020504862	December 18, 2020 to December 18, 2030
172	BDO Prime Device A Service of BDO Securities Corporation horizontal (in black bg) Registration Number: 42020504858	January 15, 2021 to January 15, 2031
173	WWW.BDO-INSURE.COM.PH Registration Number: 42018503123	June 16, 2019 to June 16, 2029
174	WWW.BDO-INSUREME.COM.PH Registration Number: 42018503124	June 16, 2019 to June 16, 2029
175	WWW.BDOINSUREME.COM.PH Registration Number: 42018503126	June 16, 2019 to June 16, 2029
176	BDO Insure Device (horizontal logo blue bg) Registration Number: 42018504220	July 11, 2019 to July 11, 2029
177	BDO Insure Device (horizontal) Registration Number: 42018504221	July 11, 2019 to July 11, 2029
178	BDO Insure Device (vertical logo blue bg) Registration Number: 42018504222	July 11, 2019 to July 11, 2029
179	BDO Insure Device (vertical logo) Registration Number: 42018504223	July 11, 2019 to July 11, 2029
180	BDO INSURE wordmark Registration Number: 42018504224	July 11, 2019 to July 11, 2029
181	BDO PRIME (wordmark) Registration No. 42020504585	February 26, 2021 to February 26, 2031
182	BDO REMIT (wordmark) Registration Number: 42019503943	June 28, 2020 to June 28, 2030
183	BDO Prime A Service of BDO Securities Corporation Registration No: 42020504861	February 26, 2021 to February 26, 2031
184	BDO Prime A Service of BDO Securities Corporation Registration No: 42020504859	February 26, 2021 to February 26, 2031
185	BDO Prime Registration No: 42020506351	August 6, 2021 to August 6, 2031
186	BDO Prime Registration No: 42020506353	October 17, 2021 to October 17, 2031

	Trademarks	Duration
187	BDO Prime Registration No: 42020506354	August 29, 2021 to August 29, 2031
188	BDO Prime (blue font) Registration No: 42020506349	August 13, 2021 to August 13, 2031
189	BDO Prime (blue bg vertical) Registration No: 42020506352	August 6, 2021 to August 6, 2031
190	BDO Prime (Device in color horizontal) Registration No: 42020506350	August 6, 2021 to August 6, 2031
191	BDO Prime (Device in color horizontal blue bg) Registration No: 42020506348	August 8, 2021 to August 8, 2031
192	BDO PENSION 360 Registration No: 42021506817	July 30, 2021 to July 30, 2031
193	BDO PENSION 360° Registration No: 42021506819	July 30, 2021 to July 30, 2031
194	BDO EASY INVESTMENT PLAN Registration No: 42021506820	July 30, 2021 to July 30, 2031
195	BDO EASY INVEST PLAN Registration No: 42021506818	July 30, 2021 to July 30, 2031
196	BDO EASY PENSION PAY Registration No: 42021506816	July 30, 2021 to July 30, 2031
197	BDO Prime A Service of BDO Securities Corporation (black font vertical logo) Registration No: 42021506515	September 10, 2021 to September 10, 2031
198	BDO Prime A Service of BDO Securities Corporation (blue font vertical logo) Registration No: 42021506514	September 10, 2021 to September 10, 2031
199	BDO Prime A Service of BDO Securities Corporation (in color vertical logo) Registration No: 42021506516	September 10, 2021 to September 10, 2031
200	BDO Prime A Service of BDO Securities Corporation (blue font horizontal logo) Registration No: 42021506513	September 10, 2021 to September 10, 2031
201	BDO Prime A Service of BDO Securities Corporation (vertical logo blue bg) Registration No: 42021506512	September 10, 2021 to September 10, 2031
202	BDO Prime A Service of BDO Securities Corporation (horizontal logo)	August 29, 2021 to August 29, 2031

	Trademarks	Duration
	Registration No: 42021506510	
203	BDO Prime A Service of BDO Securities Corporation (horizontal logo blue bg) Registration No: 42021506509	August 29, 2021 to August 29, 2031
204	BDO Trade (horizontal logo black font) Registration No: 42021515870	November 25, 2021 to November 25, 2031
205	BDO Trade (vertical logo black font) Registration No: 42021515868	November 25, 2021 to November 25, 2031
206	BDO Trade (horizontal logo blue font) Registration No: 42021515874	November 25, 2021 to November 25, 2031
207	BDO Trade (vertical logo blue font) Registration No: 42021515873	November 25, 2021 to November 25, 2031
208	BDO Trade (horizontal logo blue bg) Registration No: 42021515867	November 25, 2021 to November 25, 2031
209	BDO Trade (vertical logo blue bg) Registration No: 42021515872	November 25, 2021 to November 25, 2031
210	BDO Trade (horizontal logo) Registration No: 42021515876	November 25, 2021 to November 25, 2031
211	BDO Trade (vertical logo) Registration No: 42021515871	November 25, 2021 to November 25, 2031
212	BDO Trade (horizontal logo white font blue bg) Registration No: 42021515875	November 25, 2021 to November 25, 2031
213	BDO Trade (vertical logo white font blue bg) Registration No: 42021515869	November 25, 2021 to November 25, 2031
214	BDO Network Bank, a Savings Bank Registration No: 42021518949	November 12, 2021 to November 12, 2031
215	BDO Network, a Savings Bank Registration No: 42021518948	November 12, 2021 to November 12, 2031

(vii) Governmental Approval of Principal Products or Services

The Bank secures approval from the Bangko Sentral ng Pilipinas (BSP) for all its products and services, as required.

(viii) Effect of Existing or Probable Governmental Regulations on the Business

Being a banking institution subject to the General Banking Law and banking regulations, BDO is under the supervision of the BSP, whose approval BDO requires to undertake certain activities. BDO strictly complies with the BSP requirements in terms of reserves, liquidity position, limits on loan exposure, cap on foreign exchange holdings, provision for losses, anti-money laundering provisions and other regulatory requirements.

(ix) Estimate of Amount Spent for Research and Development Activities

This is not applicable to the Bank.

(x) Total Number of Employees

The Bank has a total of 38,873 employees as of 31 December 2021 broken down as follows:

	Non-Officers	Officers	TOTAL
Total for Parent Company	17,149	15,165	32,314
Head Office	2,561	8,538	11,000
Branches	14,588	6,627	21,215
Total for Subsidiaries	1,919	4,640	6,550
TOTAL EMPLOYEES	19,068	19,805	38,873

The Bank's Collective Bargaining Agreement (CBA) with Banco De Oro Employees Association (BDOEA) covers staff level employees, except those as expressly excluded in the Agreement. The Agreement is effective for a period of five (5) years from 1 November 2020 to 31 October 2025. BDOEA is affiliated with Associated Labor Unions (ALU).

The Bank has not suffered any labor strikes in the past 30 years, and considers the maintenance of harmonious relations with its employees and the Union as one of its key human capital agenda.

The Bank anticipated having approximately 39,000 total employees (in all levels; including those not included in the CBA) by 31 December 2019.

(xi) Risk Management

Risk management at BDO begins at the highest level of the organization. At the helm of the risk management infrastructure is the Board of Directors who is responsible for establishing

and maintaining a sound risk management system. The Board of Directors assumes oversight over the entire risk management process.

The Board of Directors has the ultimate responsibility for all risks taken by the Bank. It regularly reviews and approves the institution's tolerance for risks, as well as, the business strategy and risk philosophy of the Bank. It takes the lead in disseminating the institution's risk philosophy and control culture throughout the organization. It approves strategies and implementing policies affecting the management of all types of risks relating to the Bank's activities. It sets the risk-based organizational structure that will implement and ensure the effectiveness of the overall risk control system of the Bank. Towards this end, it is regularly updated on developments that could materially affect the Bank's liquidity position or the value of its resources. Likewise, the Board is responsible for overseeing the investment and credit activities of the Bank.

The Board of Directors has created committees tasked with key functions in the over-all risk framework of the Bank. The Risk Management Committee (RMC) is responsible for the development and oversight of the Bank's risk management program. The Executive Committee (EXCOM) has responsibility over the approval processes of the Bank's loans and investments, property-related proposals, as well as, other credit-related issues over a prescribed amount delegated by the Board of Directors. The Asset and Liability Committee (ALCO) is tasked with managing the Bank's balance sheet and off-balance sheet activities, maintaining adequate liquidity, ensuring sufficient capital and appropriate funding to meet all business requirements within regulatory limits. The Risk Management Group (RMG) is mandated to adequately and consistently evaluate, manage, control, and monitor the overall risk profile of the Bank's activities across the different risk areas (i.e. credit, liquidity, market, interest rate, operational, and environmental and social risks).

The Bank operates an enterprise-wide risk management system to address the risks it faces in its banking activities, including credit, liquidity, market, interest rate, operational risks (including business continuity risk, IT risk, information security risk, data privacy risk, and social media risk), consumer protection risk, and environmental & social risks. The Bank's Risk Management Committee has overall responsibility for the Bank's risk management system and sets risk management policies across the full range of risks to which the Bank is exposed. It is responsible for approving the risk management plan developed by management, defining the policies, limits, and strategies for managing and controlling the major risks of the Bank. It oversees the system of limits of discretionary authority that the Board of Directors delegates to management under its purview, ensures that the system of limits of discretionary authority remains effective, that the limits are observed, and immediate corrective actions are taken whenever limits are breached. It is also responsible for evaluating the risk management plan as needed to ensure its continued relevance, comprehensiveness and effectiveness.

The Risk Management Committee is a Board-Level Committee composed of three (3) members of the Board of Directors, with Vicente S. Perez, Jr. (Independent Director) as Chairman, and Nestor V. Tan and Dioscoro I. Ramos (Lead Independent Director) as

members. Christopher A. Bell-Knight and Jones M. Castro, Jr. serve as Advisors alongside Vipul Bhagat as Independent Advisor.

Below is the attendance of the members for the Committee meetings in 2021:

	No. of Attended	Meetings	Total No. of Meetings	Percentage
Jones M. Castro, Jr.*	5		5	100%
Vicente S. Perez, Jr.**	7		7	100%
Dioscoro I. Ramos	11		11	92%
Nestor V. Tan	12		12	100%

^{*} RMC Chairman until 23 April 2021

Item 2 - Properties

Description of Property

1) Principal Properties Owned

A. Presented below is a list of the Bank's principal properties as of 31 December 2021 owned by the Bank and utilized as Head Offices:

No.	NAME	ADDRESS
1	BDO Building (Radio Marine - MTech)	BDO Bldg., Sen. Gil Puyat Avenue corner Paseo de Roxas, Brgy. Bel-Air, Makati City
2	BDO Corporate Center – Makati North Tower	BDO Corporate Tower, 7899 Makati Avenue cor. H.V. Dela Costa St., Makati City
3	BDO Corporate Center – Ortigas	12 ADB Avenue Ortigas Center Mandaluyong City
4	BDO Salcedo Center	156 Valero St. Salcedo Village Makati City

B. Presented below is a list of the Bank's principal properties as of 31 December 2021 owned by the Bank which are utilized as Head Offices and partly tenanted:

No.	NAME	ADDRESS
1	BDO Towers Paseo	8741 Paseo de Roxas Cor. Villar St. Salcedo Village Makati
2	BDO Towers Valero	Valero corner Villar St., Salcedo Village, Makati City, Metro Manila
3	Dagupan Vicar	Vicar Hotel Bldg. along A.B. Fernandez Ave. Brgy. Herrero Perez Dagupan City, Pangasinan
4	Equitable Bank Tower	Equitable Bank Tower, 8751 Paseo de Roxas, Makati City
5	Pacific Star	Pacific Star Building, Makati Avenue, Makati City
6	Robinsons Tower	Robinsons PCIBank Tower, ADB Avenue, Ortigas Center, Pasig City

^{**} RMC Chairman beginning 23 April 2021

C. Presented below is a list of the Bank's real properties as of 31 December 2021 owned by the Bank and utilized as BDO branches:

(a) Metro Manila Branches

No.	BRANCH	ADDRESS
1	A. Santos - St. James	8406 A. Santos Avenue, Sucat, Parañaque City 1700
2	ADB Avenue Ortigas	Robinson's PCIBank Tower, ADB Avenue, Ortigas Center, 1600 Pasig City
3	Airport Road	Airport Road corner Quirino Avenue, Baclaran, Parañaque City
4	Alfaro - Salcedo Village	GF PCCI Bldg., 118 Leviste Street (Formerly Alfaro St.), Salcedo Village, Makati City
5	Arranque - T. Alonzo	733 T. Alonzo St., Manila
6	Asia Tower - Paseo	G/F Asia Tower corner Paseo De Roxas & Benavides St.,1229 Makati City
7	Aurora Blvd - Notre Dame	0137 Aurora Blvd. corner Notre Dame St. Cubao, 1110 Quezon City
8	Aurora Blvd - Yale	Aurora Blvd. corner Yale St. Cubao, Quezon City
9	Baclaran - Redemptorist Road	Redemptorist Road, Baclaran, Parañaque, MM
10	Bagtikan - Chino Roces Avenue	Unit 102 G/F Pryce Center Condominium, 1179 Chino Roces Avenue corner Bagtikan St., San Antonio Village, Makati City
11	BDO Corporate Center	G/F, BDO Towers Paseo, 8741 Paseo de Roxas corner Villar St., Salcedo Village, Bel-Air, Makati City
12	Bel Air - Gil Puyat	Country Space 1 Condominium Bldg., Sen. Gil Puyat Avenue, Bel-Air Village, 1209 Makati City
13	BGC – Fort Victoria	Unit 108B, G/F, Fort Victoria Condominium, 5 th Avenue cor. Rizal Avenue, Bonifacio Global City, Fort Bonifacio, Taguig City
14	Bicutan – Doña Soledad Ave. Ext.	Lot 3 Block 1, Doña Soledad Avenue Extension, Better Living Subd., Brgy. Don Bosco, Parañaque City
15	Blumentritt	2325 Rizal Avenue corner Antipolo St. Sta. Cruz, Manila
16	Blumentritt – Laong Laan	Laong Laan St corner Blumentritt St., Brgy 516, Zone 051, Sampaloc, Manila
17	Blumentritt - San Juan	Lot 11-B, Blk. 127 Blumentritt corner Sto. Toribio St., San Juan, Metro Manila
18	Boni - Maysilo	74 Maysilo Circle corner Boni Avenue, Mandaluyong City
19	C. Palanca - Quiapo	132 Carlos Palanca St., Quiapo, Manila
20	C. M. Recto	CM Recto Avenue corner Nicanor Reyes St., Manila
21	C. M. Recto - San Sebastian	2070 C.M. Recto St.,1008 Sampaloc, Manila
22	Calanaan Cangandaan	No. 628 A. Mabini St., 1408 Sangandaan, Caloocan City
22	Caloocan - Sangandaan	10. 020 A. Mabini St., 1400 Sangandaan, Caloocan City

24 25 26 27 28 29 30 31 32 33 34 35	Dasmariñas St Binondo Dian - Gil Puyat E. Rodriguez Edsa - Reliance St. Fairview Grace Park - 8th Avenue Grace Park - 9th Avenue Grace Park - 10th Avenue Greenhills - Roosevelt Greenhills North	BDO Bldg., Dasmariñas St., Binondo, 1006 Manila G/F EPCIB Bldg., Sen. Gil Puyat Avenue corner Dian St., Makati City 1162 E. Rodriguez Sr. Avenue, New Manila, Quezon City G/F Paragon Plaza, corner Reliance St., Mandaluyong City Don Mariano Marcos Avenue Fairview, Quezon City 259 Rizal Avenue Extension, Grace Park, Caloocan City 414 Rizal Avenue Extension, Grace Park, 1400 Caloocan City 359 Rizal Avenue Extension, Brgy. 62, Grace Park, Caloocan City EBC Bldg., Ortigas Avenue corner Roosevelt Avenue,
26 27 28 29 30 31 32 33 34	E. Rodriguez Edsa - Reliance St. Fairview Grace Park - 8th Avenue Grace Park - 9th Avenue Grace Park - 10th Avenue Greenhills - Roosevelt	Makati City 1162 E. Rodriguez Sr. Avenue, New Manila, Quezon City G/F Paragon Plaza, corner Reliance St., Mandaluyong City Don Mariano Marcos Avenue Fairview, Quezon City 259 Rizal Avenue Extension, Grace Park, Caloocan City 414 Rizal Avenue Extension, Grace Park, 1400 Caloocan City 359 Rizal Avenue Extension, Brgy. 62, Grace Park, Caloocan City EBC Bldg., Ortigas Avenue corner Roosevelt Avenue,
27 28 29 30 31 32 33 34	Edsa - Reliance St. Fairview Grace Park - 8th Avenue Grace Park - 9th Avenue Grace Park - 10th Avenue Greenhills - Roosevelt	G/F Paragon Plaza, corner Reliance St., Mandaluyong City Don Mariano Marcos Avenue Fairview, Quezon City 259 Rizal Avenue Extension, Grace Park, Caloocan City 414 Rizal Avenue Extension, Grace Park, 1400 Caloocan City 359 Rizal Avenue Extension, Brgy. 62, Grace Park, Caloocan City EBC Bldg., Ortigas Avenue corner Roosevelt Avenue,
28 29 30 31 32 33 34	Fairview Grace Park - 8th Avenue Grace Park - 9th Avenue Grace Park - 10th Avenue Greenhills - Roosevelt	Don Mariano Marcos Avenue Fairview, Quezon City 259 Rizal Avenue Extension, Grace Park, Caloocan City 414 Rizal Avenue Extension, Grace Park, 1400 Caloocan City 359 Rizal Avenue Extension, Brgy. 62, Grace Park, Caloocan City EBC Bldg., Ortigas Avenue corner Roosevelt Avenue,
29 30 31 32 33 34	Grace Park - 8th Avenue Grace Park - 9th Avenue Grace Park - 10th Avenue Greenhills - Roosevelt	259 Rizal Avenue Extension, Grace Park, Caloocan City 414 Rizal Avenue Extension, Grace Park, 1400 Caloocan City 359 Rizal Avenue Extension, Brgy. 62, Grace Park, Caloocan City EBC Bldg., Ortigas Avenue corner Roosevelt Avenue,
30 31 32 33 34	Grace Park - 9th Avenue Grace Park - 10th Avenue Greenhills - Roosevelt	414 Rizal Avenue Extension, Grace Park, 1400 Caloocan City 359 Rizal Avenue Extension, Brgy. 62, Grace Park, Caloocan City EBC Bldg., Ortigas Avenue corner Roosevelt Avenue,
31 32 33 34	Grace Park - 10th Avenue Greenhills - Roosevelt	359 Rizal Avenue Extension, Brgy. 62, Grace Park, Caloocan City EBC Bldg., Ortigas Avenue corner Roosevelt Avenue,
32 33 34	Greenhills - Roosevelt	City EBC Bldg., Ortigas Avenue corner Roosevelt Avenue,
33		
34	Greenhills North	Greenhills, San Juan, MM
		Unit 102-103 Sunrise Condominium, Ortigas Avenue, 1500 San Juan, MM
35	Ilaya - M. De Santos	632 M. de Santos St., Manila
	Kalentong	MRDC Bldg., Shaw Blvd. corner Gen. Kalentong St., Mandaluyong City
36	Las Piñas - Pamplona	Alabang-Zapote Road, Pamplona, Las Piñas
37	Las Piñas - Philamlife Avenue	Alabang-Zapote Road, Pamplona Tres, 1740 Las Pinas, MM
38	Leveriza - Libertad	212 Libertad St., Pasay City, Metro Manila
39	Luneta - T.M. Kalaw	707 T.M. Kalaw St. corner Churruca St. Ermita, Manila
40	Makati - Pasay Road	845 One Corporate Plaza Condominium, A. Arnaiz Avenue, San Lorenzo, Makati City
41	Makati – Rockwell Center B	2/F Lot 3 Block 7 Rockwell Drive, Rockwell Center, Poblacion, Makati City
42	Makati Avenue - Ayala	L.V. Locsin Bldg., Ayala Avenue corner Makati Avenue, 1228 Makati City
43	Makati Cinema Square	Makati Cinema Square, Pasong Tamo, 1229 Makati City
44	Malabon	725 Rizal Avenue, San Agustin, Malabon City
45	Malabon - Rizal Avenue	694 Rizal Avenue, 1470 Malabon, Metro Manila
46	Marikina - Bayanbayanan	48 Bayanbayanan Avenue, Brgy. Concepcion Uno, Marikina City
47	Marikina - Concepcion	17 Bayan-bayanan Avenue, Concepcion, Marikina City
48	Marikina - Sumulong Highway	Corner E. Dela Paz St. Amang Rodriguez Avenue, Sto. Nino, Marikina City
49	Marulas – MacArthur Highway	Lot 16 & 17 McArthur Highway Valenzuela, Metro Manila
50	Medical Plaza - Legaspi Village	Unit 101, G/F Medical Plaza Makati, Amorsolo St. corner Dela Rosa St. Legaspi Village, Makati City
51	O · · · · · I··························	12 Missouri St., Northeast Greenhills, Brgy. Greenhills, San Juan City
52	Greenhills - Missouri	

No.	BRANCH	ADDRESS
53	N. Domingo - Araneta Avenue	71 N. Domingo St. corner Katubusan St., Brgy. Rivera, San Juan City
54	Novaliches - Forest Hills	Lot 2 D 1 Quirino Avenue, Novaliches, Quezon City
55	Ortigas Avenue	209 Ortigas Avenue Greenhills, San Juan, MM
56	Ortigas - Exchange Road	G/F, PSE Center, Exchange Road, Ortigas Commercial Complex, Pasig City
57	Paco - A. Linao	1635-1641 A. Linao St., Paco, Manila
58	Padre Faura - A. Mabini	A .Mabini corner Padre Faura St., 1000 Ermita, Manila
59	Pasay	Libertad corner Colayco St., Pasay City
60	Paseo - Gil Puyat	BDO Building, 381 Sen. Gil Puyat Avenue corner Paseo de Roxas, Brgy. Bel-Air, Makati City
61	Paseo Tower - Makati	Equitable Bank Tower, 8751 Paseo de Roxas, Makati City
62	Pasig - Danny Floro	125 Shaw Blvd. corner Danny Floro St. Pasig City
63	Pasig - Manggahan	Amang Rodriguez Avenue, Manggahan, Pasig City
64	Pasig – Market Avenue	8 Market Avenue, Brgy. Palatiw, Pasig City
65	Pasig - Sixto Antonio Ave. Pilapil	Lot 2 B, Sixto Antonio Ave., Brgy. Kapasigan, Pasig City
66	Perea – Paseo	G/F Universal Re Bldg., 106 Paseo de Roxas 1228 Makati City
67	Pioneer Highlands - Madison	Unit 01 (facing Madison St.) LG/F Globe Telecom Plaza 1 Bldg., Pioneer St. Corner Madison St., Mandaluyong City
68	Pitimini - Roosevelt	EBC Bldg. Roosevelt Avenue corner Pitimini St., SFDM, Quezon City
69	Plaza Sta. Cruz - Dasmariñas St.	7/F, 321 Dasmariñas St., Cor. Marquina St., Brgy. 290, Binondo, Manila
70	President's Avenue - BF Parañaque	President's Avenue corner J. Elizalde St., BF Homes Parañaque, Metro Manila
71	Quezon Avenue - Heroes Hill	1052 Quezon Avenue, 1103 Quezon City
72	Quezon Avenue - West Triangle	Lot 3-B, Quezon Ave. Extension, Brgy. West Triangle, Quezon City
73	Quiapo - Quinta Market	Quezon Blvd. corner C. Palanca St., Quiapo, Manila
74	Reposo - Makati	EBC Bldg., JP Rizal corner N. Garcia (Formerly Reposo), Makati City
75	Rizal Avenue	2502-2504 Rizal Avenue corner Cavite St. Sta. Cruz, Manila
76	Rockwell Center - Makati	Lot 3 Block 7, Rockwell Drive, Rockwell Center, Poblacion, Makati City
77	Shaw Blvd Stanford	EBC Bldg., Shaw Blvd. corner Stanford St., Mandaluyong City
78	St. Ignatius - Katipunan	BDO Bldg., 137 Katipunan Avenue, St. Ignatius, Quezon City
79	Strata 100 - Ortigas	G/F Strata 100 Bldg., Don Francisco Ortigas Jr., Pasig City
80	Taft Avenue – Estarda St.	2F, Bankard Bldg., 2422 Taft Avenue, Brgy. 727, Zone 79, Malate, 1004, Manila

No.	BRANCH	ADDRESS
81	Taft - Vito Cruz	Bankard Bldg. 2422 Taft Avenue, 1004 Malate, Manila
82	Timog – South Triangle	G/F President Tower, 81 Timog Ave. corner Scout Ybardolaza St., Brgy. South Triangle, Diliman, Quezon City
83	Tomas Morato - Kamuning	Corner Kamuning & Tomas Morato, Quezon City
84	Tutuban	DS 17-18 Tutuban Primeblock, Tutuban Center, CM Recto, Manila
85	U.N. Avenue - J. Bocobo	EBC Bldg., UN Avenue corner J. Bocobo St., Ermita, Manila
86	V.A. Rufino – Valero	G/F Chattam House, Herrrera St. corner Valero & San Agustin St., Salcedo Village, Makati City
87	Valenzuela – Malanday MacArthur Highway	656 MacArthur Highway, Brgy. Malanday, Valenzuela City 1444
88	West Trade Center - West Avenue	Unit #1, G/F West Trade Center, West Avenue, Quezon City
89	Yakal - Chino Roces Avenue	Units 2 & 3, G/F Tower 2 Bldg. Avida Towers Makati West Condominium cor. Yakal, Lumbayao and Malugay Sts., San Antonio Village, Makati City

(b) Provincial Branches

No.	BRANCH	ADDRESS
1	Angeles – Balibago	BDO Building along Ramon Tang Avenue, Diamond Subd., Balibago, Angeles City, Pampanga
2	Angeles - MacArthur Highway	Lot 1, MacArthur Highway corner Magalang Avenue, Brgy. Salapungan, Angeles City, Pampanga
3	Angeles - Miranda	BDO Bldg., Miranda St., Sto. Rosario, Angeles City, Pampanga
4	Antique	Corner Gov. Villavert St. & Gov. Gella St., San Jose, Antique 5700
5	Bacolod - Capitol Shopping	Benigno Aquino Drive, Capitol Shopping 6100 Bacolod City, Negros Occidental
6	Bacolod - Gatuslao	26 & 28 Gov. V. Gatuslao St., Bacolod City, Negros Occidental
7	Bacolod - Lacson	Lacson corner Galo St., 6100 Bacolod City, Negros Occidental
8	Bacolod - Plaza	Araneta corner Gonzaga St., 6100 Bacolod City, Negros Occidental
9	Bacolod - Rosario Lacson	Lot 296-B-7, Lacson St. corner Rosario St., Bacolod City, Negros Occidental
10	Balanga - A. Banzon	A. Banzon St., City of Balanga, 2100 Bataan
11	Baliwag – JP Rizal	J.P. Rizal St., San Jose, Baliwag, Bulacan
12	Batangas - Nasugbu	JP Laurel St., Barangay Poblacion, Nasugbu, Batangas
13	Batangas - Sto. Tomas	Maharlika Highway, San Antonio, Sto. Tomas, Batangas

No.	BRANCH	ADDRESS
14	Batangas City - Rizal Avenue	Rizal Avenue corner P. Burgos St., 4200 Batangas, Batangas City
15	Biñan	A. Bonifacio St. Barrio Canlalay, Biñan, Laguna
16	Bukidnon - Valencia	M.L. Quezon St. corner G. Laviña Avenue, Valencia City, Bukidnon 8709
17	Cabanatuan - Maharlika Road	Maharlika Road, near corner Sanciangco St., Cabanatuan City
18	Cabanatuan - Maharlika South	BDO Building, Maharlika Highway, Barangay Dicarma, Cabanatuan City, Nueva Ecija
19	Cagayan - Aparri	Rizal St. corner R.F Balisi St., Aparri, Cagayan
20	Cagayan de Oro - Lapasan	C.M. Recto Highway, Lapasan, 9000 Cagayan de Oro City, Misamis Oriental
21	Cagayan de Oro - Velez	Velez Road corner Abejuela St., Cagayan de Oro
22	Calamba Crossing - North	Calamba Crossing National Highway, 4027 Calamba, Laguna
23	Cavite - Dasmariñas Techno Park	Governor's Drive, Brgy. Paliparan I, Dasmariñas, Cavite
24	Cavite - General Trias Gateway	Gateway Business Park, C. Delos Reyes Avenue, 4107 Gen. Trias, Cavite
25	Cavite – GMA Congressional Road	Lot 4 Block C-5-CL, Congressional Road, Brgy. Poblacion 1, Gen. Mariano Alvarez (GMA) Cavite
26	Cavite - Imus Anabu	Gen. Aguinaldo corner Ambrosia Road Anabu I, Imus, Cavite
27	Cavite City - P. Burgos	Corner P. Burgos & P. Julio St., Caridad, 4100 Cavite City
28	Cebu - Borromeo	Borromeo corner Magallanes St., Cebu City
29	Cebu - F. Gonzales	F. Gonzales corner Magallanes St., Cebu City
30	Cebu - Gorordo	Gorordo Avenue, Lahug 6000 Cebu City, Cebu
31	Cebu - Magallanes Plaridel	Magallanes corner Plaridel St., 6000 Cebu City
32	Cebu - North Reclamation	Blk. 20-A corner Port Centre Avenue & Juan Luna Avenue, North Reclamation Area, Cebu City
33	Cebu Mandaue – M.C. Briones	M.C. Briones St., National Highway Brgy. Bakilid, Mandaue City, Cebu
34	Cotabato - Kidapawan	Quezon Blvd., 9400 Kidapawan, North Cotabato
35	Cotabato - Makakua	Makakua St., 9600 Cotabato City, Maguindanao
36	Dagupan - Fernandez	A.B. Fernandez Avenue, 2400 Dagupan City, Pangasinan
37	Davao JP Laurel	Landco-PDCP Corporate Center, JP Laurel Avenue, Bajada, Davao City
38	Davao - Claveria	BDO Building No. 30 C.M. Recto Ave., Poblacion, Davao City
39	Davao - C.M. Recto	383 Claro M. Recto St., Davao City
40	Davao - Digos	Rizal Avenue, Zone II, Digos, Davao Del Sur
41	Davao - Mati	Rizal corner Mabini St., 8200 Mati, Davao Oriental
42	Davao - Tagum	577 Rizal St., 8100 Tagum, Davao Del Norte
43	Davao - Toril	Agton St., Toril, Davao City
44	Dipolog – Quezon Ave.	Quezon Avenue, 7100 Dipolog City, Zamboanga Del Norte

No.	BRANCH	ADDRESS
45	Dumaguete – Colon	Colon St. fronting Bldg. V of City Public Market, Poblacion 003, Dumaguete City
46	General Santos – Makar	Hadano Avenue (Makar Wharf), Purok Bagong Silang, Brgy. Labangal, General Santos City, South Cotabato 9500
47	General Santos - Pioneer	Pioneer Avenue, General Santos City, 9500
48	General Santos – Quezon Avenue	Lot 4670. Ts-217, Quezon Avenue, Brgy. Dadiangas West, General Santos City, South Cotabato
49	General Santos - Santiago St.	Ireneo Santiago Blvd., 9500 General Santos St., South Cotabato
50	Iligan - Del Pilar	BC Labao corner Del Pilar St., Iligan City
51	Iloilo - Iznart	Iznart St., 5000 Iloilo City, Iloilo
52	Iloilo - Valeria	Valeria St., Iloilo City
53	Isabela - Roxas	23 Osmeña Road., Bantug, Mallig Plain, 3320 Roxas, Isabela
54	Isabela - Santiago Centro	BDO Bldg. City Rd. cor. Guzman St., Calao West, Santiago City, Isabela
55	Isabela Santiago - Maharlika Highway	BDO Bldg., No. 57 Maharlika Highway cor. Quezon Ave. St., Santiago City, Isabela
56	Koronadal - Gensan Drive	NE of Gensan Drive, Zone 1, Koronadal City, South Cotabato
57	Koronadal – R. Alunan Avenue	R. Alunan Avenue corner Osmeña St., 9506 Koronadal, South Cotabato
58	La Union San Fernando – Quezon Avenue	Quezon Avenue, 2500 San Fernando, La Union
59	Laoag - Balintawak	Corner Rizal & Balintawak St., 2900 Laoag City, Ilocos Norte
60	Leyte - Maasin	Juan Luna St. cor. Enage St., Brgy. Tunga-tunga, Maasin, Southern Leyte
61	Leyte - Ormoc	Corner Burgos & Rizal St., 6541 Ormoc City, Leyte
62	Lipa – CM Recto	131 C. M. Recto St., 4217 Lipa City, Batangas
63	Lucena – Merchan	Lot 2903 Merchan St. cor. C.M. Recto St. cor. Cabana St., Brgy. IV, Lucena City
64	Malolos - Congreso	Paseo Del Congreso, San Agustin 3000 Malolos, Bulacan
65	Meycauayan - Zamora	Zamora St., Barrio Calvario, Meycauayan, Bulacan
66	Naga - Plaza Rizal	Gen. Luna St., 4400 Naga City, Camarines Sur
67	Negros Occ - Cadiz	Cabahug St., 6121 Cadiz, Negros Occidental
68	Negros Occ - Escalante	National Highway, Escalante City, 6124 Negros Occidental
69	Negros Occ - Kabankalan	Guanzon St., Kabankalan, 6111 Negros Occidental
70	Negros Occ – Silay	Figueroa corner Rizal St., Silay City, 6116 Negros Occidental
71	Nueva Ecija - Gapan	Tinio St., 3105 Gapan, Nueva Ecija
72	Nueva Ecija - Guimba	Afan Salvador St., 3115 Guimba, Nueva Ecija
73	Nueva Ecija - Muñoz	T. delos Santos St., Science City of Munoz, Nueva Ecija
74	Ozamiz – Gallardo	Cebedo St. corner Gallardo St. 50th District (Pob), Ozamiz City, Misamis Occidental

No.	BRANCH	ADDRESS
75	Pagadian	F.S. Pajares Avenue, Pagadian City, 7016 Zambonga Del Sur
76	Pampanga – Apalit	MacArthur Highway, Brgy. San Vicente, Apalit, Pampanga
77	Pampanga - Guagua	Lot 4876 Plaza Burgos St., Guagua, Pampanga
78	Puerto Princesa – Rizal	261 Rizal Avenue, 5300 Puerto Princesa City, Palawan
79	Quezon - Candelaria	Rizal corner Valle St., Candelaria, Quezon 4323
80	Roxas - Roxas Avenue	Roxas Avenue, Roxas City, Capiz
81	San Pablo - Rizal St	2F Equitable PCI Bldg., Rizal St. corner P. Alcantara, San Pablo City, Laguna
82	Sta. Rosa - South Expressway	National Road Pulong Sta. Cruz, 4026 Sta Rosa, Laguna
83	Sultan Kudarat - Isulan	075 National Highway, Kalawag 2, Isulan, Sultan Kudarat
84	Sultan Kudarat - Tacurong	Alunan Highway, 9800 Tacurong, Sultan Kudarat
85	Tarlac – F. Tañedo	27 F. Tañedo St., Brgy. Poblacion, Tarlac City 2300
86	Tarlac - J. Luna	J. Luna St. near corner MacArthur Highway, Brgy. Sto. Cristo, Tarlac City
87	Tarlac - Luisita	MacArthur Highway, Barangay San Miguel, Tarlac City
88	Tuguegarao - Bonifacio St.	Bonifacio St., Tuguegarao, Cagayan
89	Urdaneta - Alexander	Alexander St., Urdaneta City, Pangasinan
90	Vigan - Quezon Avenue	Corner Bonifacio St. & Quezon Avenue, 2900 Vigan, Ilocos Sur
91	Zamboanga - Rizal St.	Rizal St., Zamboanga City, 7000 Zamboanga Del Sur

D. Presented below is a list of the Bank's real properties as of 31 December 2021 owned by the Bank and utilized as Warehouses and Staffhouses:

No.	NAME	ADDRESS
1	Baguio Staffhouse	Poblete Ext. South Drive, Baguio Country Club, Baguio City
2	Howmart Warehouse	63 & 65 Howmart St., Brgy. Apolonio Samson, Quezon City
3	Presidents Tower (Unit G3)	Ground Floor Presidents Tower, 81 Timog Ave. corner Scout Ybardolaza St., Brgy. South Triangle, Diliman, Quezon City
4	Taguig Warehouse	Arthuro cor. Franco Drive, Sta. Maria Industrial Estate, Barrio Bagumbayan, Taguig, Metro Manila

E. Presented below is a list of the Bank's real properties (vacant lots and/or buildings) as of 31 December 2021 owned by the Bank reserved for future Branch or Regional use:

No.	NAME	ADDRESS
1	Cebu – J. Mall	National Highway, 6014 Mandaue City, Cebu
2	Gercon Plaza	Lot 5 & 6 Gercon Plaza along Makati Ave., Brgy. Bel Air, Makati City
3	Juan Luna Binondo	J. Luna/Quintin Paredes & Hormiga Sts., Binondo, Manila

4	Malabon General Luna	Gen. Luna St., Barangay San Agustin, Malabon City
5	Malungon Gensan	Brgy. Upper Balulang, Cagayan de Oro City
6	Nuvali Sta. Rosa	Lot 6 Block 9, Nuvali, Sta. Rosa, Laguna
7	Premises Management Division (Binondo)	411 Quintin Paredes St., Binondo, Manila
8	Premises Management Division (Cebu Fuente - Circle)	Fuente Osmena Rotonda, Cebu City
9	Premises Management Division (Lipa - Rotonda)	CM Recto Avenue, Lipa City
10	Property Leasing Dept. (Potrero)	110 MacArthur Highway corner Riverside St. Potrero Malabon
11	PSE Tower	One Bonifacio High Street, 28th Street corner 5th Avenue, Bonifacio Global City, Taguig
12	RBSJ Tarlac Building (Monarch)	Lot 3-H & 3-I-2 Sto. Cristo, J.P. Rizal Extension, Tarlac City

(2) Leased Properties

BDO Unibank Group leases the premises of its head office and most of its branch offices for periods ranging from one to 30 years from the date of the contracts; terms are renewable upon the mutual agreement of the parties.

Lease liabilities amounting to P12,087 and P11,701 as at December 31, 2021 and December 31, 2020, respectively, for the BDO Unibank Group and P11,800 and P11,551, as of December 31, 2021 and December 31, 2020, respectively, for the Parent Bank.

A list of these leased properties is as follows:

(a) Utilized as Head Offices as of 31 December 2021:

No.	NAME	ADDRESS
1	Customer Contact Center – Meridian Park	8th - 9th Floors Tower 1 Double Dragon Plaza, Meridian Park, Macapagal cor. Edsa Extn, Pasay City
2	Customer Contact Center – SM North Tower	12th floor SM North Tower 1 Edsa cor. North Ave. Quezon City
3	The Podium West Tower	37th-41st SMKL, The Podium West Tower, 12 ADB Avenue corner Julia Vargas, Ortigas Center Mandaluyong City

(b) Utilized as Representative Offices located abroad as of 31 December 2021:

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No.	NAME	ADDRESS
1	Dubai Representative Office	Ground Floor, DUTCO House Building 44 Al Ittihad Road Diera, Dubai

No.	NAME	ADDRESS
2	Korea Representative Office	23rd Floor Seoul Finance Center, 136 Sejongdaero Jung-gu, Seoul 100-768 Korea
3	Taipei Representative Office	Hung Kuo Building 7F-A-167 Tun Hua North Road, Song Shan District, Taipei, Taiwan
4	Xiamen Representative Office	Unit 244-246, SM City Mall No.468- Jiahe Road, Xiamen No.1351 Xianyue Rd.

(c) Utilized leased lot as ATM offsite location as of 31 December 2021:

	No.	NAME	ADDRESS
	1	Clark Philexcel	Philexcel Business Park, M.A. Roxas Highway, ClarkFreeport Zone, Pampanga
ĺ	2	Ebanking Center	3rd Level Tower 1, The Enterprise Center, 6766 Ayala Avenue Makati City

(d) Utilized as Regional Offices as of 31 December 2021:

No.	NAME	ADDRESS
1	Cash Hub - Baguio	4th Floor, National Life Bldg., Session Road Baguio City
2	Cash Hub – FCIE	Governor's Drive, Brgy. Langkaan, Dasmariñas, Cavite
3	CBG Office – Batangas P. Burgos	PBC Building, Brgy. 13 P. Burgos St. Batangas City
4	CBG Office – Cebu Ayala Business Park	9th floor, Unit 905 FLB Corporate Center, Bohol Avenue and Archbishop Reyes Avenue, Cebu Business Park, Barangay Luz Cebu City
5	CBG Office – Cebu Sky Tower	9th Floor, Skytower Building, #88 Acasia St., Brgy. Kamputhaw, Cebu City, Cebu, Philippines
6	CBG Office – Crosstown Mall Sta. Rosa	Crosstown Mall, Purok 4, Sta. Rosa Tagaytay Road, Pulong Sta. Cruz City, Sta. Rosa, Laguna
7	CBG Office - Dagupan	3F & 4F Rudel Building, Perez Blvd. Cor. Guilig St, Dagupan City
8	CBG Office – Laoag Ilocos Norte	G/F Insular Life Bldg, Balintawak St. Laoag City Ilocos Norte
9	CBG Office - Legaspi Albay	2/F City Enterprise Building Landco Business Park F. Imperial St., Bgy. Capantawan, Legazpi City, Albay
10	CBG Office – Malolos Bulacan	2F of a Commercial Building, Mabini Street, Brgy. Guinhawa, Malolos City, Bulacan
11	CBG Office - SM Cebu Consolacion	Unit 282, 2F SM City Consolacion, National Road, Brgy. Lamac, Consolacion, Cebu City
12	CBG Office – SM City Iloilo	LG/F SM City Iloilo, Benigno Aquino Avenue, Barangay Boliao, Mandurriao, Iloilo City
13	CBG Office - SM North Tower	10th & 11th Floor, SM North Tower 1, EDSA cor North Ave., Quezon City
14	CBG Office – SM Olongapo	410B-410D, 4F, SM City Olongapo Magsaysay Drive cor. Gordon Ave. Brgy Pag-Asa, Olongapo City
15	CBG Office - Tuguegarao	2F Sychangco Bldg. Bonifacio Street, Tuguegarao City Cagayan
16	CBG Office – Waltermart Calamba	2nd Floor Waltermart Makiling, Brgy. Makiling National Highway Calamba Laguna

(e) Metro Manila Branches

1. Lot leased

No.	BRANCH	ADDRESS
1	Better Living	Doña Soledad Avenue corner France St., Better Living, Parañaque City
2	BF Homes Aguirre – P. Corpuz	L1 B5 A. Aguirre Ave. corner Pio V. Corpuz St., Brgy. BF Homes, Parañaque City
3	Commonwealth Ave Holy Spirit	Lot 27 Commonwealth Avenue, Brgy. Holy Spirit, Quezon City
4	Congressional - Mindanao Avenue	Congressional Avenue Extension corner Mindanao Avenue, Quezon City
5	Isidora Hills	BDO Bldg., Pook Ligaya Riding Ground, Interneighborhood Road, Isidora Hills Subdivision, Barangay Holy Spirit, Quezon City
6	Las Piñas - BF Resort	BDO Bldg., Blk 4 Lot 9 BF Resort Drive Phase 4, BF Resort Village, Las Piñas
7	Makati - J.P. Rizal	872 JP Rizal St. Barangay Poblacion, Makati City
8	Makati - P. Ocampo Sr.Ext.	243 P. Ocampo Sr. corner Flor de Lis St., Brgy La Paz, Makati City
9	Marikina - Tañong	223 A. Bonifacio Avenue, Brgy. Tañong, Marikina City
10	Mayon	166 Mayon St., Brgy. Maharlika, Sta. Mesa Heights, Quezon City
11	Mayon – Simoun	116 Mayon St., Sta. Mesa Heights, Brgy. Lourdes, Quezon City
12	Novaliches	1016 Quirino Highway Town Proper, Barangay Monica, Novaliches, Quezon City
13	Novaliches - Lagro	Lot 2-B-6 (LRC) PSD-341349, Quirino Highway, Lagro, Novaliches, Quezon City
14	Paso De Blas - North Expressway	Lot 921-B-1-B, Paso De Blas Road, Brgy. Paso De Blas, Valenzuela City
15	Quezon City – Kalayaan Avenue	108 Kalayaan Avenue, Brgy. Central, Central, Quezon City
16	Visayas Avenue - Project 6	57 Visayas Avenue (Near Sanville Subdivision), Quezon City

2. Building leased

No.	BRANCH	ADDRESS
1	6780 Ayala Avenue	G/F 6780 Ayala Avenue Bldg., 6780 Ayala Avenue, Brgy. San Lorenzo, Makati City
2	A Place - Coral Way	G/F A Place, Coral Way Drive, MOA Complex, Central Business Park 1, Island A, Pasay City
3	A. Arnaiz - Paseo	G/F Joni's Bldg., 832 Arnaiz Ave. cor. Edades St., Brgy. San Lorenzo, Makati City

No.	BRANCH	ADDRESS
4	A. Arnaiz - San Lorenzo Village	L & R Bldg., 1018 A. Arnaiz Avenue, Makati City
5	A. Bonifacio Ave Cloverleaf	2/F, Ayala Malls Cloverleaf, A. Bonifacio Avenue, Brgy. Balingasa, Quezon City
6	A. Mabini – Gen. Malvar	Unit R1 G/F, Hollywood Garden Square Bldg., 1709 A. Mabini St. corner Gen. Malvar St. Brgy. 699, Zone 076, Malate, Manila
7	ABS CBN - Mother Ignacia St.	Stall No. 22, East Wing, G/F ELJCC Bldg., Sgt. E.A. Esguerra Avenue corner Mother Ignacia St., Brgy. South Triangle, Quezon City
8	Acropolis - E. Rodriguez Jr.	G/F The SPA Bldg., E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
9	Adriatico – Sta. Monica	1347 Adriatico near cor. Sta. Monica across Robinson's Place Manila, Brgy. 669, Ermita, Manila
10	Alabang Hills	Unit G02 UGF Madison Galleries, No. 398 Don Jesus Blvd., Brgy. Cupang, Alabang Hills, Muntinlupa City
11	Alabang – Finance Street	Unit 3 & 4, Paz Madrigal Plaza, Alabang Zapote Road, corner Finance Street, Barangay Ayala Alabang, Madrigal Business Park, Ayala Alabang, Muntinlupa City
12	Alabang - Madrigal Avenue	Molito 2 Bldg., Units 1, 2 & 3, Alabang-Zapote Road corner Madrigal Avenue, Alabang, Muntinlupa City
13	Anonas - Kamias	Anonas St. corner K-6 St., East Kamias, 1102 Quezon City
14	Araneta Center – Ali Mall II	Level 2, #s A202019-202020R, Ali Mall II, P. Tuazon Avenue, Araneta Center, Brgy. Socorro, Cubao, Quezon City
15	Araneta Center – Gateway Mall	00016 Gateway Mall, Gen. Malvar Avenue, Brgy. Socorro, Cubao, Quezon City
16	Arranque	1359-1361 Soler St., Sta. Cruz, Manila
17	Arranque - Severino Reyes	1451-1457 C.M. Recto corner Severino Reyes St., Sta. Cruz, Manila
18	Aseana – Monarch Parksuites	Space 118 Monarch Parksuites, Bradco Avenue, Aseana Business Park, Brgy. Baclaran, Parañaque City
19	Aurora Blvd Anonas	Manahan Bldg., Aurora Blvd. corner Anonas Avenue, Quezon City
20	Aurora Blvd Hemady	708 Aurora Blvd. corner Hemady St., New Manila, 1110 Quezon City
21	Aurora Blvd New Manila	669 Aurora Blvd. Broadway Heights Bldg., Brgy. Mariana, New Manila, Quezon City
22	Aurora Blvd Princeton Residences	SMDC Princeton Residences (LC 102a-103d), Aurora Blvd., Brgy. Valencia, Quezon City
23	Ayala Alabang	G/F Condominium C Unioil Center Bldg. Acacia Avenue corner Commerce Avenue, Ayala Alabang, Muntinlupa
24	Ayala Alabang - Richville Center	Richville Center, 1314 Commerce Avenue Extension, Madrigal Business Park, Ayala Alabang, Muntinlipa
25	Ayala Avenue	6805 Multinational Bancorporation Bldg., Ayala, Makati City

No.	BRANCH	ADDRESS
26	Ayala Avenue - People Support	G/F People Support Center Amorsolo St. corner Ayala Avenue, Makati City
27	Ayala Avenue - SGV 1 Bldg.	G/F SGV 1 Building, 6760 Ayala Avenue, Makati City
28	Ayala Avenue Extension – Alphaland Makati Place	Unit G10-G11, The Shops at Alphaland Makati Place, 7232 Ayala Avenue Ext. cor., Malugay St., Brgy. Bel-Air, Makati City
29	Ayala Triangle 1	GM-B G/F Tower 1, Ayala Triangle, Ayala Avenue, Makati City
30	Ayala - Rufino	G/F Rufino Bldg., Ayala Avenue corner Herrera St., 1226 Makati City
31	Baclaran	2987 Taft Avenue Extension, Pasay City
32	Balubaran – MacArthur Highway	G/F Bldg. 1, Arca Strip Commercial Center, 32 MacArthur Highway, Brgy. Dalandanan, Valenzuela City 1443
33	Banawe - Agno	202-204 Banawe corner Agno St., 1103 Quezon City
34	Banawe - Amoranto	650 N. S. Amoranto Avenue corner Banawe St., Quezon City
35	Banawe - Kitanlad	23-25 Banawe corner Kitanlad, Quezon City
36	Banawe - N. Roxas	71 Nicanor Roxas St. corner Banawe St., Quezon City
37	BDO Corporate Center Ortigas	G/F The Podium, ADB Avenue, Brgy. Wack-Wack, Mandaluyong City
38	Bel-Air – SM Cyberzone 1	G/F SM Makati Cyberzone 1, along Sen. Gil Puyat Avenue, Makati City
39	Better Living - Bicutan	43 Doña Soledad Avenue, Better Living Subdivision, Don Bosco, Parañaque, MM
40	BF Homes - Aguirre	RGM Bldg., 326 Aguirre Avenue, BF Homes, Parañaque
41	BF Homes - Puregold Southpark	Units 4 & 5, G/F Puregold Avelino, President's Avenue, BF Homes, Parañaque City
42	BF Homes – Teoville	G/F Aurora Comm Bldg., President's Ave., Teoville Subd., Brgy. BF Homes, Paranaque City
43	BGC – Crescent Park West	Arthaland & Century Pacific Tower, 30th St. corner 4th Avenue, Crescent Park West, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig
44	BGC – Net Park	Net Park, 4th Avenue, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
45	BGC – One Park Drive	G/F Retail Unit Nos. 1 & 2, One Park Drive, 9th Avenue cor 11th Drive, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
46	Bicutan – East Service Road	Prime Corporate Center, Km. 15 East Service Road corner Marian Road 2, Brgy. San Martin de Porres, Parañaque City
47	Bicutan – Sun Valley	RA024-RA026, Aria A Amaia Steps Bicutan, Sun Valley Drive, Brgy. Sun Valley, Parañaque City
48	Bicutan - West Service Road	HRDC Bldg., KM. 16 South Super Highway cor. Acsie Road, Severina Industrial Estate, Brgy. Marcelo Green, Parañaque

No.	BRANCH	ADDRESS
49	Binondo	Lot 34 and 35, Blk. 2012, Quintin Paredes St., Brgy. 289, Zone 27, Binondo, Manila
50	Binondo – Rosario	483 – 485 G/F Quintin Paredes St., Binondo, Manila
51	Binondo – San Fernando	Units 1-6, G/F, 500 San Fernando St., San Nicolas, 026, Brgy.282, Manila
52	Bocobo - Pedro Gil	G/F, Altra Center, 1663 Bocobo St., Brgy 698, Malate, Manila
53	Boni – Dansalan	G/F Exbonytz, Inc. Bldg., Boni Avenue corner M. Vicente St. (formerly Dansalan St), Mandaluyong City
54	Boni - Ligaya	654 Boni Avenue, 1550 Mandaluyong City
55	BGC - 9th Avenue	Active Fun Bldg., 9th Avenue corner 28th St., Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
56	BGC - Burgos Circle	Unit 1-F & 1-E G/F, Crescent Park Residences, 2nd Avenue corner Burgos Circle, Bonifacio Global City, Taguig City
57	BGC - Ecotower	G/F Ecotower, 32nd St. corner 9th Avenue, Bonifacio Global City, Taguig City
58	BGC - Fort Legends	G/F Fort Legends Tower, corner 31st St. & 3rd Avenue, Bonifacio Global City, Taguig City
59	BGC - Grand Hamptons Tower	Grand Hamptons Tower, 1st Avenue corner 31st St., Bonifacio Global City, Taguig City
60	BGC - Inoza Tower	G/F, Inoza Tower, 39th Street, Bonifacio North Triangle, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
61	BGC - J.Y. Campos Center	G/F J.Y. Campos Center, 30th St. corner 9th Avenue, Bonifacio Global City, Taguig City
62	BGC - Market Market	Space No. 101, Market Market, Bonifacio Global City, Fort Bonifacio, Taguig, MM
63	BGC - MC Home Depot	G/F MC Home Depot, 32nd St. corner Bonifacio Avenue, Bonifacio Global City, Taguig
64	BGC - One Mckinley Place	G/F One McKinley Place, 4th Avenue corner 25th St., Bonifacio Global City, Taguig
65	BGC - Phil. Stock Exchange	5/F One Bonifacio High Street Bldg., 28th St. corner 5th Avenue, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
66	BGC - Picadilly Star	G/F Picadilly Star Corporate Center, 4th Avenue corner 27th St., Bonifacio Global City, Taguig
67	BGC – Shangri-La The Fort	Unit GF 22, G/F Shangri-La at the Fort Manila, 30th St. cor. 5th Ave., Brgy. Fort Bonifacio, Bonifacio Global City, Taguig
68	BGC - St. Luke's	St. Luke's Medical Center, Rizal Drive corner 5th Avenue & 32nd St., Fort Bonifacio Global City, Taguig
69	BGC - The Infinity Tower	Unit 103 The Infinity Tower, 26th St., Brgy. Fort Bonifacio, Bonifacio Global City, Taguig
70	BGC - University Parkway	G/F Avecshares Center, 1132 University Parkway, Bonifacio North Triangle, Bonifacio Global City, Taguig

No.	BRANCH	ADDRESS
71	BGC - World Plaza	G/F, Unit 6, World Plaza, 4th Avenue, Brgy. Fort Bonifacio, Bonifacio Global City, Taguig City
72	Bonny Serrano Avenue	Unit 11 & 12, Aguinaldo Corporate Centre 125 Col. Bonny S. Serrano Avenue Brgy. Socorro, Quezon City
73	Buendia - Taft	401 Sen. Gil Puyat Ave. cor. Dominga St., Brgy. 48, Pasay City
74	C. M. Recto - Reina Regente	1059 CM Recto Avenue corner Reina Regente St., Binondo, Manila
75	Cainta – Sumulong Highway	Along Sumulong Highway, Brgy. Balanti, Cainta, Rizal
76	Calle Industria – Circulo Verde	G/F Unit I-102, Industria, Circulo Verde, No. 70 Calle Industria, Brgy. Bagumbayan, Quezon City
77	Caloocan	Rizal Avenue Extension near corner 11th Avenue, Grace Park, Caloocan City
78	Caloocan - A. Mabini	G/F Corazon Bldg., 432 A. Mabini St., Poblacion, Caloocan City
79	Caloocan – Maypajo	G/F , Units 1-3, 237 A. Mabini St., Brgy. 26, Zone 3, District II, Caloocan City
80	Caloocan – Primark Deparo	Primark Town Center Gilmar's Place Subd, BF Homes, Brgy. 168, Deparo, Caloocan City
81	Caloocan 7th Ave.	Rizal Avenue Extension corner 7th Avenue, Caloocan City
82	Carmen Planas	Nos. 822, 824 & 826 Carmen Planas St., Brgy. 269, Zone 25, District 3, Manila
83	Carmen Planas - P. Rada	1033-1035 C. Planas St., 1012 Tondo, Manila
84	Carmen Planas - Zaragosa	921 Carmen Planas St. corner Zaragosa St., Tondo, Manila
85	Cash & Carry	G/F Unit No. G01A, Cash & Carry Mall, South Super Highway & Filmore St., Makati City
86	Central Market - V. Fugoso	1724 V. Fugoso St., Brgy. 311 Zone 31, District, 3 Sta. Cruz, Manila
87	Chino Roces Avenue	Units 3 & 4 La Fuerza Plaza, Chino Roces Avenue, Makati City
88	Chino Roces Avenue – Dela Rosa	Unit 101 & 102, G/F, One Oculus Center, 2120 Chino Roces Avenue, Makati City
89	Chino Roces Avenue – V.A. Rufino	G/F Pacifica One Center, 2178 Don Chino Roces Avenue, Brgy. Pio Del Pilar (North Arnaiz), Makati City
90	Chino Roces Extension – Lumbang	G/F Dacon Bldg., 2281 Chino Roces Ave., Ext., Brgy. Magallanes, Makati City
91	City of Dreams Manila	2nd Level, City of Dreams Manila, Aseana cor. Roxas Blvd., Brgy. Tambo, Parañaque City
92	Commonwealth	G/F Teresita Bldg., Holy Spirit Drive, Don Antonio Heights, Quezon City
93	Commonwealth - Don Antonio	Don Antonio Sports Center, Don Antonio (former Holy Spirit Drive), Don Antonio Heights Subdivision, Quezon City
94	Commonwealth – Ever Gotesco	Ever-Gotesco Commonwealth Center, Don Mariano Marcos Avenue corner Don Antonio Road, Brgy. Batasan Hills, Quezon City

No.	BRANCH	ADDRESS
95	Commonwealth – Shopwise	Units A3 and A4, G/F, Shopwise Commonwealth, Commonwealth Avenue, Brgy. Holy Spirit, Quezon City
96	Congressional Ave. Ext. – T.M. Kalaw	Blk. 3 Lot 6 Mira Nila Homes, Congressional Ave. Ext., Brgy. Pasong Tamo, Quezon City
97	Congressional Avenue	The Excelland System I, Congressional Avenue, Quezon City
98	Congressional Avenue – Project 8	149 Congressional Ave., Brgy. Bahay Toro, Project 8, Quezon City
99	Cubao - P. Tuazon	MEC Tower, P. Tuazon Ave. cor. 21st St., Cubao, Quezon City
100	Dapitan St A. H. Lacson Ave.	Dioresa Plaza, Dapitan St. corner A.H. Lacson Avenue, Sampaloc, Manila
101	Del Monte Avenue	63 Del Monte Avenue, Brgy. Manresa, Quezon City
102	Del Monte - Araneta Avenue	641 Del Monte Avenue, San Francisco Del Monte, Quezon City
103	Del Monte - Sienna	409 Del Monte Avenue, Quezon City 1105
104	Dela Rosa - Gallardo	G/F Unit 15 Tropical Palms Condominium, 103 Dela Rosa St. cor. Gallardo St. cor. Perea St., Brgy. San Lorenzo, Legaspi Village, Makati City
105	Dela Rosa - Rada	Ace Bldg., corner Dela Rosa & Rada St., Legaspi Village, 1229 Makati City
106	Diliman - Capitol Hills	16 Capitol Hills Drive, Old Balara, Diliman, Quezon City
107	Diliman - Matalino	G/F Suntrust Capitol Plaza, Matalino St. cor. City Hall Drive cor. Makatarungan St., Brgy. Central, Diliman, Quezon City
108	Divisoria – Juan Luna	744 - 746 Ilaya St., San Nicolas 025, Brgy. 268, Tondo, Manila
109	Divisoria - Sta. Elena	668 Sta. Elena St., Binondo, Manila
110	Dr. A. Santos Ave.	LT Bldg., Dr. A. Santos Avenue, Paranaque City
111	Dr. A. Santos Avenue – Amaia Steps	Units R108-R112, Amaia Steps Sucat, Dr. A. Santos Ave., Brgy. San Antonio, Parañaque City
112	Dr. A. Santos Avenue – Puregold Evacom	Commercial Units No. 8-10, Puregold San Dionisio, Dr. A. Santos Avenue, Brgy. San Dionisio, Parañaque City
113	Dr. A. Santos Avenue – UPS 5	GF Omniworx Business Center, 0060 Dr. A. Santos Avenue, Brgy. San Isidro, Parañaque City
114	E. Rodriguez - Welcome Rotonda	G/F AEK Bldg., 40 E. Rodriguez Sr. Avenue, Don Manuel, Quezon City
115	E. Rodriguez Jr. Ave Bridgetowne	Shop 2-6 Tera Tower at Bridgetowne, E. Rodriguez Jr. Ave., Libis, Quezon City
116	E. Rodriguez Sr Hillcrest	G/F Rhodium Square Bldg., 1659 E. Rodriguez Sr. Avenue, Brgy. Pinagkaisahan, Quezon City
117	Eastwood City - E. Rodriguez Jr. Avenue	Magnitude Commercial Arcade, E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City

No.	BRANCH	ADDRESS
118	Eastwood City - IBM Plaza	G/F IBM Plaza, Eastwood City, E. Rodriguez Jr., Avenue, Bagumbayan, Quezon City
119	Eastwood City - Olympic Heights	G/F Olympic Heights, Eastwood City Cyberpark, Bagumbayan, Quezon City
120	Echague	116-120 C. Palanca St. Quiapo, Manila
121	EDSA – Boni Avenue	LG/F, Phinma Properties Center, 29 EDSA, Brgy. Barangka Ilaya, Mandaluyong City 1500
122	EDSA Cubao	596 Simeon Medalla Bldg., corner Gen. McArthur Avenue, EDSA, Quezon City
123	EDSA East - Caloocan	L & E Bldg. EDSA corner Gen. Concepcion St, Caloocan City
124	EDSA POEA	POEA Bldg., EDSA corner Ortigas Avenue, Mandaluyong City
125	EDSA - A. De Jesus	474 EDSA corner B. Serrano & A. De Jesus St, 1403 Caloocan City
126	EDSA - Balintawak	G/F, 1310 EDSA, Brgy Apolonio Samson, Balintawak, Quezon City
127	EDSA - Bangkal	EDSA, Brgy. Bangkal, Makati City
128	EDSA - East Avenue	G/F Macdouton Building, 768 Edsa near cor. East Avenue, Brgy. Pinyahan, Cubao, Quezon City
129	EDSA - Eton Centris	Retail B, Cyberpod Centris Three, Eton Centris, EDSA corner Quezon Ave., Brgy. Pinyahan, Quezon City
130	EDSA – Kalayaan Avenue	G/F Palmyra Bldg., Kalayaan Avenue corner EDSA, Brgy. Pinagkaisahan, Makati City
131	EDSA - New Farmers Plaza	Unit FPGF038R & FPGF054R, G/F New Farmers Plaza, General Roxas Avenue, Araneta City, Brgy. Socorro, Cubao, Quezon City
132	EDSA – New York	EDSA corner New York St., Cubao, 1111 Quezon City
133	EDSA – Ortigas	Maranaw Plaza, 187 Edsa, Brgy. Wack-Wack, Greenhills East, Mandaluyong City
134	EDSA – Panorama Technocenter	G-02 Panorama Technocenter, 1029 EDSA, Brgy Veterans Village I, Muñoz, Quezon City
135	EDSA - Pasay	507 EDSA corner B. Garcia St., 1300 Pasay City
136	EDSA – Skysuites Towers	927 The Skysuites Towers, Quezon Ave. cor. EDSA, Brgy. West Triangle, District 1, Quezon City
137	Elcano	SHC Tower 619 Elcano St., San Nicolas, Manila
138	Emerald Avenue	G/F Unit 101 Taipan Place, Don Francisco Ortigas Jr. Road, Pasig
139	Escolta	303 Escolta St., Brgy. 291, Binondo, Manila
140	España	Carmen Bldg. Espana corner G. Tolentino St. Sampaloc, Manila
141	España – Basilio	España St. corner Basilio St. corner Instruccion St., Brgy. 512, Manila

No.	BRANCH	ADDRESS
142	España – Blumentritt	2101-2103 España Avenue corner Blumentritt St. 1008 Sampaloc, Manila
143	España – Grand Residences 2	C1-C2, Grand Residences España Tower 2, 958 A.H. Lacson St., Brgy. 479, Zone 47, Sampaloc, Manila
144	España - M. Dela Fuente	Esperanza Place, España Blvd. corner M. Dela Fuente St., Sampaloc, Manila
145	Evangelista - Makati	1695 Evangelista St corner Gen. Lacuna St., Bangkal, Makati City 1233
146	F. Ortigas Jr. Road	G/F Ortigas Center Association, Inc. Bldg., F. Ortigas Jr. Road, Brgy. Oranbo, Ortigas Center, Pasig City
147	Fairview – Ayala Terraces	UG/F Space No. U066, Ayala Fairview Terraces, Quirino Highway corner Maligaya Drive, Brgy. Pasong Putik, Novaliches, Quezon City
148	Fairview - Brittany Square	GF IL 103, Brittany Square, Belfast St. corner Mindanao Avenue Extension, Brgy. Pasong Putik, Fairview, Quezon City
149	Fairview – Doña Carmen	Shopking Doña Carmen Commercial Center, Commonwealth Avenue, Brgy. North Fairview, Quezon City
150	Fairview – Fairmont	Regalado Avenue, Brgy. North Fairview, Novaliches, Quezon City.
151	Fairview – Peacock Plaza	Peacock Plaza, Lot 1 Bkl 2, Commonwealth Ave. cor. Peacock St., Brgy. Fairview Park, Quezon City
152	Fairview – Regalado	G/F Regalado Hive, Regalado Ave., Brgy Fairview, Quezon City
153	Filinvest Avenue	G/F BC Group Bldg., Filinvest Ave. corner Commerce Ave., Brgy. Ayala Alabang, Filinvest Corporate City, Alabang, Muntinlupa
154	Filinvest - Alabang	G/F Tower 1, Insular Life Corporate Center, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City
155	Filinvest – Civic Drive	Units 7 & 8, AA Corporate Plaza, Civic Drive, Filinvest Corporate City, Brgy. Alabang, Muntinlupa City
156	Filinvest – Northgate Aeon Center	Space 2, Aeon Center, Alabang Zapote Road corner North Bridgeway, Filinvest Corporate City, Brgy. Alabang, Muntinlupa City
157	Filinvest – Spectrum Midway	Space 3 & 4, Polaris Bldg., Spectrum Midway St., Filinvest Corporate City, Brgy. Alabang, Muntinlupa City
158	FiveE-comCenter	G/F FiveE-com Center, Pacific Drive cor. Bayshore Ave., Brgy. 76, Zone 10, Mall of Asia Complex, Pasay City
159	Fort Bonifacio - Bayani Road	Bayani Road corner M. Roxas St., Fort Bonifacio, Taguig
160	Fort Bonifacio - Mckinley Hill	G/F Three World Square, McKinley Hill, Fort Bonifacio, Taguig
161	Fort Bonifacio – McKinley West	LG/F Shops 3-5, Cyber Sigma, Lawton Avenue, McKinley West, Brgy. Fort Bonifacio, Taguig City
162	G. Araneta - Brixton Hill	G/F ILO Bldg., 195 G. Araneta Avenue, Quezon City
163	Gandara	811-813 Sabino Padilla St. (formerly Gandara St.) Sta. Cruz , Manila
164	Gandara - Soler	1268 Soler St. corner S. Padilla St., 1006 Binondo, Manila

No.	BRANCH	ADDRESS
165	GC Corporate Plaza - Legaspi St.	150 GC Corporate Plaza, Legaspi St., Legaspi Village, Makati City
166	General Luis	297 Gen. Luis St., Barrio Kaybiga, Caloocan City
167	Gil Puyat - Filmore	1320 Filmore St., Brgy. Palanan, Makati City
168	Gil Puyat - Harrison	Unit IC, ID & IE, No. 53 Gil Puyat Avenue, Brgy. San Rafael, Pasay City
169	Gil Puyat - Metro House	Metro House Building, 345 Sen. Gil J. Puyat Avenue, Brgy. Bel-Air, Makati City
170	Gil Puyat - Taft	336-338 Gil Puyat Avenue, Brgy. 49, Pasay City
171	Gil Puyat – TechZone	G/F TechZone Philippines Bldg., 213 Sen. Gil Puyat Ave., Brgy. San Antonio , Makati City
172	Grace Park	G/F A & R Bldg., 213 Rizal Avenue Extension, Grace Park, Caloocan City
173	Grace Park - 11th Avenue	1619 Rizal Avenue, Extension corner 11th Avenue, 1400 Caloocan City
174	Grass Residences	Unit 101-102B, The Strip at Grass Residences, Misamis St. corner Nueva Ecija and Nueva Vizcaya Sts., Sto. Cristo 3, Quezon City
175	Greenbelt – Legazpi St.	G/F 108 Legazpi St. corner Paseo de Roxas, Pioneer House Bldg., Legazpi Village, Makati City
176	Greenhills Shopping Center	G/F Jeweller Center, Greenhills Shopping Center, Ortigas Avenue, San Juan, Metro Manila
177	Greenhills - Annapolis	Unit 101, G/F Vasquez-Madrigal Plaza, Annapolis, Greenhills, San Juan
178	Greenhills - Connecticut	G/F Belomed Bldg., No. 49 Connecticut St., Brgy. Greenhills, San Juan City
179	Greenhills - O Square	G/F Unit OS-105, O Square Greenhills Shopping Center, Ortigas Avenue, Brgy. Greenhills, San Juan City
180	Greenhills - West	101 Limketkai Bldg., Ortigas Avenue, San Juan, MM
181	Greenhills - Wilson	227 Wilson St. corner Don Miguel St., San Juan, MM
182	H.V. Dela Costa	120 Westgate Plaza Condominium, Salcedo Village, Makati City
183	llaya	1049-1051 Ilaya St., Divisoria, Manila
184	Ilaya - Padre Herrera	1089 Ilaya St., Brgy.3, Zone 01, Tondo, Manila
185	Intramuros	G/F Chamber of Commerce Bldg., #3 Magallanes Drive, Intramuros, Manila
186	J. Abad Santos	G/F Ching Leong Temple, J. Abad Santos Avenue, Tondo, Manila
187	JAS – Antipolo	G/F Intercast Corporate Tower 2230 J. Abad Santos Avenue, Tondo, Manila
188	JAS – Padre Algue	G/F, Unit C-4, Cintiley Residences, 1278 J. Abad Santos Ave., Brgy. 259, Zone 023, Tondo, Manila

No.	BRANCH	ADDRESS
189	Juan Luna	262 Juan Luna Street, Binondo, Manila
190	Julia Vargas – IBP Tower	G/F IBP Tower, Doña Julia Vargas Avenue and Jade Drive, Ortigas Center, Brgy. San Antonio, Pasig City
191	Julia Vargas – Ortigas Technopoint One	Unit Nos. G04-07, OTP Bldg. 1, No. 01, Julia Vargas Avenue, Ugong, Pasig City
192	Julia Vargas – Valle Verde	Units L1-01 & L1-02, Silver City, Frontera Verde, Brgy Ugong, Pasig City
193	Jupiter - Reposo	G/F CEI Headquarters, 158 Jupiter St. corner N. Garcia St., Bel-Air Village, Makati City
194	Kamagong	2567 P. Ocampo (Vito Cruz Extension) corner Madre Perla St. Manila
195	Kamias Road	Trinidad Bldg., Kamias Road corner K- J St., Quezon City
196	Karrivin Plaza - Chino Roces Avenue Ext.	G/F Building A, Karrivin Plaza, 2316 Chino Roces Avenue Extension, Makati City
197	Karuhatan - MacArthur Highway	KM. 13 MacArthur Highway, 1441 Karuhatan, Valenzuela, Metro Manila
198	Katipunan	Regis Center, No. 327 Katipunan Avenue corner F. Dela Rosa St., Loyola Heights, Quezon City
199	Katipunan – Blue Ridge	G/F, Place One Building, 205 Katipunan Avenue, Brgy. Milagrosa, Quezon City
200	Katipunan – Loyola Heights	De Borja Commercial Bldg., 299 Katipunan Avenue, Brgy. Loyola Heights, Quezon City
201	Katipunan – Xavierville	G/F Xavierville Square Condominium, 38 Xavierville Avenue, Loyola Heights, Quezon City
202	Katipunan Avenue – Blue Residences	Strip at Blue, Blue Residences (LC 104-107A), Katipunan Ave. corner Aurora Blvd., Brgy. Loyola Heights, Quezon City
203	Katipunan Avenue – U.P. Town Center	Second Level, Phase 2, Space No. 278a, Ayala Malls U.P. Town Center, Katipunan Avenue, Brgy. U.P. Campus, Quezon City
204	Las Piñas - Almanza	Alabang-Zapote Road, Almanza Uno, Las Piñas, Metro Manila
205	Las Piñas - Evia Daang Hari	Evia Lifestyle Center, Daang Hari Road, Tindig na Mangga, Brgy. Almanza Dos, Las Piñas City
206	Las Piñas - J. Aguilar Avenue Casimiro	Blk. 1 Lot 9 J. Aguilar Avenue, Casimiro Village 3, Brgy. BF International, Las Piñas City
207	Las Piñas - Marcos Alvarez Avenue	B-2 L-19 Kimberkay Bldg., Marcos Alvarez Ave., Brgy. Talon Cinco, Las Piñas City
208	Las Piñas - Naga Road	Near corner Naga Road and Main Access Road, E.T. Homes 2, Pulanglupa 2, Las Piñas City
209	Las Piñas - Pamplona Tres	Unit 101-104, G/F, Lot G & H, Torre Sur, Alabang Zapote, Brgy. Pamplona Tres, Las Piñas City
210	Las Piñas - Talon	G/F Motiontrade Bldg, Alabang-Zapote Road, Talon, Las Piñas City

No.	BRANCH	ADDRESS
211	Lavezares	321-325 Garden City Condominium, corner Lavezares & Camba St., San Nicolas, Manila
212	Legaspi Village - C. Palanca	G/F Colonade Residences, No. 132 Legaspi Village, Makati City
213	Legaspi Village - Gamboa	KL Tower, 117 Gamboa Street, Legaspi Village, Brgy. San Lorenzo, Makati City
214	Legaspi Village - Salcedo St.	Maxicare Tower, 203 Salcedo St., Legaspi Village, Makati City
215	Leon Guinto – Gen. Malvar	Wynn Plaza Commercial Unit 2, 1674 Leon Guinto cor. Gen. Malvar & Agoncillo Sts., Brgy. 694, Zone 075, Malate, Manila
216	Leon Guinto – San Andres	G/F Unit A Queen Rose Bldg, 911 San Andres St. cor. Leon Guinto St., Brgy 723, Malate, Manila
217	Loyola Heights - Berkeley Residences	G/F Berkeley Residences, Katipunan Ave. corner Escaler St., Loyola Heights, Quezon City
218	Macapagal Blvd Aseana 3	G/F, Shop 3, Aseana 3, Pres. Diosdado Macapagal Blvd. Corner Asean Avenue, Aseana City, Brgy. Tambo, Parañaque City
219	Macapagal Blvd Bay Area	Space Number 2013, Ayala Malls Manila Bay, Diosdado Macapagal Blvd. Corner Asean Avenue, Brgy. Tambo, Parañaque City
220	Macapagal Blvd Meridian Park	G/F, Double Dragon Plaza, DD Meridian Park, Macapagal Ave. cor. EDSA Ext., Bay Area, Brgy. 76, Zone 10, Pasay City
221	Macapagal Blvd Pearl Drive	Unit Nos. 105 & 106, Scape Bldg., Diosdado Macapagal Avenue corner Pearl Drive, Brgy. 76, San Rafael, Mall of Asia Complex, Pasay City
222	Macapagal Blvd W Mall	G/F W-Mall, Diosdado Macapagal Avenue corner Coral Way, Brgy. 76, Zone 10, Pasay City
223	Magallanes Village	Unit 104 The Gate Way Center, Paseo de Magallanes, Magallanes Village, Makati City
224	Makati Avenue - Zuellig	G/F Zuellig Building, Paseo de Roxas corner Makati Avenue, Makati City
225	Makati Medical Center	G/F Makati Medical Center Bldg., Salcedo St. corner Dela Rosa St., Legaspi Village, Makati City
226	Makati Shangrila Hotel	Unit 191 Shangrila Hotel Manila, Ayala Center, Makati City
227	Makati – Circuit Mall	Level 2, L2 049-L2 050, Ayala Malls Circuit, Circuit Makati, Hippodromo St., Brgy. Carmona, Makati City
228	Makati – Evangelista Macabulos	G/F QS Bldg., Evangelista St. corner General Macabulos St., Brgy. Bangkal, Makati City
229	Makati - Esteban	G/F A & V Crystal Tower, 105 Esteban St., Legaspi Village, Makati
230	Makati – Gramercy Residences	G/F Gramercy Residences, The Century City, Salamanca St., Brgy. Poblacion, Makati
231	Makati – Jazz Residences	G/F Jazz Residences, Jupiter St. corner N. Garcia St., Brgy. Bel-Air, Makati City
232	Makati – Metropolitan Avenue	G/F Metropolitan Terraces, Metropolitan Avenue corner Sacred Heart St., (formerly Dao St), Makati City

No.	BRANCH	ADDRESS
233	Malabon – Concepcion	G/F Teresita Bldg., No. 4 Gov. Pascual Avenue, Brgy. Baritan, Malabon City 1470
234	Malabon - Fisher Mall	Unit 1F, G/F Malabon – Fisher Mall, Circumferential Road 4 Dagat- Dagatan Avenue, Brgy Longos, Malabon City 1472
235	Malabon - Gov. Pascual	G/F MGC Veranda Bldg., 31 Gov. Pascual Avenue, Tenejeros, Malabon City
236	Malanday - McArthur Highway	G/F & 2/F, 584 MacArthur Highway, Brgy. Malanday, 1405 Valenzuela City
237	Malate - Adriatico	Adriatico Executive Center, Adriatico St., Ermita, Manila
238	Mall of Asia – S Maison	G/F S Maison, Marina Way, Mall of Asia Complex, Brgy. 76, Zone 10, Pasay City
239	Mall of Asia – Sea Residences	Location Code 119-121, G/F Sea Residences, Pearl Drive corner Sunrise Drive, SM Mall of Asia Complex, Brgy. 76, Zone 10, Pasay City
240	Mall of Asia – Shell Residences	SMDC Shell Residences (LC 123), EDSA corner Road 11, Brgy. 76, SM Mall of Asia Complex, Pasay City
241	Mall of Asia – Shore Residences	Location 120-121, G/F, Shore 1 Commercial, Shore Residences, Seaside Blvd. Corner Sunrise Drive, SM Mall of Asia Complex, Brgy. 76, Zone 10, Pasay City
242	Mandaluyong - Calbayog	DMG Center, Libertad St. corner M. Cruz, Mandaluyong City
243	Mandaluyong – Fame Residences	Location Code 131 – 133a, 163-165, G/F Fame Residences, EDSA and Mayflower St., Brgy. Highway Hills, Mandaluyong City
244	Mandaluyong - Libertad	Sierra Madre St. corner Libertad St. Mandaluyong City
245	Mandaluyong - Light Mall	G/F Light Mall, Light Residences, EDSA corner Madison St., Brgy. Barangka Ilaya, Mandaluyong City
246	Mandaluyong – Reliance	G/F, Units 3 & 4 Launch Pad Bldg., Reliance corner Sheridan Sts., Brgy. Highway Hills, Mandaluyong City
247	Mandaluyong – Rockwell Sheridan	Retail 10, G/F The Rockwell Business Center – Sheridan, Sheridan St. corner United St., Brgy. Highway Hills, Mandaluyong City
248	Manila - Otis	1763 Paz Mendoza Guanzon St., Paco, Manila
249	Marikina Heights	G/F Commercial Unit No. 108-110, Puregold & Ayala Malls Marikina, Liwasang Kalayaan, Brgy. Marikina Heights, Marikina City
250	Marikina - Calumpang	Florida 1 Bldg., J.P. Rizal corner M. A. Roxas St., Calumpang, Marikina City
251	Marikina - Gil Fernando Ave.	Gil Fernando Avenue corner Dragon St., Marikina City
252	Marikina - JP Rizal	265 Jose Rizal St., Sta. Elena 1800, Marikina City
253	Marikina - Katipunan	G/F 107 Guerdon Commercial Center, Katipunan Avenue cor. Rainbow St., Brgy. Concepcion Dos, Marikina City
254	Marikina - Lamuan	J. P. Rizal St. near corner Malaya St., Brgy. Lamuan, Marikina City

No.	BRANCH	ADDRESS
255	Marikina - Nangka	Unit 1A G/F Bldg 2 Citi Centre Nangka, J.P. Rizal Avenue corner Puerto Rico Avenue, Nangka, Marikina City
256	Marikina - Parang	105 Gen. B. G. Molina St., Brgy. Parang, Marikina City
257	Marikina – Xeland Gil Fernando Ave.	LS1-04 Xeland, Mayor Gil Fernando Avenue, Brgy. Sto. Niño, Marikina City
258	Masangkay	Lun Hong Townmates Association Bldg., 1226 Masangkay Sta. Cruz, Manila
259	Masangkay - CM Recto	1029-1031 JP. Bldg., Masangkay corner Tronqued St., Sta. Cruz, Manila
260	Masangkay - Luzon St.	907 Luzon St. corner Masangkay St., Tondo, Manila
261	Mascardo - Chino Roces Avenue	1101 Chino Roces corner Mascardo St., Brgy Sta. Cruz, Makati City
262	Mayon - N. Roxas	241 Mayon Avenue corner Nicanor Roxas St., 1161 Quezon City
263	Maysilo Circle – F. Martinez Avenue	315 Maysilo Circle, Brgy. Plainview, Mandaluyong Cty
264	Meralco - Ortigas	Meralco Compound, Ortigas Avenue, 1604 Pasig City
265	Meralco Avenue – Millenium Place	Unit 102 Millennium Place, Meralco Ave., Brgy. San Antonio, Pasig City
266	Mezza Residences	G/F Mezza Residences, Aurora Blvd. corner Araneta Avenue, Guirayan St., Brgy. Doña Imelda, Quezon City
267	Mindanao Ave. Ext Brittany	EC Center Bldg., Mindanao Ave. Extension cor. Commonwealth Ave., Brgy. Pasong Tamo Putik, Quezon City
268	Mindanao Avenue – Bagong Pagasa	Golden Sun Realty Bldg. II, No. 29 Mindanao Avenue, Brgy. Bagong Pag-asa, Quezon City
269	Mindanao Avenue - St. Charbel	G/F, Lot 2 Block 1, Mindanao Avenue, Brgy. Tandang Sora, Quezon City
270	Mindanao Avenue – Tandang Sora	G/F & 2/F, No.18 Mindanao Avenue, Brgy. Tandang Sora, Quezon City
271	Monumento	G/F Sunhope Bldg., 78 MacArthur Highway, Brgy. 81, Caloocan City
272	Mother Ignacia – M Place	SMDC M Place Sotuh Triangle (LC 106-107), Mother Ignacia corner Panay Avenue, Brgy. South Triangle, Quezon City
273	Muñoz - Roosevelt	328 Mesa Holding Bldg., San Francisco Del Monte, Quezon City
274	Muntinlupa – East Bay Residences	Ground Floor, East Bay Residences, KM21, East Service Road, Brgy. Sucat, Muntinlupa City
275	Muntinlupa - Poblacion	G/F Elizabeth Center Bldg., National Road, Poblacion, Muntinlupa
276	N. Domingo – Gilmore Avenue	G/F Gilmore Tower, No. 2 Gilmore Ave. corner N. Domingo St., Brgy. Mariana, Brgy. Valencia, New Manila, Quezon City
277	N. Domingo - M. Paterno	G/F Maxsteel Bldg., No. 266 N. Domingo St., Brgy. Pasadena, San Juan City

No.	BRANCH	ADDRESS
278	NAIA 1	Arrival Area, Ninoy Aquino International Airport, Ninoy Aquino Avenue, 1705 NAIA, Parañaque City
279	NAIA 3	Stall No.13, Arrival Lobby of Terminal 3, Ninoy Aquino International Airport, Andrews Avenue, Brgy. Villamor, Pasay City
280	Navotas	514 Northbay Blvd. Corner Lacson St., Brgy. Bangkulasi, Navotas City 1485
281	Neptune - Makati Avenue	101 Neptune St. corner Makati Avenue 1209 Makati City
282	New Manila - E. Rodriguez Sr.	Unit 1G & 2E, 284 Dona Anita Bldg., E. Rodriguez Sr. Avenue, Quezon City
283	Newport City	G/F Newport Office Building 1, Newport City, Pasay City
284	Newport City – Plaza 66	Unit Retail 13a, Plaza 66, Newport City, Manlunas St., Brgy. 183, Villamor Airbase, Pasay City
285	Northbay - Virgo Drive	Melandrea V Bldg., Honorio Lopez Blvd. near corner Virgo, North Bay, Navotas City
286	Novaliches - Quirino Highway Bagbag	612 Quirino Highway, Brgy. Bagbag, Novaliches, Quezon City
287	Novaliches - Regalado Avenue	G/F, Lot 11 Block 114 Regalado Avenue, Brgy. Greater Lagro, Novaliches, Quezon City
288	Novaliches – S&R Commonwealth Ave.	G/F, Unit 1, S&R Commonwealth, Commonwealth Avenue corner Quirino Highway, Brgy. Kaligayahan, Novaliches, Quezon City
289	Novaliches - Trees Residences	The Strip at Trees Residences, Quirino Highway, Brgy. Pasong Putik, Novaliches, Quezon City
290	Novaliches - Zabarte	G/F C.I. Plaza, 1151 Quirino Highway corner Zabarte Road, Brgy. Kaligayahan, Novaliches, Quezon City
291	Okada Manila Pearl Wing	Hotel Pearl Wing, Okada Manila, Atlantic Drive, Asiaworld City, Boulevard 2000, Brgy. Tambo, Parañaque City
292	Old Sta. Mesa - Albina	Newton Plaza, Old Sta. Mesa corner Albina St., Sampaloc, Manila
293	OneE-comCenter	G/F One E-com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City
294	Ongpin	Unit ABC Imperial Sky Garden Ongpin St. corner T. Pinpin St. Binondo, Manila
295	Ongpin - T. Alonzo	G/F Anchor Skysuites, No. 827 Ongpin St., Brgy.300, Zone 29, Sta. Cruz, Manila
296	Ongpin-Tomas Mapua	1004-1006 Ongpin St. Sta. Cruz, Manila
297	Ortigas Avenue – E. Rodriguez, Jr.	Units A-D, G/F L & Y Plaza Bldg., 120 E. Rodriguez Jr. Avenue corner Ortigas Avenue, Brgy. Ugong, Pasig City
298	Ortigas Avenue Ext Pace Bldg	Pace Bldg., 98 Granada St., Ortigas Avenue Extension, Barangay Valencia, Quezon City
299	Ortigas Avenue Ext Pasig	Along Ortigas Avenue Extension, Rosario, Pasig City
300	Ortigas Avenue Ext St. Joseph	15 A, Ortigas Avenue Extension corner Monaco St., Pasig City

No.	BRANCH	ADDRESS
301	Ortigas – Garnet Road	Unit 1 G/F Cyberscape Alpha Bldg., Garnet & Sapphire Rds., Ortigas Central Business District, San Antonio, Pasig City
302	Ortigas - Octagon Centre	G/F Octagon Centre, San Miguel Avenue, Ortigas Center, Pasig City
303	Pablo Ocampo Sr. St Arellano Avenue	Barko Bldg., P. Ocampo Sr. St. corner Arellano Avenue & Enrique St., Malate, Manila
304	Pacific Star - Makati	G/F Pacific Star Bldg., Sen. Gil Puyat Avenue corner Makati Avenue, Makati City
305	Paco	1054-1060 Pedro Gil St., Paco, Manila
306	Padre Rada	Gosiupo Bldg. 480-482 Padre Rada Corner Elcano St. Tondo, Manila
307	Parañaque - La Huerta	0422 Quirino Avenue corner J. Ferrer St., La Huerta, Parañaque City
308	Parañaque - Moonwalk	G/F Seal I Bldg., Armstrong Avenue corner Yosemite St., Moonwalk Subdivision, Parañaque City
309	Parañaque - Moonwalk E. Rodriguez Ave.	15413 A&M Bldg., E. Rodriguez Ave. cor. Daang Batang St., Brgy. Moonwalk, Parañaque City
310	Parañaque - NAIA Road	G/F Park N' Fly Carpark Bldg. 2, NAIA (MIA) Road cor. Mayuga St., Brgy. Tambo, Parañaque City
311	Parañaque - Pascor Drive	Sky Freight Bldg., Ninoy Aquino Avenue near corner Pascor Drive, St. Niño, Parañaque City
312	Parañaque - San Antonio Valley 1	San Antonio Plaza, Blk 6 Lot 20 & 21, San Antonio Ave., Brgy. San Antonio Valley 1, Sucat, Parañaque
313	Parañaque - Sto. Niño	Units U & V, Columbia Airfreight Complex, No. 707 Ninoy Aquino Avenue, Brgy. Sto. Niño, Parañaque City
314	Pasay - Domestic Road	Caltex Compound (PDSC/Park 'N Fly Bldg.), NAIA corner Domestic Road, 1300, Pasay City
315	Pasay - Two Shopping Center	2nd Level. Retail Shops Area, Two Shopping Center, Taft Avenue, Pasay City
316	Paseo de Roxas 2	G/F BDO Plaza, 8737 Paseo de Roxas St. Makati City
317	Pasig - 106 Shaw Boulevard	106 Shaw Blvd., Brgy. Kapitolyo, Pasig City
318	Pasig - A. Sandoval Ave.	G/F Isagabanna Bldg., A. Sandoval Ave. corner Col. R. Fernandez St., Villa Alegre Subd., Brgy. Pinagbuhatan, Pasig City
319	Pasig - C. Raymundo Ave.	JEMCO Bldg., Raymundo Ave. cor. Bernal St., Rosario, Pasig City
320	Pasig – Amang Rodriguez Caruncho Road	Retail 1, Acacia Escalades, Amang Rodriguez corner Caruncho Road, Brgy. Manggahan, Pasig City
321	Pasig - Capitol Commons Estancia	Estancia Mall, Capitol Commons, Pasig City
322	Pasig Blvd E. Rodriguez Jr.	G/F P & J Bldg., Pasig Blvd corner E. Rodriguez Jr. Ave., Brgy. llog, Pasig City
323	Pasig – Felix Ave. Karangalan	G/F, Hanlu Bldg., Felix Avenue, Karangalan Village, Brgy. Manggahan, Pasig City

No.	BRANCH	ADDRESS
324	Pasig - Kapasigan	Mariposa Arcade, A. Mabini corner Dr. Pilapil St. Pasig City
325	Pasig - Maybunga	G/F Armal Bldg. 3, Blk 1 Lot 1-3, C. Raymundo Avenue, Maybunga, Pasig City
326	Pasig – San Antonio Meralco Ave.	Iriz One Corporate Center, No. 35 Meralco Ave. cor. Gen. Segundo St., Brgy. San Antonio, Ortigas Center, Pasig
327	Pasig - Meralco Avenue	G/F One Corporate Centre, Julia Vargas Avenue corner Meralco Avenue, Pasig City
328	Pasig - Mercedes Avenue	628 MK Building, Mercedes Avenue, Brgy. San Miguel, Pasig City
329	Pasig - Oranbo Drive	G/F A.B. Sandoval Bldg., Shaw Blvd. corner Oranbo Drive, Pasig City
330	Pasig - Pioneer	Pioneer Centre, Pioneer St. corner United & Brixton St., Kapitolyo, Pasig City
331	Pasig - Pioneer Shaw Blvd.	CVFC Corporate Center, Pioneer St. corner San Rafael St., Brgy. Kapitolto, Pasig City
332	Pasig - Puregold San Joaquin	G/F Puregold, 165 M. Concepcion St., Brgy. Buting, Pasig City
333	Pasig - Sixto Antonio Ave. Bedaña	Sixto Antonio Avenue corner R. Bedaña St., Pasig City
334	Pasig - Sixto Antonio Ave Stella Maris	478 G/F CLM Bldg., Dr. Sixto Antonio Avenue, Brgy. Maybunga, Pasig City
335	Pasig – The 30 th Meralco Avenue	LG/F, Space No. L0060-61, Ayala Malls The 30th, Meralco Avenue, Brgy. Ugong, Pasig City 1604
336	Pasig - The Grove Rockwell	G/F The Grove by Rockwell, 117 E. Rodriguez Jr. Avenue, Brgy. Ugong, Pasig City
337	Pasig – E. Rodriguez Jr. Lanuza Ave.	G/F Reliance Center, 99 E. Rodriguez Jr. Avenue, Barrio Ugong, Pasig City
338	Pasig - Valle Verde Country Club	Valle Verde Country Club, Capt. Henry P. Javier St. corner St. Martin St., Brgy. Oranbo, Pasig City
339	Pasong Tamo Ext.	G/F Allegro Center, Pasong Tamo Extension, Makati City
340	Pateros - Poblacion	77 M. Almeda St., Brgy. San Roque, Pateros
341	Pedro Gil - Adriatico	Adriatico St. near corner Pedro Gil St., Malate, Manila
342	Pedro Gil - A. Mabini	1567-1571 Salud Bldg., Pedro Gil corner A. Mabini St. Ermita, Manila
343	Philam Tower – Valero	G/F Philamlife Tower, 8767 Paseo de Roxas, Brgy. Bel-Air, Makati City
344	Plaza Calderon - Pedro Gil	G/F Unit C, Harmonic Seven Bldg., 2332- 2334 Pedro Gil corner Vesta St., Sta. Ana, Manila
345	Port Area - South Harbor	G/F Velco Center, R.S. Oca Corner A. C. Delgado St., Port Area, Manila
346	Potrero	G/F Panco Square, 67 MacArthur Highway, Malabon City 1475

No.	BRANCH	ADDRESS
347	Quezon Avenue - Araneta	G/F CSP Bldg., 815 Quezon Avenue, Quezon City
348	Quezon Avenue - Cordillera	37 Quezon Avenue corner Cordillera St., Quezon City
349	Quezon Avenue – D. Tuazon	Unit 101 & 103, Bernmann Centre, No. 28 Quezon Ave., Brgy. Doña Josefa, Quezon City
350	Quezon Avenue – Examiner	G/F Maxmor Bldg., Examiner St. corner Quezon Ave., Brgy. West Triangle, Quezon City
351	Quezon Avenue – Fisher Mall	UB-Bank 1, Fisher Mall, Quezon Ave. corner Roosevelt Ave., Brgy. Sta. Cruz, Quezon City
352	Quezon Avenue – Prima Residences	G/F Prima Residences, 243 Quezon Avenue, Brgy. Tatalon, Quezon City
353	Quezon Avenue – South Triangle	Unit LG02-03, SKC Service Center Bldg., 1320 Quezon Avenue, Brgy. South Triangle, Quezon City
354	Quiapo - Quezon Blvd.	Quezon Blvd., 1001, Quiapo, Manila
355	Quintin Paredes	524 Enterprise Bldg., Quintin Paredes St. corner Carvajal St., Binondo, Manila
356	Quirino Paco	CRS Tower Corner, Perdigon St. Pres. Quirino Avenue, Paco, Manila
357	Rada – Legaspi Village	G/F One Legaspi Park, Rada St. Legaspi Village, Makati City
358	Resorts World Manila	Newport Blvd., Newport City, Pasay City
359	Rizal Avenue - Bambang	1607 Alvarez St. corner Rizal Avenue, Sta. Cruz, 1003 Manila
360	Rizal Avenue - Batangas St.	2200 Rizal Avenue corner Batangas St., Sta. Cruz, Manila
361	Robinsons - Metro East	Level 1 (L1 160 & 162), Robinsons Metro East Mall, Brgy. Dela Paz Marcos Highway, Pasig City 1611
362	Robinsons – Magnolia	Level 1, Unit 107B, Robinsons Magnolia, Aurora Boulevard corner Dona Hemady St., and N. Domingo St., Brgy. Kaunlaran, New Manila, Quezon City 1112
363	Robinsons Galleria - Ortigas	LG/F Basement Westwing, Robinsons Galleria Mall, Brgy. Ugong Norte Ortigas Avenue, 1602 Quezon City
364	Robinsons Place - Manila	G/F Robinsons Mall corner Pedro Gil, Maria Orosa Sts., Ermita, 072 Brgy. 669, Manila
365	Roces Avenue	57 (Don A.) Roces Avenue, Brgy. Laging Handa, Quezon City
366	Rockwell - Ortigas	Level 1, Tower 3 (South), The Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, Pasig City
367	Rockwell – Power Plant	G/F Power Plant Mall, Rockwell Center , Amapola corner Estrella St., Makati City
368	Roxas Blvd Admiral Baysuites	G/F Admiral Baysuites, 2138 Aldecoa St. corner M.H. Del Pilar St., Brgy. 701, Malate, Manila
369	Roxas Blvd Breeze Residences	Unit 101-102, G/F SMDC Breeze Residences, Roxas Blvd., Brgy. 5, Zone 2, Pasay City
370	Roxas Blvd Crowne Bay Tower	Unit 101 Crowne Bay Tower, along Roxas Blvd., Brgy. Baclaran, Parañaque City

No.	BRANCH	ADDRESS
371	Roxas Blvd R. Salas	S & L Bldg., Roxas Blvd. St. corner Romero Salas St., Ermita, Manila
372	Roxas Blvd Radiance Manila Bay	Retail No. 3, Radiance Manila Bay, Roxas Blvd., Brgy 001, Pasay City
373	Salcedo - Dela Rosa	Golden Rock Bldg., 168 Salcedo St., Legaspi Village, Makati City
374	Salcedo - Gamboa	Optima Building, Salcedo St. near corner Gamboa St., Legaspi Village, Makati City
375	Sales St Raon	545 Sales St. corner G. Puyat St. (Raon) 1016 Sta. Cruz, Manila
376	Sampaloc – A.H. Lacson	G/F JHL Centre Bldg., #519 A.H. Lacson St., Brgy 434, Zone 44, Sampaloc, Manila
377	Sampaloc – Legarda	G/F Legarda Place Bldg., 2327 Legarda St., Sampaloc 042, Brgy. 416, Manila
378	Sampaloc – Pureza	TP Building, No. 0414 Pureza Extension, Brgy. 425, Zone 043, Sampaloc, Manila
379	Samson Road	G/F Ma. Cristina Bldg. Samson Road corner UE Tech. Caloocan City
380	San Andres	San Andres corner A. Linao St., Malate, Manila
381	San Juna – P. Guevarra	G/F No. 299 P. Guevarra St., Brgy. Little Baguio, San Juan City
382	San Juan – Pinaglabanan	G/F, Benson Apartelle, No. 627 & 629 Pinaglabanan St., Brgy. Corazon de Jesus, San Juan City 1500
383	San Juan – Santolan Town Plaza	G/F Santolan Town Plaza, 276 Santolan Road, Brgy. Little Baguio, San Juan City
384	Savemore Novaliches	Savemore Novaliches, General Luis St., Novaliches, Quezon City
385	Savemore - Amang Rodriguez	G/F Savemore Amang Rodriguez, GBU Bldg., Amang Rodriguez Avenue corner Evangelista St., Brgy. Santolan, Pasig City
386	Savemore - Marulas	NF-5 & NF-6, G/F Savemore Marulas Valenzuela, 40 Pio Valenzuela St., Brgy. Marulas, Valenzuela City 1440
387	Savemore - Nagtahan	G/F Savemore Nagtahan, Magsaysay Blvd. corner Nagtahan Road, Brgy. 634 Sampaloc, Manila
388	Savemore - Project 8	Savemore Project 8, Benefit St. corner Redemption and Grant St., Brgy. Sangandaan, Project 8, Quezon City
389	Scout Albano - Quezon Avenue	1488 Quezon Avenue, 1103 South Triangle, Quezon City
390	Scout Limbaga - T. Morato	102 & 103 The Forum, Tomas Morato Avenue corner Scout Limbaga St., 1103, Quezon City
391	Shangri-La Plaza Mall - EDSA	Unit 516-517, Level 5 Shangri-La Plaza Mall, EDSA cor. Shaw Blvd., Brgy Wack-wack, Mandaluyong City
392	Shaw - Pasig Blvd.	145 Shaw Boulevard, Pasig City
393	Shaw Blvd Beacon Plaza	UG 105-UG 106 Beacon Plaza, Shaw Blvd. corner Ideal St., Mandaluyong City
394	Shaw Blvd High Pointe Center	G/F Units 125 -128 High Pointe Center, Shaw Boulevard corner M. Yulo St., Brgy. Bagong Silang, Mandaluyong City

No.	BRANCH	ADDRESS
395	Shaw Blvd Mandala Park	G/F Units 1 & 2, Bldg. B, Shaw Blvd, Mandala Park, Brgy. Pleasant Hills, Mandaluyong City
396	Shaw BlvdWack-Wack	Unit A, BCC Showroom, 545 Shaw Blvd., Brgy Wack-Wack, Mandaluyong City
397	Project 8 - Shorthorn	BDO Bldg., No. 41 Shorthorn St., Barangay Toro, Project 8, Quezon City
398	Silver City - Pasig	G/F Silver City Building 3, Frontera Verde, Ortigas Center, Pasig City
399	SM Aura Premier	LG/F SM Aura Premier, Bonifacio Global City, Brgy Fort Bonifacio, Taguig City
400	SM Center Las Piñas	LGF SM Center Las Piñas, Alabang-Zapote Road, Barangay Pamplona Dos, Las Piñas City
401	SM Center Muntinlupa	UG/F SM Center Muntinlupa, Brgy. Tunasan, National Road, Muntinlupa City
402	SM Center Sangandaan	G/F SM Center Sangandaan, Marcelo H. Del Pilar St. corner Samson Road, Brgy. 003, 1408 Caloocan City
403	SM Cherry Congressional	LC 004-006 & 111-113, SM Cherry Congressional, Congressional Ave., Brgy. Bahay Toro, Quezon City
404	SM Cherry Shaw	SM Cherry Foodarama Shaw Blvd. (LC CS 1-09), Shaw Blvd. corner Old Wack-Wack Rd., Brgy. Pleasant Hills, Mandaluyong City
405	SM City BF Parañaque	G/F SM City BF Parañaque, Dr. A. Santos Avenue, Brgy. BF Homes, Sucat, Parañaque City
406	SM City Bicutan	UGF/LG/F and MF SM City Bicutan, Dona Soledad Avenue corner West Service Road, Paranaque City
407	SM City East Ortigas	SM City East Ortigas (LC180-183) , Ortigas Avenue Extension, Brgy. Sta. Lucia, Pasig City
408	SM City Fairview A	Location Code AX3 175-179, LG/F SM City Fairview, Quirino Highway corner Ragalado St., Brgy. Greater Lagro, Fairview, Quezon City
409	SM City Fairview B	SM City Fairview, Quirino Highway corner Regalado Avenue, Fairview, Quezon City
410	SM City Fairview C	LGF, Annex 2, SM City Fairview, Quirino Highway corner Regalado Avenue, Fairview, Quezon City
411	SM City Grand Central	LC 024B; 025-027, LG/F, SM City Grand Central, Rizal Avenue Extension, Grace Park East, Brgy. 88, Zone 8, District II, Caloocan City 1403
412	SM City Manila	LG/F SM City Manila, Concepcion corner Arroceros and San Marcelino St. Manila
413	SM City Marikina	G/F SM City Marikina, Barangay Calumpang, Marikina City
414	SM City North EDSA A	G/F The Block SM City North, EDSA corner North Avenue, Quezon City
415	SM City North EDSA B	SM City North EDSA Annex I Bldg., North Avenue corner EDSA, Quezon City

No.	BRANCH	ADDRESS
416	SM City North EDSA C	SM Center Complex North EDSA, 1105 Quezon City
417	SM City North EDSA D	G/F BPO Tower 3, SM City North EDSA Complex, EDSA corner North Avenue, Brgy. Bagong Pag-asa, Quezon City
418	SM City Novaliches	G/F SM City Novaliches, Quirino Highway, Novaliches, Quezon City
419	SM City San Lazaro	Felix Huertas corner A.H. Lacson St. Sta. Cruz, Manila
420	SM City Sta. Mesa	SM City Sta. Mesa Annex Bldg. Aurora Blvd. Quezon City
421	SM City Sucat A	G/F SM Supercenter Sucat, Paranque City
422	SM City Sucat B	G/F Annex Bldg. B SM City Sucat, Dr. A Santos Avenue, Parañaque City
423	SM City Valenzuela	Unit 126 G/F SM City Valenzuela, McArthur Highway, Brgy. Karuhatan Valenzuela City 1441
424	SM Retail HQ Bldg. B	SM Retail Headquarters Bldg. B LC 106-110B Sunrise Drive corner Bayshore Avenue Mall of Asia Complex, Brgy. 76, Pasay City
425	SM Cubao	G/F SM Cubao, Cubao, Quezon City
426	SM Hypermarket Adriatico	G/F SM Hypermarket Adriatico, M. Adriatico St., Manila
427	SM Hypermarket Cubao	EDSA corner Main Street, Cubao, Quezon City
428	SM Hypermarket FTI Taguig	G/F SM Hypermarket FTI Taguig, Lot 85 A & B, DBP Avenue, FTI Complex, Brgy. Western Bicutan, Taguig City
429	SM Hypermarket Makati	SM Hypermarket Makati, 5560 Osmeña Highway corner Finlandia St, San Isidro, Makati City
430	SM Hypermarket Novaliches	G/F SM Hypermarket Novaliches, No. 402 Quirino Highway, Brgy. Talipapa, Novaliches, Quezon City
431	SM Center Pasig	G/F SM Supercenter Pasig, Frontera Verde, Ortigas Center, Pasig City
432	SM Hypermarket Sucat - Lopez	SM Hypermarket Sucat-Lopez (LC102-103), Dr. A. Santos Ave., Brgy. San Isidro, Sucat, Paranaque City
433	SM Makati	G/F (GF05) Shoemart Bldg., Ayala Center, Brgy. San Lorenzo, Makati City
434	SM Mall of Asia A	LC 3133-3135 MM, 3/F Main Mall, SM Mall of Asia, J.W. Diokno Blvd., Mall of Asia Complex, Brgy. 76, Zone 10, Pasay City
435	SM Mall of Asia B	G/F Entertainment Mall, SM Mall of Asia, J.W. Diokno Blvd., Mall of Asia Complex, Brgy. 76, Pasay City
436	SM Megamall A	UG/F SM Megamall Bldg. A (LC121a-1 & 121a-2), Brgy. Wack-Wack, Greenhills West, Ortigas Center, Mandaluyong City
437	SM Megamall B	Upper & Lower Ground Floors, SM Megamall Bldg. B Julia Vargas corner EDSA Ortigas Center, Mandaluyong City
438	SM Megamall C	UG/F SM Megamall Bldg. A (LC 115A), Brgy. Wack-Wack, Greenhills West, Ortigas Center, Mandaluyong City
439	SM Southmall A	UG/F SM Southmall, Alabang - Zapote Road Las Piñas City
440	SM Southmall B	UG/F SM Southmall, Alabang - Zapote Road, Las Piñas City

No.	BRANCH	ADDRESS
441	SM Retail HQ Bldg. A	SM Retail Headquarters Bldg. A Location Code 104-105 A J. W. Diokno corner Seaside Blvd. Mall of Asia Complex, Brgy. 76 Pasay City
442	Solaire - Manila Resort	Solaire Manila, Bagong Nayong Pilipino Entertainment City, Parañaque City
443	Solaire - The Shoppes	Solaire Resorts and Casino Manila, Ang Bagong Nayong Pilipino Entertainment City, Brgy. Tambo, Parañaque City
444	Soler	U-1118 & 1120 Gracetown Bldg. corner Soler & Alvarado St. Binondo, Manila
445	Soler - Reina Regente	1087 Soler St., Binondo, Manila
446	Southgate Mall - EDSA	G/F Southgate Mall, EDSA corner Pasong Tamo Ext., Makati City
447	Sta. Ana – Xentro Mall	Space No. LS-02, Xentro Mall Sta. Ana City Market, Pedro Gil St.,Brgy 876, Zone 96, Sta. Ana, Manila
448	Sta. Mesa – V. Mapa	G/F & MF, Units H,I,J, LJS Logistics Center, No. 3331, V. Mapa St. cor. Second St., Brgy. 601, Sta. Mesa, Manila
449	Sta. Mesa – Silk Residences	G/F Retail 5, The Silk Residences, Ramon Magsaysay Boulevard corner Santol St., Zone 057, Brgy. 586, Sta. Mesa, Manila
450	Sta. Mesa Heights – D. Tuazon	G/F, Unit ABC, TCC Center, 190 D. Tuazon St., Brgy. Maharlika, Sta. Mesa Heights, Quezon City
451	Starmall - Alabang	Unit G33 Manuela Metropolis, South Superhighway, Alabang Interchange, Muntinlupa City
452	Sto. Cristo	475-477 Kim Siu Ching Foundation Bldg., Sto. Cristo St., Binondo, Manila
453	Sto. Cristo - Commercio	686 Sto Cristo St., Binondo, Manila
454	Sto. Domingo	6 Sto. Domingo Avenue, Quezon City
455	Sto. Niño St Roosevelt	284 Roosevelt Avenue, San Francisco Del Monte, 1105 San Antonio, Quezon City
456	Sucat - Villa Mendoza	Dr. A. Santos Avenue corner Villa Mendoza Subdivision, Sucat Road, Parañaque City 1700
457	Sun Residences	G/F Sun Residences, España Blvd. corner Mayon St., Brgy. Sta. Teresita, Quezon City
458	Tabora	859-861 L & J Bldg. Tabora St., Divisoria, Manila
459	Taft - Libertad	2250 MCF Bldg., Taft Avenue corner College Road, Pasay City
460	Taft - Pedro Gil	1430 Taft Avenue, Manila
461	Taft Avenue - J. Nakpil	1747 Taft Avenue Corner J. Nakpil St., Manila
462	Taft Avenue - Pres. Quirino	G/F FFW Bldg., 1943 Taft Avenue, Malate, Manila
463	Taguig – Grace Residences	Grace Residences (Location Code 131-132), Levi B. Mariano Avenue, Brgy. Ususan, Taguig City
464	Taguig - Levi Mariano Avenue	160 Levi Mariano Avenue, Brgy Ususan, Taguig City
465	Taguig – Vista Mall	GF-108A Vista Mall Taguig, Camella Road, Brgy. Tuktukan (formerly Brgy. Sta. Ana), Taguig City

No.	BRANCH	ADDRESS
466	Tandang Sora - Commonwealth	Tierra Commercial Center Bldg., Commonwealth Ave. corner Tandang Sora Ave., Quezon City
467	Tandang Sora – Culiat	Royal Midway Plaza, No. 419 Tandang Sora Avenue, Brgy. Culiat, Quezon City
468	Tandang Sora – San Vicente de Paul	ERN Commercial Complex, Tandang Sora Avenue, Brgy. Tandang Sora, Quezon City
469	Tandang Sora - Tagumpay	M & J Bldg., 578 Tandang Sora Avenue corner Tagumpay St., Brgy. New Era, Quezon City
470	Tayuman	G/F Delton Bldg., 1808 Rizal Avenue, Sta. Cruz, Manila
471	Teacher's Village	115 Maginhawa St., Brgy Teacher's Village, Quezon City
472	ThreeE-comCenter	Location Code 107, G/F, Three E-com Center, Block 21 Harbor Drive corner Bay Shore, Mall of Asia Complex, Brgy. 76 Zone 10, Pasay City
473	Timog	26 Cedar Executive Building, Timog Avenue corner Scout Tobias St., Quezon City
474	Timog - EDSA	G/F GEMPC Bldg., 132 Timog Avenue, Brgy. Sacred Heart, 1103 Quezon City
475	Timog - Rotonda	G/F Imperial Palace Suites, Tomas Morato corner Timog Avenue, South Triangle, Quezon City
476	Timog - Scout Torillo	Unit 11& 12, Timog Arcade, Timog Avenue corner Scout Torillo, Brgy. South Triangle, Quezon City
477	Timog - Victoria Towers	Unit F-2 & F-3 Victoria Towers, Timog Avenue corner Panay Avenue, Quezon City
478	Tomas Morato – Metrofocus Commercial	G/F, Units 101 & 102, Metrofocus Commercial Bldg., Tomas Morato Avenue, Brgy. Kristong Hari, Quezon City
479	Tondo - Gagalangin	2459 Juan Luna St. corner Paez St., Gagalangin, Tondo, Manila
480	Tondo - Pritil	1815 N. Zamora St., 1012 Tondo, Manila
481	Tordesillas - Gallardo	G/F Cambridge Centre, 108 Tordesillas corner Gallardo St. Salcedo Village, Makati City
482	Tordesillas - The Orient Mansion	G/F The Orient Mansion Condominium, 118 Tordesillas St. near corner H.V. dela Costa, Brgy. Bel-Air, Salcedo Village, Makati City
483	Trident - Gil Puyat	G/F Trident Tower Bldg., 312 Sen. Gil. Puyat Avenue, Makati City
484	UN Avenue	Puso ng Maynila Bldg., UN Avenue corner A. Mabini St., Ermita, Manila
485	UN Avenue – Times Plaza	Units 16 & 17 G/F, Units SC-3A & SC-8B 2F, Times Plaza Bldg., U.N. Avenue corner Taft Ave., Brgy. 666, Ermita, Manila
486	V. Luna - Kalayaan Avenue	Unit 101 Kalayaan Center Bldg., 65-67 V. Luna Road corner Kalayaan Avenue corner Maginoo St., Brgy. Pinyahan, Quezon City
487	V - Mall	G/F New V- Mall, Greenhills Shopping Center, San Juan, MM
488	V.A. Rufino - Dela Rosa	GF Unit 103 Plaza 100 Building, Rufino St. cor. Dela Rosa St., Brgy. San Lorenzo, Makati City

No.	BRANCH	ADDRESS
489	V. A. Rufino - Sotto	115 YL Building, V.A. Rufino cor. Sotto St. Legaspi Village Brgy. San Lorenzo, Makati City
490	V.A. Rufino - Tuscan	G/F Tuscan Condominium, 114 V. A Rufino St., Legaspi Village, Makati City
491	Valenzuela	Km. 15 MacArthur Highway, Dalandanan Valenzuela
492	Valenzuela - Gateway Complex	Valenzuela Gateway Complex, 318 GS Paso De Blas St., Brgy. Paso De Blas, Valenzuela City
493	Valenzuela - Gen. T. De Leon	Gen. T. De Leon St., Valenzuela City
494	Valenzuela – Happy Go Shopping Mall	Shop 2, Happy Go Shopping Mall, Ibaba St., Brgy. Bignay, Valenzuela City
495	Valero - Salcedo Village	G/F Pearlbank Center, 146 Valero St. Salcedo Village, Makati City
496	Villar - Salcedo Village	Eurovilla III Condominium, 154 Villar St. corner L.P. Leviste St., Salcedo Village, Makati City
497	Visayas Avenue	30 Visayas Ave. near corner Congressional Ave., Brgy. Bahay Toro, Quezon City
498	Waltermart - North EDSA	G/F Walter Mart Center - North EDSA, Dangay St., Veterans Village, Quezon City
499	Waltermart - Bicutan	G/F Waltermart Bicutan, Km 16 East Service Road corner Mañalac Avenue, Brgy San Martin de Porres, Bicutan, Parañaque
500	Waltermart – E. Rodriguez	WQCC 019, Waltermart E. Rodriguez, No. 222 Pacific Center E. Rodriguez Sr. Avenue, Brgy. Kalusugan, Quezon City
501	Waltermart - Sucat	G/F Waltermart Sucat, Dr. A Santos Ave, Paranaque City
502	Washington - Gil Puyat	G/F Keystone Bldg., 220 Gil Puyat Avenue, Makati City
503	West Avenue - Baler	G/F 118 Jafer Bldg., 118 West Avenue, Quezon City
504	West Avenue - Del Monte	40 West Avenue, 1104 West Triangle, Quezon City
505	West Avenue-East Maya	160 Ground floor Columbian Bldg., Near corner EDSA, West Avenue corner East Maya Drive, Philam, Quezon City
506	Zabarte – Kaligayahan	Lot 16 Block 5, Zabarte Road, Brgy. Kaligayahan, Quezon City
507	Zurbaran	Rizal Avenue corner Fugoso St., Sta. Cruz, Manila

(e) Provincial Branches:

1. Lot leased

No.	BRANCH	ADDRESS
1	Angono - National Highway	Lot 3 Blk. 4, M.L. Quezon Avenue, Brgy. San Isidro, Angono, Rizal
2	Bacoor - New Molino Blvd.	New Molino Blvd., Brgy. Molino 3, Bacoor , Cavite
3	Bacoor Molino - Bahayang Pag - asa	L-20 B-5 Avenida Rizal St., Bahayang Pag-asa Subd., Brgy. Molino 5, Bacoor, Cavite

No.	BRANCH	ADDRESS
4	Baliwag - Poblacion	B.S. Aquino corner J. Buizon, Brgy. Poblacion, Baliwag, Bulacan
5	Bataan - Mariveles FAB	Avenue of the Philippines cor. 8th Avenue, Freeport Zone of Bataan (the FAB), Mariveles, Bataan
6	Batangas - Mabini	National Road, Brgy. Pulong Niogan, Mabini, Batangas
7	Batangas - Rosario	BDO Bldg., G. Carandang St., Barangay C Poblacion, Rosario, Batangas
8	Bocaue - MacArthur Highway	MacArthur Highway, Brgy. Wakas, Bocaue, Bulacan
9	Bohol Tagbilaran - Visarra	C.P. Garcia Avenue near corner Visarra St., Bohol, Tagbilaran City
10	Bulacan - Obando	224 J.P. Rizal St., Brgy Pag-asa, Obando, Bulacan
11	Cabanatuan - Sanciangco	Sanciangco St., Cabanatuan City
12	Cagayan De Oro - Bulua	Zone 3 Upper Bulua, Butuan-Cagayan de Oro-Iligan Rd., Cagayan de Oro City, 9000 Misamis Oriental
13	Cagayan De Oro - Limketkai	L-6 B-2, Limketkai Ave., Limketkai Commercial Complex, Brgy. 31, Poblacion, Cagayan De Oro City, Misamis Oriental
14	Cavite - Dasmariñas Aguinaldo Highway	Gen. Emilio Aguinaldo Highway corner Natividad St., Dasmariñas, Cavite
15	Cavite - Dasmariñas FCIE	Governor's Drive, Barangay Langkaan, Dasmariñas, Cavite
16	Cavite - EPZA	Cavite EPZA Compound, 4106 Rosario, Cavite
17	Cavite - Naic	Governor's Drive corner Soriano Highway, Naic, Cavite
18	Cavite - Silang	J.P. Rizal St. cor. Kiamzon St., Brgy. Poblacion III, Silang, Cavite
19	Cebu - Carcar	Dr. Jose Rizal St., Barangay Poblacion, Carcar City, Cebu
20	Cotabato - Kabacan	Rizal Avenue, National Highway, 9407 Kabacan, North Cotabato
21	Cotabato Midsayap – Quezon Avenue	Quezon Avenue, Brgy. Poblacion 5, Midsayap, North Cotabato
22	Dumaguete - Silliman Campus	North National Highway, Dumaguete City, Negros Oriental
23	Iloilo - Central	Iznart St. Lot 317-B-2-A-1, 5000 Iloilo City, Iloilo
24	Iloilo - Molo	M.H. Del Pilar St., corner Jocson St., Molo, Iloilo City
25	Kawit - Binakayan	Lot 305 – B-3, 140 National Road, Brgy. Binakayan, Kawit, Cavite
26	Mactan - EPZA 1	Mactan-EPZA Compound, 6000 Lapu-Lapu City, Cebu
27	Masbate	Quezon St., Brgy. Pating, Masbate City
28	Meycauayan - MacArthur Highway	MacArthur Highway, Brgy. Calvario, Meycauayan, Bulacan
29	Ozamiz – Rizal Avenue	J.P. Rizal Avenue corner H.T. Feliciano St., 50th District, Ozamiz City, Misamis Occidental
30	Pangasinan – Lingayen	80 Avenida Rizal East, Lingayen, Pangasinan
31	Quezon – Sariaya	Maharlika Road corner Rizal St. corner Quezon St.,Brgy. Poblacion, Sariaya, Quezon

No.	BRANCH	ADDRESS
32	San Pedro - Rosario Complex 1	Lots 11 & 12, Rosario Avenue Complex 1, San Pedro, Laguna
33	Tarlac – Paniqui	M. H. Del Pilar St., McArthur Highway, 2307 Paniqui, Tarlac

2. Building leased

No.	BRANCH	ADDRESS
1	Abra - Bangued	Unit 12 The Rosario Bldg., Taft St. corner Magallanes St., 2800 Bangued, Abra
2	Agusan del Sur – San Francisco Gaisano	G/F Stall 28 & 29, Gaisano Grand Mall San Francisco, Davao- Agusan National Highway, Brgy. 5, San Francisco, Agusan del Sur
3	Aklan - Kalibo	Along XIX Martyrs St., Kalibo, Aklan 5600
4	Aklan - Boracay	Station 2, Brgy. Balabag, Boracay Island, Malay, Aklan
5	Aklan - CityMall Boracay	Units 5-6 & 11-12 CityMall Boracay Sitio Diniwid, Brgy. Balabag, Boracay Island, Malay, Aklan
6	Aklan - CityMall Kalibo	Units 123-125 CityMall Kalibo, F. Quimpo St., Brgy. Andagao, Kalibo, Aklan
7	Albay - Daraga	Rizal St. corner Burgos St., Brgy Centro llawod, Daraga, Albay
8	Albay – Polangui	Provincial Road corner Brgy. Road, Brgy. Ubaliw, Polangui, Albay
9	Albay - Tabaco	Along Ziga Avenue, Tabaco, Albay
10	Angeles - Friendship Highway	ECCO Bldg., Fil-Am Friendship Highway, Brgy. Anunas, Angeles City, Pampanga
11	Angeles – Marquee Mall	Level 1, Space No. 1070, Marquee Mall, A. Gueco St., Brgy. Pulung Maragul, Angeles City, Pampanga 2009
12	Angeles - Nepo Mart	Entec Bldg., Teresa Avenue, Nepo Mart Complex, Brgy. Cutcut, Angeles City, Pampanga
13	Angeles - Sto. Domingo	Bee King Bldg., MacArthur Highway, Brgy. Sto. Domingo, Angeles City, Pampanga
14	Angono – Xentro Mall	G/F AB Commercial Plaza, M.L. Quezon Avenue, Brgy. San Isidro, Angono, Rizal
15	Antipolo Plaza	Gatsby Bldg. II, M. L. Quezon St., Antipolo
16	Antipolo - B. V. Soliven	Blk 24, Lot 1, Benito V. Soliven Avenue, Greenheights Subdivision, Brgy. Mayamot, Antipolo City
17	Antipolo - Circumferential Rd.	G/F 1 Cirq Bldg., Circumferential Road, Bgy. San Roque, Antipolo City
18	Antipolo – M.L. Quezon St.	151 M.L. Quezon St., Brgy. San Roque, Antipolo City
19	Antipolo - Sumulong Highway	BDO Bldg., Sumulong Highway, Masinag, Mayamot, Antipolo
20	Antipolo – Xentro Mall	LS01-05, Xentro Mall Antipolo, Sumulong Highway, Brgy. Mambugan, Antipolo City

No.	BRANCH	ADDRESS
21	Bacoor – Puregold Panapaan	G/F Commercial Unit No. 2-4, Puregold Bacoor Cavite, Aguinaldo Highway, Brgy. Panapaan, Cavite
22	Bacoor – Zapote	Zapote Centre, Aguinaldo Highway, Zapote Road, Barangay Zapote 4, Bacoor, Cavite
23	Bacolod - Araneta	Cineplex Complex, Araneta St., Bacolod City
24	Bacolod - East Block IT Park	G/F Villa Angela East Block Bldg A, The Block IT Park, Carlos Hilado National Highway, Bacolod City
25	Bacolod - Goldenfield	Building 1, Goldenfield Commercial Complex, Araneta St., Brgy. Singcang, Bacolod City
26	Bacolod - Gonzaga	Gonzaga - Lopez Enterprise Bldg., Gonzaga St. Bacolod City
27	Bacolod - Hilado	Hilado corner F. Y. Manalo St., 6100 Bacolod City, Negros Occidental
28	Bacolod - Libertad	Corner Hernaez St. & Lopez Jaena St., Bacolod City, Negros Occidental
29	Bacolod - Mandalagan	G/F Sta. Clara Estate Bldg., Lacson St., Mandalagan, Bacolod City
30	Baguio - Abanao Square	Abanao Square, Abanao corner Zandueta St., Baguio City
31	Baguio - Bokawkan Road	69 Bokawkan Road, Brgy. Dizon Subdivision, Baguio City
32	Baguio - Harrison Road	G/F Our Lady of Lourdes Bldg., No.7 Harrison Rd., Brgy. Harrison Carantes Claudio, Baguio City
33	Baguio - Kennon Road	C & Triple A Bldg., Kennon Road corner Parisas St., Camp 7 Brgy. Baguio City
34	Baguio - Legarda	Our Lady of Fatima Bldg. Yandoc St. Kayang Extension, Baguio City
35	Baguio – Leonard Wood Road	ETCC Commercial Complex, Leonard Wood Road, Brgy. Cabinet Hill – Teachers Camp, Baguio City
36	Baguio - Luneta	Luneta Hill corner Gov. Pack Road, Session Road, Baguio City
37	Baguio - Marcos Highway Balsigan	G/F ECCO Bldg., No. 39 Marcos Highway, Brgy. Imelda Village, Baguio City
38	Baguio - Marcos Highway Centerpoint	G/F Centerpoint Plaza, Marcos Highway, Brgy Bakakeng Central, Baguio City
39	Baguio - Session Road	G/F National Life Bldg., Session Road, Baguio City
40	Balanga - Capitol Drive	G/F CT Edifice, Capitol Drive corner Kinatawan Road, Balanga City, Bataan
41	Bataan - Orani	Provincial Road corner Calle Coronel Leyba, Brgy. Parang-Parang, Orani, Bataan
42	Batangas - Balayan	Antorcha St., Balayan, Batangas
43	Batangas - Bauan	Kapitan Ponso St., Bauan, Batangas
44	Batangas - Diego Silang	Tom's Place, Diego Silang St. corner Maria de Jesus, Brgy. 15, Batangas City

No.	BRANCH	ADDRESS
45	Batangas - First Phil. Industrial Park	G/F Administration Bldg., First Philippine Industrial Park, Brgy. Sta. Anastacia, Sto. Tomas, Batangas
46	Batangas - Gulod	MB Bldg., Batangas Tabangao-Lobo Road, Brgy. Gulod Labac, Batangas City, Batangas
47	Batangas - Kumintang	Along National Highway, Brgy. Kumintang Ilaya, Batangas City, Batangas
48	Batangas - Lemery Ilustre	Ilustre Avenue corner Lakandula St., Lemery, Batangas
49	Batangas - Lemery Xentro Mall	G/F Xentro Mall Lemery, Brgy. Malinis, Lemery, Batangas
50	Batangas - Lima Technology Center	Units R08-S02, Block E, The Outlets at Lima Technology Center, Brgy. Bugtong na Pulo, Lipa City, Batangas 4217
51	Batangas - P. Burgos	P. Burgos St. corner Evangelista St., Brgy. Poblacion, Batangas City
52	Batangas - San Juan	Marasigan corner Kalayaan St., San Juan, Batangas
53	Benguet - La Trinidad	G/F VC Arcadain Bldg., Km. 5, La Trinidad, Benguet
54	Biñan Central Mall	G/F Biñan Central Mall, Units 8 & 9, Malvar St. corner Old National Highway, Biñan, Laguna
55	Biñan - A. Mabini	Rey Bldg., A. Mabini St., Poblacion, 4024 Binan, Laguna
56	Biñan – San Antonio	Alalmeda 2 Arcade, Tulay Bato Old National Highway, Brgy. San Antonio, Biñan City, Laguna
57	Bohol - Panglao	G/F Units 1-5, Hennan Resort Commercial Bldg., Panglao Circumferential Road, Brgy. Tawala, Panglao Island, Bohol
58	Bohol - Tagbilaran	CP Garcia Avenue., 6300 Tagbilaran City, Bohol
59	Bohol – Tubigon	Holy Cross Academy, National Highway, Brgy. Centro, Tubigon, Bohol
60	Bulacan - Balagtas	McArthur Highway, Brgy. San Juan, 3016 Balagtas, Bulacan
61	Bulacan - Bocaue	MacArthur Highway, Brgy. Biñang 1st, Bocaue, Bulacan
62	Bulacan - Bustos	LRM Complex, Hilario St., Brgy. Poblacion, Bustos, Bulacan
63	Bulacan - Hagonoy	Provincial Road, Brgy. Sto. Niño, Hagonoy, Bulacan
64	Bulacan - Norzagaray	G/F Price Ken Bldg. II Circle, Gen. Alejo G. Santos Highway, Brgy. Partida, Poblacion, Norzagaray, Bulacan
65	Bulacan - Primark Plaridel	Primark Plaridel, Cagayan Valley Road, Brgy. Banga 1st, Plaridel Bulacan
66	Bulacan - Pulilan	Doña Remedios Trinidad Highway, Sto. Cristo, Pulilan, Bulacan
67	Bulacan - Puregold Baliwag	G/F Puregold Baliwag, Benigno S. Aquino Ave., Brgy. Bagong Nayon, Baliwag, Bulacan
68	Bulacan - Puregold Bulakan	G/F Commercial Unit 1, Puregold Bulakan, Brgy. Bagumbayan, Bulakan, Bulacan
69	Bulacan - San Jose Del Monte	National Highway, Tungkong Mangga, San Jose Del Monte City, Bulacan

No.	BRANCH	ADDRESS
70	Bulacan - San Miguel	Maharlika Highway, Brgy. Camias, San Miguel, Bulacan
71	Bulacan - San Rafael	Km. 59.5, Cagayan Valley Road, Brgy.Maguinao, San Rafael, Bulacan
72	Bulacan - Sapang Palay	G/F Elizabeth Place 1 Bldg., Bagong Buhay Ave., Brgy. Sapang Palay, San Jose Del Monte City, Bulacan
73	Bulacan - Sta. Maria M.G. De leon	15 M.G. De Leon St., Poblacion, 3022 Sta. Maria, Bulacan
74	Bulacan - Sta. Rita Guiguinto	126 Cagayan Valley Road, Brgy. Sta. Rita, Guiguinto, Bulacan
75	Bulacan Sta. Maria - Bagbaguin	NEM Bldg., Gov. F. Halili Avenue, Bagbaguin, Sta. Maria, Bulacan
76	Bulacan Sta. Maria - Pulong Buhangin	GRECON Bldg., Km. 38 National Road, Brgy. Pulong Buhangin, Sta. Maria, Bulacan
77	Butuan - Estacio Village	Butuan Doctor's College, J.C. Aquino Ave. cor. Victoria St., Brgy. Bayanihan, Butuan City, Agusan del Norte
78	Butuan - J.C. Aquino Avenue	D & V Plaza II Bldg., J.C. Aquino Avenue, Butuan City
79	Butuan - Montilla	Montilla Blvd. near corner Lopez Jaena St., Butuan City, Agusan Del Norte
80	Cabanatuan - Maharlika Highway North	G/F DGS Bldg., Along Maharlika Road, Bitas, Cabanatuan City
81	Cabanatuan - Paco Roman	Along Paco Roman St., Cabanatuan City, Nueva Ecija
82	Cagayan – CityMall Aparri	CityMall Aparri, Cagayan Valley Road, Barrio of Macanaya, Cagayan
83	Cagayan de Oro - Carmen	Max Y. Suriel St. corner V. Neri St., Carmen, Cagayan de Oro
84	Cagayan de Oro - Cogon	JR Borja St., Cogon, Cagayan de Oro City
85	Cagayan de Oro - Hayes	G/F Trendline Department Store, Arch James Hayes St., Cogon, Cagayan de Oro City
86	Cagayan de Oro - Osmeña	Pres. S. Osmeña corner Ramon Chavez St., Cogon, 9000 Cagayan de Oro City
87	Cagayan de Oro - R.N. Pelaez Blvd.	Georgetown Cyber Mall, Rodolfo N. Pelaez Blvd., Kauswagan, Cagayan de Oro City
88	Cagayan De Oro - Xavier	Library Annex Bldg. Corrales Avenue, Cagayan de Oro City
89	Cainta Junction	Hipolito Bldg., Ortigas Avenue Extension Cainta Junction, Cainta, Rizal
90	Cainta - A. Bonifacio Ave.	Ledor Commercial Center, A. Bonifacio Avenue corner Samonte St., Brgy. San Juan, Cainta, Rizal
91	Cainta – Felix Avenue	Felix Avenue near Cainta Junction, Brgy. Sto. Domingo, Cainta, Rizal
92	Cainta – Puregold	Puregold Cainta Junction, A. Bonifacio Ave., Brgy. Sto. Domingo, Cainta, Rizal
93	Calamba – CityMall	National Highway, Brgy. Lecheria, Calamba City, Laguna

No.	BRANCH	ADDRESS
94	Calamba – Halang National Highway	D'Verde Commercial Bldg., National Highway, Brgy. Halang, Calamba City, Laguna
95	Calamba - Paseo Uno	G/F Paseo Uno de Calamba, National Highway, Brgy. Paciano, Calamba City, Laguna
96	Mindoro – Puregold Calapan	Puregold Calapan Mindoro, J.P. Rizal St., Brgy Camilmil, Calapan City, Oriental Mindoro
97	Camarines Norte - Daet	J. Lukban St. corner Moreno St., Poblacion, Daet, Camarines Norte
98	Camarines Sur - Calabanga	Galleria de Calabanga, Lot 2, Provincial Road, Brgy. San Francisco, Calabanga, Camarines Sur
99	Camarines Sur - Nabua	Lot 374 CZA Bldg., National Rd. near cor. Maganda St., Brgy. San Antonio, Poblacion, Nabua, Camarines Sur
100	Camarines Sur - Pili	Santiago, Pili, Camarines Sur
101	Canlubang iMall	Don Bosco Ave. corner Silangan Industrial Park Road, Brgy. Canlubang, Calamba City, Laguna
102	Catanduanes - Virac	Rizal Avenue, Brgy. San Pedro, Virac, Catanduanes
103	Cavite - Dasmariñas Central Mall	Central Mall Dasmariñas, Emilio Aguinaldo Highway cor. Salitran St., Dasmariñas, Cavite
104	Cavite - Dasmariñas Salawag	EVY Commercial Bldg., Molino-Paliparan Rd., Brgy. Salawag, Dasmariñas, Cavite
105	Cavite - General Trias Manggahan	New Hall Commercial Center, Governor's Drive corner Crisanto delos Santos Ave., Brgy, Manggahan, General Trias, Cavite
106	Cavite - Gen. Trias San Francisco	Lot 1, along Arnaldo Highway, Brookside Lane, Brgy. San Francisco, Gen. Trias, Cavite
107	Cavite - Imus Aguinaldo Highway	G/F DCR Bldg., Aguinaldo Highway, 4103 Imus, Cavite
108	Cavite - Imus Nueno Avenue	358 Exodus Bldg., Nueno Avenue, Imus, Cavite
109	Cavite - Puregold Buhay na Tubig	G/F Commercial Unit Nos. 4, 5 and 3A, Puregold Buhay na Tubig, Buhay na Tubig, Imus, Cavite
110	Cavite – Puregold GMA	Ground Floor and Second Floor, Puregold Building, Brgy. San Gabriel, Governor's Drive, GMA, Cavite
111	Cavite - Puregold Noveleta	Puregold Noveleta Cavite, National Road, Brgy. Magdiwang, Noveleta, Cavite
112	Cavite - Puregold Tanza	G/F Puregold Tanza, Provincial Road, Tanza, Cavite
113	Cavite - Silang Aguinaldo Highway	LS 42-43: CS-03 Premier Plaza, Emilio Aguinaldo Highway, Brgy. Lucsuhin, Silang, Cavite
114	Cavite - Trece Martires	L Paseo Arcade, near corner Indang-Trece Road, Trece Martires City, Cavite
115	Cavite Imus – The District	Ground Floor Unit 109 Ayala Malls The District Imus, Aguinaldo Highway corner Daang Hari Road, Brgy. Anabu II-D, Imus City, Cavite
116	Cebu IT Park – TGU Tower	G/F TGU Tower, Salinas Drive corner J. M. Del Mar St., Asiatown IT Park, Apas, Cebu City

No.	BRANCH	ADDRESS
117	Cebu - Ayala Business Park	Cebu Towers, Mindanao corner Bohol Avenue, Cebu Business Park, Cebu City
118	Cebu - Ayala Mall	Stall R106 Ground Level, ACC Corporate Center, Ayala Center Cebu, Cebu Business Park, Cebu City
119	Cebu - Banilad	Gov. M. Cuenco Avenue, Banilad, Cebu City
120	Cebu - Bogo	P. Rodriguez corner San Vicente St., 6010 Bogo, Cebu City
121	Cebu - Capitol	Osmeña Blvd. corner Ma. Cristina St., 6000 Cebu City, Cebu
122	Cebu - CityMall Danao	T 10-12 CityMall Danao, Olivar Sr. Extension corner F. Ralota St., Brgy. Poblacion, Danao City, Cebu
123	Cebu - Colon	279 Colon St., Brgy. Kalubihan, Cebu City
124	Cebu - Consolacion	G/F Annex Bldg. Fooda Saversmart, Consolacion, Cebu
125	Cebu - Elizabeth Mall	G/F Elizabeth Mall, Leon Kilat corner South Expressway, Cebu City
126	Cebu - Escario	Escario St., Cebu City
127	Cebu - F. Cabahug	Unit 10 Northwood Square, F. Cabahug St., Brgy. Kasambagan, Panagdait, Cebu City
128	Cebu - F. Ramos	134 Borromeo Bldg., F. Ramos corner Arlington Pond, Cebu City 6000
129	Cebu - Gaisano Minglanilla	UG/F Gaisano Grand Mall Minglanilla, Poblacion, Minglanilla, Cebu City
130	Cebu - Guadalupe	R. Duterte corner V. Rama St., Guadalupe, Cebu City
131	Cebu - Insular Life Business Centre	G/F Insular Life Cebu Business Centre, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City
132	Cebu - J. Mall	Unit 1 & 2 LGF, J Centre Mall, A.S. Fortuna St., Bakilid, Mandaue City 6014
133	Cebu - Legaspi	Legaspi corner Zamora St. Cebu City
134	Cebu - Magallanes	Plaridel St. corner Magallanes St. Cebu City
135	Cebu - Mambaling	Grand Orchard Commercial Bldg., C. Padilla St., Mambaling, Cebu City
136	Cebu - Osmeña	JR Martinez Bldg., Osmena Blvd., Sta. Cruz, Cebu City
137	Cebu - Parkmall	Unit 29 - 31 Parkmall, No. 168 Ouano Avenue, Mandaue Reclamation Road, Mandaue City, Cebu
138	Cebu - Philam Life Center	Units 6 & 7, Philam Life Center, Cardinal Rosales Avenue corner Samar Loop, Cebu Business Park, Brgy. Luz, Cebu City
139	Cebu - Plaridel	21 Dy Bldg., Plaridel St., Cebu City
140	Cebu - Tabo-an	T. Abella St., San Nicolas Central 6000 Cebu City
141	Cebu IT Park – HM Tower	Units G01 and G02 HM Tower, Abad corner Geonzon St., Cebu IT Park, Brgy. Apas, Cebu City
142	Cebu Mandaue – A. C. Cortes	Units 1-4 Ibabao Square, A. Cortes Avenue, Brgy. Ibabao, Mandaue City, Cebu

No.	BRANCH	ADDRESS
143	Cebu Mandaue - A. S. Fortuna	RKD Bldg., 867 A.S. Fortuna St., Brgy. Banilad, Mandaue City, Cebu
144	Cebu Mandaue - North Road	G/F North Road Plaza, National Highway, Labogon, Mandaue City, Cebu
145	Cebu Mandaue - Subangdaku	La Fuerza Compound, Subangdaku, Mandaue City, Cebu
146	Cebu Mandaue - U.N. Avenue	The North Park, U.N. Avenue, Brgy. Alang-Alang, Mandaue City, Cebu
147	Cebu Tabunok	PBS Bldg., 2668 National Highway Tabunok Talisay, Cebu City
148	Clark – Philexcel Business Park	Philexcel Business Park, Manuel A. Roxas Highway, Clark Freeport Zone, Pampanga
149	Clark SEZ - Centennial	Facility No. N5315 along Centennial Road, Clark Special Economic Zone, Clarkfield, Pampanga
150	Cotabato - CityMall	Unit 157 CityMall Cotabato, Gov. Guituerrez Avenue, Brgy. Rosary Heights 7, Cotabato City
151	Cotabato - Midsayap	Jaycee St., 9410 Midsayap, North Cotabato
152	Cotabato – S. K. Pendatun	G/F Insular Life Bldg., Salipada K. Pendatun Ave., Brgy. Poblacion 5, Cotabato City, Maguindanao
153	Dagupan - Mayombo	G/F BHF Family Plaza, MacArthur Highway, Brgy. Mayombo, Dagupan City, Pangasinan
154	Dagupan - Perez	386 Perez Blvd., Dagupan City
155	Dagupan - Tapuac	Unit 8,9,10 Mother Goose Play School Bldg., MacArthur Highway, Tapuac District, Dagupan City, Pangasinan
156	Davao Magsaysay	Ramon Magsaysay Avenue, Davao City
157	Davao - Agdao	Lapu- Lapu St., 8000 Agdao, Davao City
158	Davao - Bangoy	R. Magsaysay Avenue corner C. Bangoy St., 8000 Davao City
159	Davao - Buhangin	KSS Bldg., Buhangin Road cor. Olive St., Brgy. Buhangin, Davao City
160	Davao – Gaisano Grand Citygate Mall	G/F Gaisano Grand Citygate Mall, Cabantian corner Tigatto Roads, Brgy. Buhangin, Davao City 8000, Davao Del Sur
161	Davao - Calinan	WTKC Realty Bldg., Davao-Bukidnon National Highway, Brgy. Calinan, Davao City
162	Davao - Felcris Centrale	Felcris Centrale, Quimpo Boulevard, Brgy. Bucana, Davao City
163	Davao - Lanang Insular Village	SJRDC Bldg., Insular Village 1 Commercial Area, Lanang, Davao City
164	Davao - Lizada	Ramon Magsaysay Avenue corner Lizada St., 8000 Davao City, Davao del Sur
165	Davao – Monteverde Gov. Sales	G/F Felcris Supermarket, Inc. Building, Gov. Sales Street, Brgy. 27 – C, Davao City, Davao Del Sur
166	Davao - Narra	Tomas Monteverde Avenue corner Narra St., Davao City
167	Davao - Panabo	National Highway, Brgy. Sto. Niño, Panabo City, Davao del Norte

No.	BRANCH	ADDRESS
168	Davao - Quirino Avenue	Nicolas 1 Bldg., Quirino Avenue, 8000 Davao City
169	Davao - Rizal	365 Farmar Building, Rizal St., Brgy. 3-A Poblacion, Davao City
170	Davao - Sta. Ana	Monteverde corner F. Bangoy St., 8000 Davao City, Davao del Sur
171	Davao - Sta. Ana Gempesaw	Sta. Ana Avenue corner Gempesaw St., Brgy. 015, Davao City
172	Davao - Toril Gaisano Grand Mall	GFS 01-02, Gaisano Grand Toril, National Highway corner Saavedra St., Brgy. Lizada, Toril, Davao City
173	Davao - Wood Lane Diversion Road	Unit 1B G/F Bldg. 2, The Shoppes at Wood Lane, Diversion Road (Carlos P. Garcia Highway), Brgy. Ma-a, Davao City, Davao del Sur
174	Davao Digos - San Jose	G/F Ladera Bldg., Rizal Avenue, Brgy. Zone III, Digos City, Davao Del Sur
175	Davao Tagum - National Highway	BIBU Square, Liwayway Commercial Area, National Highway, Brgy. Magugpo East, Tagum City, Davao del Norte
176	Dipolog – Rizal Avenue	Rizal Avenue near corner Gonzales St., Brgy. Central, Dipolog City
177	Dumaguete – CityMall	Unit 03 CityMall Dumaguete, North National Highway, Brgy. Daro, Dumaguete City
178	Gaisano Grand Mall - Cotabato Kidapawan	G/F Gaisano Grand Mall Kidapawan, Quezon Blvd., Purok 1, Brgy. Lanao, Kidapawan City, North Cotabato
179	General Santos	Santiago Blvd. corner J.P. Laurel St., General Santos City
180	General Santos - National Highway	Tandem Center, Pasiliao Subdivision, National Highway, Brgy. City Heights, General Santos City, South Cotabato
181	General Santos – Robinsons Place	Level 1, Robinsons Place General Santos, J. Catolico Sr. Avenue, Purok 4 Brgy. Lagao, General Santos City
182	Iligan – Andres Bonifacio Avenue	Unit 101, Solana District, Andres Bonifacio Avenue, Brgy. San Miguel, Iligan City, Lanao Del Norte
183	Iligan - Quezon Avenue	Quezon Avenue, 9200 Iligan City, Lanao Del Norte
184	Ilocos Norte - Batac	Aoigan Bldg., Washington St., Batac 2906, Ilocos Norte
185	Ilocos Sur - Cabugao	MacArthur Highway, Brgy. Baclig, Cabugao, Ilocos Sur
186	Ilocos Sur - Candon	National Highway corner Abaya St., 2710 Candon, Ilocos Sur
187	Ilocos Sur – Narvacan	National Road, Brgy. Sta Lucia, Narvacan, Ilocos Sur
188	Iloilo - Arevalo	Calle M.L. Quezon corner Gen. Yulo Drive, Brgy. Quezon, Arevalo, Iloilo City
189	Iloilo - CityMall Pavia	G/F, Units 01 & 02, Citymall Pavia, Iloilo R3 Road corner C1 Road, Brgy. Ungka, Pavia, Iloilo
190	Iloilo - General Luna	48 LPHTP Bldg., General Luna St., Iloilo City, 5000
191	Iloilo - Jaro	NB Bldg., Lopez Jaena St., Jaro, Iloilo City
192	Iloilo - La Paz	G/F INJAP Bldg., corner Luna St. & Huervana St., La Paz, Iloilo City

No.	BRANCH	ADDRESS
193	Iloilo - Ledesma	G/F Esther Bldg., Ledesma St., Iloilo City
194	Iloilo - Passi	G/F Fronthub Ventures Bldg., Simeon Aguilar St. (National Road) corner Commonwealth Drive, Brgy llawod, Passi City, lloilo
195	Iloilo - Quezon St.	Lots 3 & 5 Quezon St., Iloilo City
196	Iloilo - Tabuc Suba	Roger's Bldg., McArthur Highway, Tabuc Suba, Iloilo City
197	Iloilo Jaro - CityMall Tagbak	UO2 CityMall Tagbak Jaro Iloilo, MacArthur Highway, Brgy. Tagbak, Jaro, Iloilo City
198	Iriga City	Iriga Plaza Hotel, Msgr. Lanuza St., San Francisco, Iriga City, Camarines Sur
199	Iriga City – Puregold	G/F Commercial Unit 1, Puregold Iriga City, Highway 1, San Roque, Iriga City 4431
200	Isabela - Ilagan	Along Maharlika Highway, Calamagui 2nd, Ilagan, Isabela
201	Isabela - Primark Cauayan	Primark Town Center, Maharlika Highway corner Cortes St., Brgy. San Fermin, Cauayan City, Isabela
202	Isabela - Primark Cordon	G04, G/F, Primark Cordon Isabela, Pan Philippine Highway, Brgy. Roxas, Cordon, Isabela
203	Isabela - Tumauini	National Highway, Brgy. San Pedro, Tumauini, Isabela
204	Isabela Cabagan - Xentro Mall	G/F Xentro Mall, Brgy. Ugad, Cabagan, Isabela
205	Isabela Santiago - Xentro Mall	G/F Xentro Mall corner National Highway & 4 Lanes Rd., Brgy. Villasis, Santiago City, Isabela
206	Kawit – Centennial Road	Unit 102, V Central Mall, Centennial Road, Brgy. Magdalo Putol, Kawit, Cavite
207	La Union - Agoo	Along National Highway, Brgy. San Nicolas, Agoo, La Union
208	La Union San Fernando - Manna Mall	G/F Manna Mall, National Highway corner Diversion Road, Brgy. Pagdaraoan, San Fernando City, La Union
209	La Union San Fernando - Rizal Avenue	Rizal Avenue corner Ortega St., San Fernando, La Union
210	Laguna - Alaminos	KCD Commercial Complex, National Highway, Brgy. Il Poblacion, Alaminos, Laguna
211	Laguna - Cabuyao	G/F Lim-Bell Business Center, J.P. Rizal St., Cabuyao, Laguna
212	Laguna - Carmelray I	Administration Bldg., Carmelray Industrial Park I, Carmeltown, Canlubang, Calamba, Laguna
213	Laguna - Carmelray II	Administration Bldg., Carmelray Industrial Park II, Km. 54 National Highway, Brgy. Milagrosa, Calamba City
214	Laguna - Pagsanjan	JP Rizal St. corner F. De San Juan St., Brgy. Dos, Poblacion, Pagsanjan, Laguna
215	Laguna - Sta. Cruz	Along Regidor St., Sta. Cruz, Laguna

No.	BRANCH	ADDRESS
216	Laguna - Sta. Cruz National Highway	G/F E Home Town Center, National Highway, Brgy. Pagsawitan, Sta. Cruz, Laguna
217	Laguna - Technopark	G/F Laguna Technopark, Admin. Bldg. 1, North Main Avenue, Laguna Technopark Biñan, Laguna
218	Laoag - Castro	Pichay Bldg., J.P. Rizal corner A. Castro St., Laoag City
219	Legazpi City - Albay District	G/F & Mezzanine Floor, ZPC Bldg., Rizal St., Brgy. Baño, Old Albay, Legazpi City, Albay
220	Legazpi City - Rizal St.	Rizal corner Gov. Imperial St., Legaspi City
221	Legazpi City - Rotonda	Rizal St., 4500 Legaspi City, Albay
222	Legazpi City - Tahao	AGR Building, Alternate Road, Tahao, Legazpi City
223	Leyte - Ormoc Gaisano	G/F Gaisano Capital Ormoc Riverside, Brgy. Alegria, Ormoc City, Leyte
224	Lipa - Ayala Highway	Casa Esparanza Bldg., Pres. JP Laurel Highway, Brgy. Mataas na lupa, Lipa City
225	Lipa – High 5 Square	High 5 Square, Ayala Highway, Mataas na Lupa, Lipa City, Batangas
226	Lipa – J. P. Laurel	J.P. Laurel St., Brgy Tambo, Lipa City, Batangas
227	Lipa – Puregold	G/F Puregold Lipa, Gen. Luna St., cor. D.P.Laygo St. & H.La Torre St., Brgy. 10, Lipa City, Batangas
228	Los Baños	Olivarez Plaza Cinema & Supermarket Complex, along National Highway, Brgy. Batong Malake, Los Baños
229	Lucena - Enriquez	Enriquez corner Evangelista St., Lucena City
230	Lucena - Gulang-Gulang	505 Quezon Avenue Extension, Barangay Gulang-gulang, Lucena City
231	Lucena - Iyam	Space 4-6, Kester Bldg., Maharlika Highway corner Love St., RosarioVillage Subd., Brgy. Ilayang Iyam, Lucena City
232	Lucena - Quezon Avenue	Quezon Avenue corner Profugo St., Lucena City, Quezon
233	Lucena - Tagarao	M.L. Tagarao St., Brgy. 5, Lucena City
234	Mactan - EPZA 2	Unit 204 NGA Bldg. 2, Pueblo Verde MEZ II, Basak, Lapu Lapu City
235	Mactan – Lapu-lapu GMC	Unit 9, The Arcade, ML Quezon Highway, Pajo, Lapu-lapu City
236	Mactan – Pajo National Highway	Hofuna Cresente Building, 2783 ML Quezon National Highway, Sangi, Pajo, Lapu-lapu City
237	Malolos - Crossing	G/F Margen Bldg., MacArthur Highway, Sumapang Matanda, Malolos City, Bulacan
238	Marcos - Sumulong Highway	Kingsville Commercial Arcade, Marcos Highway, 1870 Antipolo, Rizal
239	Marcos Highway	Town & Country Commercial Arcade, Marcos Highway corner Narra St., Cainta, Rizal

No.	BRANCH	ADDRESS
240	Marcos Highway – Feliz Mall	G/F Space No. 171, Ayala Malls Feliz, Marcos Highway, Brgy. Dela Paz, Pasig City
241	Marcos Highway - Vermont Park	Park Place Building, Marcos Highway corner Vermont Park, Brgy Mayamot, Antipolo City
242	Marilao - MacArthur Highway	Unit 1-3 Cecilia Commercial Complex, Abangan Norte, MacArthur Highway, 3019 Marilao, Bulacan
243	Meycauayan - Malhacan	Supima Square Commercial Complex, Lukytex Compound, Malhacan Road, Meycauayan, Bulacan
244	Mindoro – Calapan	J.P. Rizal St., 5200 Calapan, Oriental Mindoro
245	Mindoro – CityMall Calapan	T-3, T-4 & T-5 CityMall – Calapan, A. Bonifacio corner Roxas Drive, Brgy. Ilaya, Calapan City, Oriental Mindoro
246	Misamis Occ Oroquieta	Mayor A. Enerio St., Oroquieta City, 7207 Misamis Occidental
247	Misamis Oriental - Gingoog	National Highway, Gingoog City, Misamis Oriental
248	Montalban – Puregold	G/F Units 3-5, Rodriguez Highway, Brgy. Rosario, Montalban, Rizal
249	Naga - Concepcion Grande	G/F Commercial Bldg., Maharlika Highway, Brgy.Concepcion Grande, Naga City
250	Naga - Diversion Road	Building 5, Stalls A and B, M Plaza Roxas Avenue, Diversion Road, Concepcion Pequeña, Naga City
251	Naga - Elias Angeles	Chua O. Co Bldg., Elias Angeles St., Brgy. San Francisco, Naga City, Camarines Sur
252	Naga - General Luna	Nos. 80-82 General Luna St., Dinaga, Naga City
253	Naga - Magsaysay Avenue	One Magsaysay Bldg., Magsaysay Avenue corner Reno St., Brgy. Concepcion Pequeña, Naga City
254	Naga - Panganiban Drive	G/F DECA Corporate Center, Panganiban Drive, Brgy Tinago, Naga City, Camarines Sur
255	Naga - San Francisco	Barangay San Francisco, Peñafrancia Avenue, Naga City
256	Negros Occ - Bago	Araneta Avenue cor. Gen. Luna St., Bago City, Negros Occidental 6101
257	Negros Occ - Binalbagan	Biscom Compound, Binalbagan, Negros Occidental
258	Negros Occ – CityMall Kabankalan	Unit 07 & 08, CityMall – Kabankalan, Justice Perez Highway corner Noceco Road, Brgy. Talubangi, Kabankalan City, Negros Occidental
259	Negros Occ - Hinigaran	Aguinaldo corner Rizal St., Hinigaran, 6106 Negros Occidental
260	Negros Occ - La Carlota	Yunque St. corner Gurrea St., Brgy. 1, La Carlota City, Negros Occidental
261	Negros Occ - San Carlos	S. Carmona St. corner Rizal St., San Carlos City, Negros Occidental
262	Negros Occ - Talisay	Paseo Mabini St., Brgy. Poblacion, Zone 9, Talisay City, Negros Occidental
263	Negros Occ - Victorias	Osmeña Avenue, Victorias City, Negros Occidental, 6119

No.	BRANCH	ADDRESS	
264	Negros Oriental - Bayawan	G/F NVF Bldg., 441 National Highway, Brgy. Poblacion, Negros Oriental	
265	Nueva Ecija - Gapan Maharlika Highway	Units 3-7, Maharlika Highway corner Sampaguita St., Brgy. Bayanihan,Gapan, Nueva Ecija	
266	Nueva Ecija – Primark Gapan	Primark Gapan, Maharlika Highway corner Abad Santos Avenue, Brgy. San Vicente, Gapan City, Nueva Ecija	
267	Nueva Ecija - San Jose	Maharlika Road, 3121 San Jose City, Nueva Ecija	
268	Nueva Ecija - Sta. Rosa	Along Maharlika Highway, Sta. Rosa, Nueva Ecija	
269	Nueva Ecija - Talavera	G/F RDL Square 1 Bldg., Maharlika Highway, Brgy. Marcos District, Poblacion, Talavera, Nueva Ecija	
270	Nueva Ecija – CityMall Sta. Rosa	T-23 & 24, CityMall-Sta. Rosa, Maharlika Highway, Brgy. Rizal, Sta. Rosa City, Nueva Ecija	
271	Nueva Ecija – Primark Cabiao	G/F Primark Cabiao, Jose Abad Santos Avenue, Brgy. San Roque, Cabiao, Nueva Ecija	
272	Nueva Ecija – Zaragoza	Along Tarlac-Sta. Rosa Road, Brgy. Del Pilar East, Zaragoza, Nueva Ecija	
273	Nueva Vizcaya - Solano	National Highway, Solano, Nueva Vizcaya	
274	Pampanga – Guagua Town Center	GTC Building, Lot 2, Olongapo-Gapan & Provincial Road, Brgy. Sar Matias, Guagua, Pampanga	
275	Pampanga - Lubao	Olongapo-Gapan Road, Sta. Cruz, Lubao, Pampanga	
276	Pampanga - Magalang	Pablo Luciano Avenue, Brgy. San Pedro 1, Poblacion, Magalang, Pampanga	
277	Pampanga – Puregold Dau	G/F & 2/F Puregold Dau, Mac Arthur Highway, Brgy. Dau, Mabalacat, Pampanga	
278	Pampanga San Fernando - Dolores	MacArthur Highway, Dolores 2000 City of San Fernando (Pampanga)	
279	Pampanga San Fernando - MacArthur Highway	G/F Doña Isa Fel Bldg. II, MacArthur Highway, Dolores, San Fernando City, Pampanga	
280	Pampanga San Fernando - Sindalan	Palm Bldg., MacArthur Highway, Sindalan, San Fernando City, Pampanga	
281	Pampanga San Fernando – San Isidro	Kingspire Business Center, Mac Arthur Highway, Brgy. San Isidro, City of San Fernando, Pampanga	
282	Pangasinan - Alaminos	Marcos Avenue, Palamis 2404 Alaminos, Pangasinan	
283	Pangasinan - Calasiao	GF Señor Tesoro Academy Bldg., San Miguel, Calasiao, Pangasinan	
284	Pangasinan - Carmen	McArthur Highway, Carmen East 2441 Rosales, Pangasinan	
285	Pangasinan - Mangaldan	Along Rizal Avenue, Poblacion, Mangaldan, Pangasinan	
286	Pangasinan - San Carlos	Palaris St., 2420 San Carlos City, Pangasinan	
287	Pangasinan - Tayug	Along Quezon Blvd., Poblacion Tayug, Pangasinan	

No.	BRANCH	ADDRESS	
288	Pangasinan – Bayambang	206 Rizal Avenue, Brgy. Poblacion, Bayambang, Pangasinan	
289	Pangasinan – Malasiqui	ARLU Bldg., Magsaysay St., Brgy Poblacion, Malasiqui, Pangasinan	
290	Pangasinan San Carlos – Magic Mall	G/F, Magic Mall, Roxas Blvd. Corner Zamora St., Brgy. Roxas Blvd., San Carlos City, Pangasinan 2420	
291	Puerto Princesa – San Pedro	G/F Palawan Uno Hotel, National Highway, Brgy. San Pedro, Puerto Princesa City, Palawan	
292	Quezon – CityMall Tiaong	Units T 3-5 CityMall- Tiaong, Maharlika Highway, Brgy. Lalig, Tiaong, Quezon	
293	Quezon – Gumaca	JT Bldg., Maharlika Highway, Brgy. Peñafrancia, Gumaca, Quezon	
294	Rizal - Montalban	G/F Montalban Town Center, Rodriguez Highway corner Lardizabal St., Brgy. San Jose, Rodriguez, Rizal	
295	Rizal – Primark Cainta	G05-G06, Primark Cainta Rizal, Ortigas Avenue Extension cor. Don Celso Tuazon Ave., Brgy. San Juan, Cainta, Rizal	
296	Rizal – Primark Teresa	G03, Primark Teresa Rizal, R. Magsaysay Ave., Brgy. San Gabriel, Teresa, Rizal	
297	Rizal - Tanay	Tanay Town Center, Sampaloc Road corner F.T. Catapusan St., Plaza Aldea, Tanay, Rizal	
298	Rizal – Binangonan	Lexar Building, Manila East Road, Brgy. Calumpang, Binangonan, Rizal	
299	Rizal – Morong	G/F & 2/F Morong Centerpoint, No. 58 T. Claudio St., Brgy. San Juan, Morong Rizal	
300	Rizal – San Mateo	G/F & Mezzanine Flr., Doña Isabel Bldg., No. 29 Gen. Luna St., Brgy. Guitnang Bayan 1, San Mateo, Rizal	
301	Robinsons – Dumaguete	Robinsons Dumaguete, Dumaguete Business South Road, Calingdagan, Dumaguete City	
302	Robinsons Place - Lipa	Level 1, Space L1- 177, Robinsons Place-Lipa, Lipa Highway, Brgy. Mataas na Lupa, Lipa City, Batangas	
303	Robinsons Place - San Nicolas	Unit 1-00144, Robinsons Place Ilocos, Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	
304	Robinsons Place – General Trias	Level 1 130-133, Robinsons Place General Trias, Antero Soriano Highway, EPZA, Bacao Diversion Road, Brgy. Tejero, General Trias, Cavite	
305	Robinsons Place – Tuguegarao	Level 1 Tenant 1085-1086, Robinsons Place Tuguegarao, Maharlika Highway, Brgy. Tanza, Tuguegarao City, Cagayan	
306	Robinsons Townville – Cabanatuan	G/F Unit RA1, Robinsons Townville, Brgy. H. Concepsion, Km. 111, Maharlika Highway, Cabanatuan City	
307	Roxas – CityMall	CityMall-Roxas, Arnaldo Boulevard, Brgy. Baybay, Roxas City, Capiz	
308	Roxas – Pueblo De Panay	G/F Hotel Veronica Bldg., Immaculate Heart of Mary Ave., Pueblo de Panay, Brgy. Lawa-an, Roxas City	

No.	BRANCH	ADDRESS		
309	Samar – Calbayog	Magsaysay Blvd. Corner Burgos St., Brgy. East Awang, Calbayog City, Samar		
310	Samar - Catbalogan	Del Rosario St. corner Allen Avenue, 6700 Catbalogan, Samar		
311	Samar – Catarman	E.B. Moore St. corner Anunciacion St., Brgy Lapu-Lapu, Catarman, Northern Samar		
312	San Pablo - Maharlika Highway	G/F BienPaz Arcade, Maharlika Highway Junction, San Rafael, San Pablo City		
313	San Pablo - Paulino	M. Paulino St., San Pablo City		
314	San Pedro	National Highway Junction & Mabini St., Brgy. Nueva, San Pedro, Laguna		
315	San Pedro – Robinsons Galleria South	Level 2 Robinsons Galleria South, National Highway, Brgy. Nueva, San Pedro City		
316	San Pedro - Pacita	GF M. Allen Bldg., Km 31, Old National, National Highway, San Pedro, Laguna		
317	Savemore Market – EPZA	G/F Savemore Market EPZA General Trias, Diversion Road, EPZA, Brgy. Bacao Dos, General Trias, Cavite		
318	SM CDO Downtown Premier	Location Code 112-114, G/F, SM CDO Downtown Premier, C.M. Recto corner Osmeña Sts., Brgy. Lapasan, Cagayan de Oro City		
319	SM Center Angono	UG/F SM Center Angono, Manila East Road, Brgy. San Isidro, Angono, Rizal		
320	SM Center Dagupan	Location Code 115, G/F, SM Center Dagupan, Herrero St., Brgy. Herrero- Perez, Dagupan City, Pangasinan		
321	SM Center Imus	G/F, SM Center Imus (LC 163-164a, 173-174a), NIA and Alapan Road, Brgy, Bucandala, Imus, Cavite		
322	SM Center Lemery	Location Code 127-130, G/F SM Center Lemery, Illustre Avenue corner Calle P. Gomez St., Brgy. District IV, Lemery, Batangas		
323	SM Center Ormoc	G/F SM Center Ormoc (Location Code 123-125), Real St., Brgy. District 14, Ormoc City, Leyte		
324	SM Center Pulilan	Location Code 140-142, G/F SM Center Pulilan, Plaridel-Pulilan Diversion Road, Brgy. Sto. Cristo, Pulilan, Bulacan		
325	SM Center Tuguegarao Downtown	Location Code 117-119, G/F & 246B-247B & 247A, 2/F, SM Center Tuguegarao Downtown, Luna corner Mabini Sts., Brgy. Ugac, Tuguegarao City		
326	SM Cherry Antipolo	UGF 122, 123 & 124, SM Cherry Foodarama Antipolo, Marcos Highway, Brgy. Mayamot, Antipolo City		
327	SM City Bacolod	GF South Wing Bldg. SM City Bacolod, Poblacion Reclamation Area, Bacolod City		
328	SM City Bacolod North	G/F SM City Bacolod North Wing Bldg., Brgy. 12, Poblacion, Reclamation Area, Bacolod City		
329	SM City Bacoor	UG/F SM City Bacoor Gen. Aguinaldo Highway corner Tirona Highway Bacoor, Cavite		

No.	BRANCH	ADDRESS	
330	SM City Baguio	Location Code 176-179, Upper Ground Floor, SM City Baguio, Luneta Hill, Upper Session Road, Brgy. Session Road-Governor Pack Road, Baguio City 2600	
331	SM City Baliwag	G/F SM City Baliwag (LC EX 101-102,105a-107a), DRT Highway, Brgy. Pagala, Baliwag, Bulacan	
332	SM City Batangas	GF SM City Batangas, Brgy. Pallocan West, Batangas City	
333	SM City Butuan	Location Code 178-181 A, Ground Floor, SM City Butuan, Jose C. Aquino Avenue corner Jose Rosales Avenue, Brgy. Lapu Lapu, Butuan City	
334	SM City Cabanatuan	UG/F SM City Cabanatuan, Maharlika Highway, Brgy. Hermogenes C. Concepcion Sr., Cabanatuan City, Nueva Ecija	
335	SM City Cagayan De Oro	G/F SM City Cagayan de Oro, Pueblo de Oro Business Park, Upper Canituan, Cagayan de Oro, Misamis Oriental	
336	SM City Calamba	G/F SM City Calamba, National Highway, Brgy. Real, Calamba City, Laguna	
337	SM City Cauayan	G/F & 2/F SM City Cauayan, Maharlika Highway, Brgy. San Fermin, Cauayan, Isabela	
338	SM City Cebu	SM City Cebu North Reclamation Area, Cebu City	
339	SM City Cebu B	UG/F The Northwing - SM City Cebu, North Reclamation Area, San Jose dela Montaña corner M.J. Cuenco Avenue, Cebu City	
340	SM City Clark A	G/F SM City Clark, Clark Field, Pampanga	
341	SM City Clark B	G/F SM City Clark BPO Tower 1&2 (LC B1-101-107), Brgy. Malabanias, Pampanga	
342	SM City Consolacion Cebu	G/F SM City Consolacion Cebu, Cebu North Road, Brgy. Lamac, Consolacion, Cebu	
343	SM City Daet	G/F, SM City Daet, Purok 1, Brgy. Lag-on, Vinzons Avenue, Daet, Camarines Norte	
344	SM City Dasmariñas A	Upper Ground Floor, SM City Dasmarinas , Barrio Pala-Pala, Dasmarinas, Cavite	
345	SM City Dasmariñas B	LGF SM City Dasmarinas, Governor's Drive, Brgy. Pala-Pala, Dasmariñas, Cavite	
346	SM City Davao	UG/F SM City Davao Brgy. Matina, Davao City	
347	SM City Davao Annex	GF/MF Annex Bldg., SM City Davao, Brgy. Matina, Davao City	
348	SM City General Santos	G/F SM City General Santos, Santiago Boulevard corner San Miguel St., General Santos City	
349	SM City Iloilo	UG/F SM City Iloilo, Benigno Aquino Avenue, Mandurriao, Iloilo City	
350	SM City Iloilo B	UGF SM City Iloilo Expansion Bldg. (LC1053A-1053F), Benigno Aquino Avenue, Brgy. Bolilao, Mandurriao, Iloilo City 5000	
351	SM City Legazpi	G/F SM City Legazpi (Location Code 1045-1047), Imelda Roces Avenue, Zone 9, Brgy. 37 Bitano, Legazpi City, Albay	

No.	BRANCH	ADDRESS	
352	SM City Lipa	G/F SM City Lipa, Ayala Highway, Lipa City, Batangas	
353	SM City Lucena	G/F SM City Lucena (LC - 177- 178) Pagbilao National Road, Lucena City	
354	SM City Marilao	G/F SM City Marilao, MacArthur Highway, Marilao, Bulacan	
355	SM City Masinag	G/F SM City Masinag, Marcos Highway, Mayamot, Antipolo City	
356	SM City Mindpro	Ground Floor, SM City Mindpro, La Purisima Street, Brgy. Zone III, Zamboanga City	
357	SM City Molino	G/F SM City Molino, Brgy. Molino 4, Bacoor, Cavite	
358	SM City Naga	G/F SM City Naga, Brgy. Triangulo, Central Business District II, Naga City	
359	SM City Olongapo	G/F SM City Olongapo (Location Code EXP 105-106), Magsaysay Drive corner Gordon Ave., Pag-asa, Olongapo City, Zambales	
360	SM City Olongapo Central	Location Code 125-129, G/F, SM City Olongapo Central, Rizal Avenue, Brgy. East Tapinac, Olongapo City	
361	SM City Pampanga A	G/F SM City Pampanga, San Fernando, Pampanga	
362	SM City Pampanga B	G/F SM City Pampanga Annex Bldg. 4, San Fernando, Pampanga	
363	SM City Puerto Princesa	LG/F SM City Puerto Princesa, Malvar corner Lacao Sts., Brgy. San Miguel, Puerto Princesa City, Palawan	
364	SM City Rosales	SM City Rosales, Carmen East, Rosales, Pangasinan	
365	SM City Rosario	G/F SM City Rosario, General Trias Drive, Brgy. Tejero, Rosario, Cavite	
366	SM City San Fernando	G/F SM City San Fernando, V. Tiomico St., Brgy. Poblacion, San Fernando, Pampanga	
367	SM City San Jose Del Monte	SM City San Jose Del Monte, Quirino Highway, Brgy. Tungkong Mangga, San Jose Del Monte City, Bulacan	
368	SM City San Mateo	SM City San Mateo, General Luna, Brgy. Ampid 1, San Mateo, Rizal	
369	SM City San Pablo	G/F SM City San Pablo, National Highway, Barangay San Rafael, San Pablo City, Laguna	
370	SM City Sta. Rosa	G/F SM City Sta. Rosa, Barrio Tagapo, Sta. Rosa, Laguna	
371	SM City Tarlac	UG & LGF, SM City Tarlac, MacArthur Highway, San Roque, Tarlac City	
372	SM City Taytay	G/F Bldg. A, SM City Taytay, Manila East Road, Brgy. Dolores, Taytay, Rizal	
373	SM City Telabastagan	184-185, Ground Floor, SM City Telabastagan, MacArthur Highway, Brgy. Telabastagan, 2000 City of San Fernando, Pampanga	
374	SM City Trece Martires	UG/F SM City Trece Martires (LC 33A-135A), Brgy. San Agustin, Trece Martires, Cavite	

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No.	BRANCH	ADDRESS	
375	SM City Urdaneta Central	LC 155-157, G/F SM City Urdaneta Central, MacArthur Highway, Brgy. Nancayasan, Urdaneta City, Pangasinan	
376	SM Delgado	G/F SM Delgado Bldg. Valeria St. Iloilo City	
377	SM Hypermarket Cainta	SM Hypermarket Cainta, Felix Huerta Ave., Cainta, Rizal	
378	SM Hypermarket Daet	G/F SM Hypermarket Daet, Vinzons Avenue, Brgy. IV, Daet, Camarines Norte	
379	SM Hypermarket Mabalacat	G/F SM Hypermarket Pampanga, MacArthur Highway, Brgy. Camachiles, Dau, Mabalacat, Pampanga	
380	SM Lanang Premier	UGF SM Lanang Premier, J.P. Laurel Avenue, Brgy. San Antonio Bajada, Lanang, Davao City	
381	SM Market Mall Dasmariñas	G/F Dasmariñas Bagong Bayan Resettlement Project Area B (DBB-B), Congressional Road, Kadiwa, Dasmarinas, Cavite	
382	SM Megacenter Cabanatuan	UG/F SM Megacenter Cabanatuan, Gen. Tinio & Melencio Sts., San Roque Norte, Cabanatuan City	
383	SM Savemore Davao Bangkal	G/F SM Savemore Market Bangkal, Davao Km. 7 MacArthur Highway, Brgy. Bangkal, Davao City	
384	SM Savemore Tacloban	G/F SM Savemore Tacloban, Justice Romualdez St., Brgy. 13, Tacloban City	
385	SM Seaside City Cebu A	LG/F SM Seaside City Cebu, Brgy. Mambaling, South Road Reclamation Area, Cebu City	
386	SM Seaside City Cebu B	2/F SM Seaside City Cebu, Brgy. Mambaling, South Road Reclamation Area, Cebu City	
387	Sorsogon – Primark J.P. Rizal	Primark Sorsogon 3, J.P. Rizal St. corner De Vera St., Brgy. Talisay, Sorsogon City	
388	Sorsogon City	Son Bldg., R. Magsaysay Avenue, Sorsogon City	
389	South Cotabato – Gaisano Polomolok	GFS 3, 5 and 6 Gaisano Grand Mall Polomolok, National Highway, Brgy. Magsaysay, Polomolok, South Cotabato	
390	Sta. Lucia East - Cainta	Sta. Lucia East Grand Mall, Marcos Hi-Way corner Felix Avenue, 1900 Cainta, Rizal	
391	Sta. Lucia East – Felix Avenue	G/F Phase 1, Sta. Lucia Grand Mall, Marcos Highway corner Felix Avenue, Cainta	
392	Sta. Rosa – Arcadia	Unit Anchor 2, Arcadia Bldg., Greenfield City, Tagaytay- Balibago Road, Brgy. Don Jose, Sta. Rosa City, Laguna	
393	Sta. Rosa - Don Jose	PCC Bldg., Sta. Rosa Tagaytay Road, Barangay Don Jose, Sta. Rosa, Laguna	
394	Sta. Rosa - Puregold Tagapo	Puregold Sta. Rosa - Tagapo, Rizal Blvd., Brgy Tagapo, Sta. Rosa, Laguna	
395	Subic - Rizal Highway	Subicworx Building, 1056 Rizal Highway, Subic Bay Freeport Zone, Olongapo City, Zambales	
396	Subic - Times Square	420 Rizal Highway, Subic Bay Freeport Zone, 2200 Olongapo City, Zambales	

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No.	BRANCH	ADDRESS	
397	Sultan Kudarat – Primark Tacurong	G10, G/F, Primark Town Center, Magsaysay Avenue corner Bonifacio St., Purok 1, Brgy. Poblacion, Tacurong City Sultan Kudarat	
398	Surigao	Magallanes corner San Nicolas St., 8400 Surigao City	
399	Tacloban - Justice Romualdez	Philamlife Bldg., Justice Romualdez St. corner P. Paterno St., Tacloban City	
400	Tacloban - Rizal Avenue	Rizal Avenue, Brgy. 41, Tacloban City	
401	Tacloban - Zamora	Carlos Chan Bldg. P.Zamora St. Tacloban City	
402	Tagaytay - Mendez Junction	E. Aguinaldo Hi-way, Mendez Crossing, Tagaytay City	
403	Tagaytay - Rotonda	Frablyn Tower (Tolentino Bldg.), Emilio Aguinaldo Highway, Tagaytay (near Tagaytay Rotonda)	
404	Tagaytay - Wind Residences	G/F Tower 2, SM Wind Residences, Aguinaldo Highway, Brgy. Maharlika West, Tagaytay City	
405	Tanauan - A. Mabini	A. Mabini St., Tanauan, 4232 Batangas	
406	Tanauan - JP Laurel Highway	Pres. J. P. Laurel Highway corner Sixto Castillo St., Poblacion, Tanauan, Batangas	
407	Tarlac - Camiling	Romulo St., Barangay Poblacion, A. Camiling, Tarlac	
408	Tarlac - Capas	San Trope Bldg., 57 McArthur Highway, Brgy. Sto. Domingo 1st, Capas Tarlac	
409	Tarlac - Concepcion	L. Jaena cor. L. Cortes St., San Nicolas, 2316 Concepcion, Tarlac	
410	Tarlac – MacArthur Highway	Block 7, MacArthur Highway, Brgy. San Nicolas, Tarlac City	
411	Tarlac - San Roque	1567 Zamora St., Brgy. San Roque, Tarlac City, Tarlac	
412	Tarlac – CityMall	T-01, CityMall-Tarlac, MacArthur Highway, Brgy. San Rafael, Tarlac City	
413	Tarlac – Gerona	Nick Hotel Commercial Complex, MacArthur Highway, Brgy. Abagon, Gerona, Tarlac	
414	Taytay - National Highway	Korte Rosario Restaurant, Taytay National Highway, Ilog Pugad, Barangay San Juan, Taytay Rizal	
415	Taytay - Manila East Road	BDO Bldg., East Road, Taytay, Rizal	
416	Tuguegarao – Buntun	Luna St., Brgy. Buntun, Tuguegarao City, Cagayan	
417	Tuguegarao – CityMall	CityMall Tuguegarao, Pan-Philippine Highway, Brgy. Leonarda, Tuguegarao City, Cagayan	
418	Urdaneta - MacArthur Highway	182 LIS Bldg., MacArthur Highway, San Vicente, Urdaneta	
419	Urdaneta – Nancayasan	58 7 MacArthur Highway, Phinma Upang College Building, Brgy. Nancayasan, Urdaneta City, Pangasinan	

No.	BRANCH	ADDRESS		
420	Vigan - Plaza Maestro	G/F Plaza Maestro Commercial Complex, Burgos & Florentino St., Vigan City, Ilocos Sur		
421	Vigan – Puregold	Puregold Vigan, Jose Singson St., Brgy VIII, Sta. Elena, Vigan City, Ilocos Sur		
422	Virac Town Center	G/F Virac Town Center, Rizal Avenue, Brgy. Gogon Sirangan, Virac, Catanduanes		
423	Waltermart – Antipolo	G/F, Waltermart Antipolo, L. Sumulong Memorial Circle, Brgy. San Roque, Antipolo City		
424	Waltermart – Bacoor	Ground Floor, Waltemart Bacoor, Molino Blvd., Brgy. Mamabog IV, Bacoor City, Cavite		
425	Waltermart – Balanga	Location Code WBLN 040, G/F, Waltermart Balanga, Roman Superhighway, Brgy. Tenejero, Balanga City, Bataan		
426	Waltermart – Batangas City	G/F, Waltermart Batangas, P. Burgos St., Brgy. Calicanto, Batangas City, Batangas		
427	Waltermart - Bel-Air Sta. Rosa	G/F Waltermart Bel-Air Sta. Rosa, Tagaytay National Highway, Brgy. Pulong , Sta. Cruz, Sta. Rosa, Laguna		
428	Waltermart – Candelaria	Ground Floor, Waltermart Candelaria, Sambat, Maharlika Highway, Barangay Malabanban Norte, Candelaria Quezon		
429	Waltermart - Capas Tarlac	G/F Waltermart Capas, MacArthur Highway, Brgy. Sto. Domingo 1, Capas, Tarlac 2315		
430	Waltermart - Guiguinto	Waltermart Guiguinto Bulacan, MacArthur Highway, Brgy. Ilangilang, Guiguinto, Bulacan		
431	Waltermart – Malolos	G/F, Waltermart Malolos, Km 44, MacArthur Highway, Brgy. Longos, Malolos City Bulacan		
432	Waltermart - Pampanga	G/F Waltermart Pampanga, MacArthur Highway, San Agustin, San Fernando, Pampanga		
433	Waltermart - Sta. Maria	G/F Waltermart Sta. Maria, Provincial Road corner By Pass Road, Brgy. Sta.Clara, Sta. Maria, Bulacan		
434	Waltermart - Sta. Rosa	San Lorenzo Drive corner Balibago Road, Brgy. Balibago, 4026 Sta. Rosa, Laguna		
435	Waltermart – Balayan	G/F Waltermart Balayan, Balibago-Balayan Highway corner Paz St., Brgy. Caloocan, Balayan, Batangas		
436	Waltermart – Cabanatuan	G/F Waltermart Cabanatuan, Brgy. Dicarma, Cabanatuan City, Nueva Ecija		
437	Waltermart – Carmona	G/F Waltermart Carmona, Macaria Business Center, National Highway, Brgy. Mabuhay, Carmona, Cavite		
438	Waltermart - Concepcion Tarlac	G/F Waltermart Concepcion (LC WCON 033), L. Cortez St., Brgy. Alfonso, 2316 Concepcion, Tarlac		
439	Waltermart – Dasmariñas	G/F Waltermart Dasmariñas, National Highway, Brgy. Barrio Burol, Dasmariñas, Cavite		
440	Waltermart – Nasugbu	Location Code WNAS 017, G/F Waltermart Nasugbu, J.P. Laurel Highway, Brgy. Lumbangan, Nasugbu, Batangas		

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No.	BRANCH	ADDRESS	
441	Waltermart – Paniqui	G/F, Waltermart Paniqui, MacArthur Highway, Brgy. Estacion, Paniqui, Tarlac 2307	
442	Waltermart – San Jose	G/F, Waltermart San Jose, Pan Philippine Highway, Brgy. Malasin, San Jose, Nueva Ecija	
443	Waltermart – Subic	G/F Waltermart Subic, Subic National Highway, Brgy. Mangan Vaca, Subic, Zambales	
444	Waltermart – Talavera	Unit WMT G-32, G/F Waltermart Talavera, Maharlika Highway, Brgy. La Torre, Talavera, Nueva Ecija 3114	
445	Waltermart – Tanauan	G/F Waltermart Tanauan, Pres. J.P. Laurel Highway, Brgy. Darasa, Tanauan City, Batangas	
446	Waltermart – Taytay	LG/F Waltermart Taytay, Ortigas Avenue Extension, Brgy. San Isidro, Taytay, Rizal	
447	Waltermart Center - Makiling	G/F Waltermart Center Makiling, National Highway, Brgy. Makiling, Calamba, Laguna	
448	Waltermart Center – Cabuyao	G/F Waltermart Center Cabuyao, Km 47 National Highway, Brgy. Banlic, Cabuyao, Laguna	
449	Zambales - Castillejos	G/F RM Mall, National Highway, Brgy San Nicolas, Castillejos, Zambales	
450	Zambales - Iba	Zambales - Pangasinan Provincial Road, Brgy. Sagapan, Iba, Zambales	
451	Zamboanga - Ipil	National Highway, Ipil, 7001 Zamboanga Del Sur	
452	Zamboanga – Canelar	Mayor Jaldon Avenue, Brgy. Canelar, Zamboanga City	
453	Zamboanga – City Mall Tetuan	U33 CityMall Tetuan Zamboanga, Gov. Alvarez Extension, Tetuan, Zamboanga City	
454	Zamboanga – La Purisima	La Purisima St., Brgy. Zone II, Zamboanga City	
455	Zamboanga – Veterans Avenue	G/F Wee Agro Commercial Bldg., Veterans Avenue, Brgy Camino Nuevo, Zamboanga City	

3) Limitations on Property

Other than the properties owned by the Bank, the other properties utilized by the Bank are subject to the respective terms of lease.

4) Properties to be acquired

The Bank does not have any current plans to acquire any property within the next twelve (12) months.

5) Properties of Subsidiaries

The Bank's subsidiaries own and lease several real properties for use as main and branch offices.

Lease on such premises are for various periods and terms, and are renewable upon the mutual agreement of the parties. Lease terms ranges from 5 to 10 years. Some contracts provide for renewal options subject to mutual agreement of the parties. Rental rates are based on prevailing market rental rates for the said properties. Please refer to Notes 2.20, 13, and 34.2 of the accompanying Notes to Financial Statements for further details on Lease.

6) Limitations on Property

The properties leased and utilized by the subsidiaries are subject to the respective terms of lease and, to the best of the subsidiaries knowledge, are not subject to any mortgage, lien or encumbrance.

Item 3. Legal Proceedings

The Bank is a party to various legal proceedings which arise in the ordinary course of its operations. Following existing regulatory requirements, no such legal proceedings, either individually or in the aggregate, are expected to have a material adverse effect on the Bank or its consolidated financial condition. A discussion of the other legal proceedings of the Bank is found in Note 34.1 of the accompanying Notes to Financial Statements as of the year ended 31 December 2021.

Others

The Group is also a defendant in various cases pending in courts for alleged claims against the Group, the outcome of which are not fully determinable at present. As of 31 December 2021 management believes that, liabilities or losses, if any, arising from these claims would not have a material effect on the financial position and results of operations of the Group and will be taken up if and when a final resolution by the courts is made on each claim.

Item 4. Submission of Matters to a Vote of Security Holders

To be presented for shareholders' approval at this year's annual meeting is the declaration of twenty percent (20%) stock dividends approved by the Board of Directors during its meeting held on 26 March 2022. A total of 877,158,203 common shares, based on a total outstanding common shares of 4,385,791,015 as of date of 30 March 2022, shall be issued as stock dividends. However, the number is subject to change should BDO's total outstanding common shares move due to additional share issuances pursuant to BDO's employee stock option plan prior to determination of the record date upon securing necessary regulatory approvals.

The increase of the authorized capital stock of BDO from 5,500,000,000 to 8,500,000,000 common shares, and the corresponding amendment to the Seventh Article of BDO's Amended Articles of Incorporation to reflect the increase in the Authorized Capital Stock, will likewise be endorsed for ratification by the shareholders at the annual meeting.

Approval and ratification by the shareholders will be sought to amend the Articles of Incorporation of BDO to increase the authorized capital stock. The Board approved and endorsed to the stockholders

for their approval and ratification the proposed amendments at its meeting on 26 March 2022. Shares to be issued pursuant to the stock dividends shall be applied as subscription to the increase.

Required vote: Vote of shareholders representing at least two-thirds of outstanding capital stock.

The increase of BDO's authorized capital stock is for the purpose of giving BDO flexibility to increase its capital during periods of rapid organic growth or in the event of inorganic opportunities. Proposed changes shall not have any effect on the current rights enjoyed by shareholders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuers Common Equity and Related Stockholder Matters

1) Stock Prices

The Bank's common shares are traded at the Philippine Stock Exchange, Inc. The high and low sales prices for each quarter within the last two (2) fiscal years are as follows:

	High	Low
First Quarter 2020	157.50	75.00
Second Quarter 2020	114.00	85.60
Third Quarter 2020	102.30	85.00
Fourth Quarter 2020	115.40 86.55	
First Quarter 2021	113.50	99.00
Second Quarter 2021	118.10	98.50
Third Quarter 2021	117.10	102.00
Fourth Quarter 2021	135.00	111.00

Source: www.edge.pse.com.ph

As of December 31, 2021, the closing price of the Bank's common shares is \neq 120.70.

2) Holders of Securities

The number of common shareholders of record as of December 31, 2021 was 12,390. Common shares outstanding as of December 31, 2021 stood at 4,385,519,015. The top twenty (20) common shareholders are as follows:

Rank	Name of Stockholder	Nationality	No. of Shares Owned	% of Ownership
1	SM Investments Corp.	Filipino	1,787,180,649 *	40.75%
2	PCD Nominee Corp. (Non-Filipino)	Non-Filipino	1,099,584,793	25.07%
3	PCD Nominee Corp. (Filipino)	Filipino	755,988,956 **	17.24%
4	Multi-Realty Development Corporation	Filipino	291,513,036 *	6.65%
5	Sybase Equity Investments Corporation	Filipino	240,010,292 *	5.47%
6	Shoemart, Inc. (now SM Prime Holdings, Inc.)	Filipino	90,024,395	2.05%
7	DFC Holdings, Inc.	Filipino	30,430,341	0.69%
8	Dacon Corporation	Filipino	25,377,549	0.58%
9	Sysmart Corporation	Filipino	10,095,661 *	0.23%
10	Executive Optical Inc.	Filipino	2,724,575 *	0.06%

Rank	Name of Stockholder	Nationality	No. of Shares Owned	% of Ownership
11	Edilberto Narciso	Filipino	2,615,452	0.06%
12	La Filipina Uy Gongco Corp.	Filipino	2,597,540	0.06%
13	Lucky Securities, Inc.	Filipino	2,393,828	0.05%
14	DHS Investment	Filipino	2,337,769	0.05%
15	Felicidad T. Sy	Filipino	1,133,837	0.03%
16	Cedar Commodities	Filipino	1,050,146 *	0.02%
17	Ernest Lee Go	Filipino	1,042,124	0.02%
18	Hong Eng Tan	Filipino	863,500	0.02%
19	Jonathan Dee Co	Filipino	800,000	0.02%
20	Regina Capital Development Corp.	Filipino	603,812	0.01%
	Total		4,348,368,255	99.15%

^{*} Inclusive of PCD-lodged shares

The material information on the current shareholders and voting rights are discussed in Items 4(d) and 4(c), respectively, of the Information Statement.

In particular, the following are known to BDO to be directly or indirectly the record and/or beneficial owners of more than 5% of BDO's voting securities:

Title of Class	Name, address of record owner and relationship with BDO	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	SM Investments Corp. 10th Floor One E-Com Center, Harbour Drive, Mall of Asia Complex, CBP-I-A, Pasay City/ Parent Company	Sy Family (Substantial Stockholders)	Filipino	1,787,180,649 *	40.75%
Common	PCD Nominee Corp. (Non- Filipino) 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City/Various stockholders	Various stockholders	Foreign	1,099,584,793	25.07%
Common	PCD Nominee Corp. (Filipino) 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City/ Various stockholders	Various stockholders	Filipino	759,527,805**	17.32%

^{**} Exclusive of PCD-lodged shares of SM Investments Corporation, Multi-Realty Development Corporation, Sybase Equity Investments Corporation, Sysmart Corporation, Executive Optical Inc., and Cedar Commodities, Inc.

Title of Class	Name, address of record owner and relationship with BDO	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Multi-Realty Development Corporation 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	SM Investments Corp. (Subsidiary)	Filipino	291,513,036 *	6.65%
Common	Sybase Equity Investments Corporation 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	Various corporate stockholders	Filipino	240,010,292 *	5.47%
	TOTAL (COMM	10N)		4,177,816,575	95.26%

- * Inclusive of PCD-lodged shares of SM Investments Corporation (SMIC), Multi-Realty Development Corporation (MRDC) and Sybase Equity Investments Corporation (SEIC)
- ** Exclusive of PCD-lodged shares of SMIC, MRDC and SEIC.

Preferred	Sybase Equity Investments Corporation 10 th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	Various corporate stockholders	Filipino	391,400,000	76.00%
Preferred	SM Investments Corp. 10th Floor One E-Com Center, Harbour Drive, Mall of Asia Complex, CBP-I-A, Pasay City/ Parent Company	Sy Family (Substantial Stockholders)	Filipino	123,600,000	24.00%
	TOTAL (PREFERRED)				100.00%

The persons authorized to vote the shares of SM Investments Corporation, Multi-Realty Development Corporation and Sybase Equity Investment Corporation are Ms. Teresita T. Sy and/or Mr. Henry T. Sy, Jr. and/or Mr. Harley T. Sy.

As of December 31, 2021, the following are known to BDO as the PCD participants holding 5% or more of BDO's voting securities:

Member	Name and Address	No. of Shares	Percent of Shareholdings
Clients' Accounts	BDO Securities Corporation 33rd Floor BDO Towers Valero 8741 Paseo de Roxas, Salcedo Village, Makati City 1226	338,402,568	7.72%

Member	Name and Address	No. of Shares	Percent of Shareholdings
SCBK Clients' Account	Standard Chartered Bank Standard Chartered Bank Building 6788 Ayala Avenue, Makati City	289,005,008	6.59%
	TOTAL	627,407,576	14.31%

 The PCD, being a nominee corporation, only holds legal title, not beneficial ownership of the lodged shares. The beneficial owners, such as the clients of PCD, have the power to decide how their shares are to be voted.

(NOTE: There are no voting trust shares or shares issued pursuant to a Voting Trust Agreement registered with BDO nor has there been any change in control of BDO. BDO is also not aware of any contractual arrangement or otherwise between its shareholders and/or third parties, which may result in change in control of BDO).

On voting rights, each shareholder holding Common Shares and Series A Preferred Shares (each, a "Voting Share/s") as of the record date is entitled to as many votes as there are directors to be elected. Thus, if there are eleven (11) directors to be elected, each Voting Share is entitled to eleven (11) votes. Such shareholder may cumulate and cast all his votes in favor of one candidate or distribute them among as many candidates as he shall see fit, provided that the total number of votes cast by him does not exceed the number of shares owned by him multiplied by the number of directors to be elected.

As of 31 December 2021, the Bank has a public float level of 44.14%.

3) Dividends

The Bank's Board of Directors is authorized to declare dividends annually. Stock Dividend declarations require further approval of stockholders representing not less than two-thirds (2/3) of all stocks outstanding and entitled to vote. Such stockholders' approval may be given at a general or special meeting duly called for the purpose. Dividends may be declared only from surplus profits after making proper provisions for necessary reserves in accordance with applicable laws and the regulations of the BSP.

On March 26, 2022, the Board of Directors approved the declaration of stock dividends equivalent to twenty percent (20%) of BDO's outstanding capital stock, to be issued pursuant to BDO's increase of authorized capital stock. The record and payment date shall be determined upon securing the necessary regulatory approvals.

On February 24, 2022, the Board of Directors approved the declaration of cash dividends on common shares in the amount of Php0.30 per share for the 1st Quarter of 2022 payable on March 31, 2022 to all stockholders of record as of March 14, 2022.

On January 30, 2021, the Board of Directors of BDO approved the declaration of annual cash dividends on preferred shares at the rate of 6.5% per annum for a total dividend amount of P340 million. The dividends were paid on February 22, 2021.

The Board of Directors approved the declaration of quarterly cash dividends in the amount of P0.30 per common share for the first, second, third and fourth quarters of 2021 on February 24, 2021, May 29, 2021, August 27, 2021 and December 4, 2021, respectively. The dividends were paid on March 25, 2021, June 25, 2021, September 24, 2021 and December 29, 2021, respectively.

On February 1, 2020, the Board of Directors of BDO approved the declaration of annual cash dividends on preferred shares at the rate of 6.5% per annum for a total dividend amount of P339 million. The dividends were paid on February 21, 2020.

The Board of Directors approved the declaration of quarterly cash dividends in the amount of P0.30 per common share for the first, second, third and fourth quarters of 2020 on February 27, 2020, May 30, 2020, August 29, 2020 and December 5, 2020, respectively. The dividends were paid on March 27, 2020, June 29, 2020, September 28, 2020 and December 29, 2020, respectively.

On January 26, 2019, the Board of Directors of BDO approved the declaration of annual cash dividends on preferred shares at the rate of 6.5% per annum for a total dividend amount of P339 million. The dividends were paid on March 8, 2019.

The Board of Directors approved the declaration of quarterly cash dividends in the amount of P0.30 per common share for the first, second, third and fourth quarters of 2019 on February 23, 2019, May 25, 2019, August 31, 2019 and December 7, 2019, respectively. The dividends were paid on March 25, 2019, June 24, 2019, September 30, 2019 and December 27, 2019, respectively.

4) Recent Sales of Unregistered Securities (within 3 years)

On January 28, 2022, the Bank issued P52.7 billion Peso-denominated fixed rate ASEAN Sustainability Bonds to diversify its funding sources and finance/refinance eligible assets under the Bank's Sustainable Finance Framework.

On February 3, 2020, the Bank issued P40.1 billion fixed rate bonds to diversify funding sources and support its lending activities.

On July 3, 2020, the Bank issued P36.0 billion in Fixed Rate Peso Bonds to diversify its funding sources and support its lending activities.

On July 13, 2020, the Bank issued \$600 million in Fixed Rate Senior Notes to tap longer-term funding sources to support dollar-denominated projects.

On February 11, 2019, the Bank issued P35.0 billion of fixed rate bonds to diversify funding sources and support business expansion.

On April 12, 2019, the Bank issued P7.32 billion worth of Long-Term Negotiable Certificates of Deposit (LTNCD) to lengthen the maturity of its funding sources and support business expansion plans.

On September 27, 2019, the Bank issued P6.5 billion worth of LTNCD to diversify the maturity of its funding sources and support business expansion plans.

Item 6 – Management's Discussion and Analysis or Plan of Operations

1) Management's Discussion and Analysis

Balance Sheet - 2021 vs. 2020

Total Resources expanded 7% to P3.6 trillion as Gross Loans rose 6% to P2.4 trillion and Investment Securities jumped 21% to P616.3 billion. Cash and Other Cash Items went down 8% to P69.1 billion while Due from Other Banks went up 7% to P70.1 billion owing to higher placements and working balances with correspondent banks.

Equity Investments increased 7% to 5.2 billion owing to earnings from associates. Investment Properties also rose 19% to P18.8 billion from an investment in prime real estate in Makati. Deferred Tax Assets dropped 14% to P6.8 billion mainly due to loan write-offs. Other Assets dropped 13% to P36.9 billion on reduced levels of foreign currency notes and coins, retirement and miscellaneous assets.

Deposit Liabilities climbed 8% to P2.8 trillion from an expansion in Demand and Savings deposits of 29% and 11%, respectively, as the Bank continued its low cost deposit marketing efforts. Insurance Contract Liabilities hiked 12% to P65.3 billion from sustained BDO Life business volumes.

Total Equity increased 8% to P424.5 billion from bottomline profits.

Contingent Accounts - 2021 vs. 2020

Total Contingent Accounts rose 9% to P2.7 trillion owing to the following accounts:

- Trust Department Accounts grew 9% to P1.8 trillion from a larger portfolio of funds managed.
- Unused L/Cs and Outstanding Guarantees Issued soared 46% and 21% to P75.8 billion and P4.2 billion, respectively, owing to higher volume of trade transactions.
- Export L/Cs Confirmed, Bills for Collection, as well as Late Deposits and Payments Received, fell 26%, 41% and 63% to P4.6 billion, P8.7 billion and P461 million, respectively, after lower outstanding transactions as of year-end 2021.

 Increased treasury trading activities yielded an increase in Spot Exchange Bought and Sold, Forward Exchange Bought and Sold, and Interest Rate Futures Sold. On the other hand, Interest Rate Swap Receivable and Payable went down year-on-year.

Income Statement – For the years Ended December 31, 2021 vs. 2020

The Bank posted a Net Income attributable to Equity holders of the Parent Company of P42.8 billion in 2021, a 51% improvement from previous year's P28.2 billion. Net Interest Income slightly dipped by 2% to P131.3 billion owing to a general decline in lending rates as well as the rate cap imposed by BSP on credit card receivables. Other income grew 11% to P61.4 as Service Charges, Trust Fees, FX Gain, Insurance Premiums and Miscellaneous Income all posted year-on-year increases as the economy recovered from the business slowdown in 2020.

Operating Expenses went up 6% to P119.9 billion owing to the following:

- Employee Benefits increased 12% primarily from salary increases and benefits extended due to the pandemic.
- Taxes and Licenses dropped 12% due to lower Documentary Stamp Tax on Time Deposits.
- Insurance expenses increased 5% from higher deposit levels.
- Litigation/Assets Acquired expenses hiked 29% from higher costs associated with litigation and maintenance of acquired assets.
- Insurance Policy Reserves, Benefits and Claims climbed 19% from higher BDO Life business volumes.
- Other Operating Expenses rose 6% owing to increased business volumes year-on-year.

Tax Expense fell 27% to P12.9 billion primarily due to lower tax rates resulting from the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE).

Comprehensive Income – For the years Ended December 31, 2021 vs. 2020

From a Consolidated Net Income of P42.9 billion, Total Comprehensive Income for 2021 registered at P37.0 billion, inclusive of a decrease in net gains on FVOCI Securities of P5.8 billion, a P92 million translation adjustment related to foreign operations, an actuarial loss on remeasurement of retirement benefit obligation amounting to P6.0 billion, a remeasurement of life insurance reserves of P5.7 billion, a reversal of revaluation increment of P55 million, a P135 million increase in unrealized gains on equity investments at FVOCI and a negative P6 million share in Other Comprehensive Income of affiliates. The Total Comprehensive Income represents a 35% improvement from P27.5 billion in 2020.

Key Performance Indicators – 2021 vs. 2020

	2021	2020	Inc/(Dec)
Return on Average Common Equity	10.5%	7.6%	2.9%
Return on Average Equity	10.4%	7.5%	2.9%
Return on Average Assets	1.2%	0.9%	0.3%

Net Interest Margin	4.0%	4.4%	-0.4%
Capital to Risk Assets	14.6%	14.4%	0.2%
Basic Earnings Per Share	9.68	6.37	3.31
Liquidity Ratio	32.2%	30.8%	1.4%
Solvency Ratio (Debt-to-Equity)	753.6%	758.7%	-5.1%
Asset-to-Equity Ratio	853.6%	858.7%	-5.1%
Interest Rate Coverage Ratio	512.0%	297.3%	214.7%
Profit Margin	20.8%	13.3%	7.5%

Return on Average Common Equity, Return on Average Equity, Return on Average Assets and Basic Earnings Per Share improved to 10.5%, 10.4%, 1.2% and 9.68, respectively, owing to a higher Net Income.

Net Interest Margin was lower at 4.0% from the general decline in lending rates as well as the rate cap imposed by BSP on credit card receivables.

Capital to Risk Assets went up to 14.6% as the increase in capital outpaced the growth in risk weighted assets.

Liquidity Ratio rose to 32.2% as excess funds were channeled to liquid assets.

Solvency Ratio and Asset-to-Equity Ratio went down to 753.6% and 853.6%, respectively, as the growth in total equity outpaced the increases in both liabilities and total assets.

Interest Rate Coverage soared to 512.0% on higher profits and lower interest expense from an improved funding mix.

Profit Margin climbed to 20.8% on higher bottomline profits.

Balance Sheet - 2020 vs. 2019

Total Resources increased 6% to P3.4 trillion as Gross Loans went up 3% to P2.3 trillion and Investment Securities expanded 17% to P508.8 billion. Cash and Other Cash Items grew 17% to P74.9 billion resulting from deposit expansion. Due from Other Banks jumped 68% to P65.3 billion owing to higher placements and working balances with correspondent banks.

Bank Premises and Net Finance Lease went down 5% to P44.3 billion on account of depreciation of facilities and equipment. Investment Properties dropped 6% to P15.9 billion on lower levels of ROPA and reclassification to Bank Premises of some branch sites. Deferred Tax Assets declined 11% to P7.9 billion owing to the amortization of past service cost. Other Resources climbed 12% to P42.4 billion mainly from an increase in foreign currency notes and coins on hand as of year-end 2020.

Deposit Liabilities grew 5% to P2.6 trillion as Demand and Savings deposits soared 35% and 14% to P314.3 billion and P1.8 trillion, respectively, driven by the Bank's continued

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accessibility through its branches, ATMs and digital channels. Bills Payable jumped 25% to P209.7 billion on peso and USD bond issuances, while the Bank redeemed its P10.0 billion Subordinated Notes Payable in March 2020. Insurance Contract Liabilities hiked 38% to P58.4 billion due to re-measurement of life insurance reserves given the decline in interest rates as well as sustained BDO Life business volumes. Other Liabilities slid 8% to P103.6 billion owing to reduced Bills Purchased contra account and lease and security deposits.

Total Equity increased 6% to P393.0 billion from profitable operations.

Contingent Accounts – 2020 vs. 2019

Total Contingent Accounts climbed 15% to P2.5 trillion owing to the following accounts:

- Trust Department Accounts surged 22% to P1.6 trillion on higher level of assets managed.
- Outstanding Guarantees Issued and Bills for Collection grew 18% and 35% to P3.5 billion and P14.6 billion, respectively.
- Unused L/Cs, Export L/Cs Confirmed, as well as Late Deposits and Payments Received, were lower by 3%, 20% and 60% at P52.0 billion, P6.3 billion and P1.3 billion, respectively, on lower outstanding transactions as of year-end 2020.
- Increased treasury trading activities yielded an increase in Forward Exchange Bought and Sold and Interest Rate Futures Sold, while Spot Exchange Bought and Sold as well as Interest Rate Swap Receivable and Payable declined year-on-year.
- Other Contingent Accounts went up 5% to P436.2 billion following growth in Committed Credit Lines.

Income Statement – For the years Ended December 31, 2020 vs. 2019

The Bank posted a Net Income attributable to Equity holders of the Parent Company of P28.2 billion in 2020, 36% lower than previous year's P44.2 billion. This was due to the P30.2 billion Provision for Impairment Losses in anticipation of an increase in non-performing loans due to the COVID-19 pandemic and the resulting Enhanced and General Community Quarantine (ECQ / GCQ) imposed across the country. Pre-provision Operating Income, however, remained strong, growing by 17% year-on-year to P76.3 billion, as the Bank's core businesses exhibited resilience despite the pandemic.

Net Interest Income increased 12% to P133.7 billion owing to an expansion in margins as well as growth in interest-earning assets. Other income went down 8% to P55.2 due to the pandemic and the resulting slowdown in business activity. Service Charges, FX Gain and Miscellaneous Income dropped 22%, 54% and 13%, respectively. However, Trading Gain, Trust Fees and Insurance Premiums increased 310%, 8%, and 2%, respectively.

Operating Expenses were lower by 2% to P112.6 billion due to the following:

- Employee Benefits rose 6% from a higher manpower count as well as allowances and benefits to employees during the ECQ /GCQ period.
- Taxes and Licenses dropped 10% owing to lower Documentary Stamp Tax on reduced Time Deposit levels.

- Insurance expenses rose 6% following continued deposit expansion.
- Litigation/Assets Acquired expenses went up 10% from higher costs relating to litigation and maintenance of acquired assets.
- Advertising expenses declined 38% on lower marketing, promotional and advertising expenditures.
- Policy Reserves as well as Insurance Benefits and Claims increased 19% and 34%, respectively, reflecting adverse market movements and sustained business volumes of BDO Life. Policy reserves relating to the revaluation of unit linked investments (ULs) have been offset against the corresponding trading gain/loss starting 2020, to reflect the net impact in the income statement, rather than on a gross basis. The income statements for prior years have likewise been adjusted to a net basis, with no change in the net income numbers.
- Security, Clerical and Janitorial expenses as well as Other Operating Expenses dropped 8% and 11%, respectively, from scaled down business operations during the middle of the year

Tax Expense increased 18% to P17.8 billion on a higher taxable income base.

Comprehensive Income – For the years Ended December 31, 2020 vs. 2019

From a Consolidated Net Income of P28.3 billion, Total Comprehensive Income for 2020 stood at P27.5 billion, inclusive of an increase in net gains on FVOCI Securities of P4.1 billion, a negative P44 million translation adjustment related to foreign operations, an actuarial gain on remeasurement of retirement benefit obligation amounting to P764 million, a remeasurement of life insurance reserves of negative P6.1 billion, a P579 million increase in unrealized gains on equity investments at FVOCI and a negative P10 million share in Other Comprehensive Income of affiliates. The Total Comprehensive Income registered a 38% decline from P44.7 billion in 2019.

Key Performance Indicators – 2020 vs. 2019

	2020	2019	Inc/(Dec)
Return on Average Common Equity	7.6%	12.8%	-5.2%
Return on Average Equity	7.5%	12.6%	-5.1%
Return on Average Assets	0.9%	1.4%	-0.5%
Net Interest Margin	4.4%	4.2%	0.2%
Capital to Risk Assets	14.4%	14.2%	0.2%
Basic Earnings Per Share	6.37	10.02	-3.65
Liquidity Ratio	30.8%	27.8%	3.0%
Solvency Ratio (Debt-to-Equity)	758.7%	760.5%	-1.8%
Asset-to-Equity Ratio	858.7%	860.5%	-1.8%
Interest Rate Coverage Ratio	297.3%	245.5%	51.8%
Profit Margin	13.3%	20.0%	-6.7%

Return on Average Common Equity, Return on Average Equity, Return on Average Assets and Basic Earnings Per Share declined to 7.6%, 7.5%, 0.9% and 6.37, respectively, owing to lower Net Income, due to the pre-emptive provisions set aside for the potential increase in delinquencies from the pandemic.

Net Interest Margin improved to 4.4% given modest growth in interest-earning assets and an improvement in funding mix.

Capital to Risk Assets inched up to 14.4% as the increase in capital slightly outpaced the growth in risk weighted assets.

Liquidity Ratio rose to 30.8% owing to an increase in liquid assets and slower loan growth.

Solvency Ratio and Asset-to-Equity Ratio went down to 758.7% and 858.7%, respectively, as capital increased at a slightly faster rate than both liabilities and total assets.

Interest Rate Coverage Ratio improved to 297.3% following a decline in interest rates.

Profit Margin dropped to 13.3% on lower bottomline profits.

Balance Sheet - 2019 vs. 2018

Total Resources grew 6% to P3.2 trillion as both Investment Securities and Gross Loans climbed 13% and 9% to P435.9 billion and P2.2 trillion, respectively. Cash and Other Cash Items went up 19% to P64.1 billion from deposit expansion. Due from BSP went down 13% to P309.0 billion owing to the reduction in reserve requirement implemented during the year. Due from Banks slid 30% to P39.0 billion on lower placements and working balances with correspondent banks.

Bank Premises and Net Finance Lease inflated 38% to P46.6 billion due to the newly implemented lease accounting standard as well as reclassifications from Investment Properties. Consequently, Investment Properties dropped 15% to P16.9 billion. Deferred Tax Assets rose 7% to P8.9 billion resulting from the Bank's retirement obligation. Other Resources went up 7% to P37.8 billion primarily owing to higher levels of outstanding credit card transactions.

Deposit Liabilities grew 3% to P2.5 trillion as Demand and Savings deposits expanded 29% and 6%, respectively. Meantime, Time deposits declined 10%, year-on-year as the Bank reduced its reliance on more expensive funding sources. Bills Payable hiked 17% to P167.5 billion from the issuance of the P35.0 billion fixed rate bonds. Insurance Contract Liabilities soared 49% to P42.5 billion on higher BDO Life business volumes. Other Liabilities climbed 23% to P113.0 billion due to the recognition of finance lease payment payable from the newly implemented lease accounting standard as well as increases in accounts payable and other accrued expenses, outstanding checks as of the cut-off date.

Total Equity increased 13% to P370.6 billion from the Bank's continued profitability.

Contingent Accounts - 2019 vs. 2018

Total Contingent Accounts grew 14% to P2.2 trillion due to material movements from the following accounts:

- Trust Department Accounts hiked 15% to P1.3 trillion from a larger portfolio of funds managed.
- Unused L/Cs, Outstanding Guarantees Issued and Export L/Cs Confirmed surged 10%, 72% and 27% to P53.7 billion, P2.9 billion and P7.9 billion, respectively, owing to higher volume of trade transactions.
- Late Deposits and Payments Received went up 19% to P3.2 billion as more transactions were received from clients after clearing cut-off time.
- Increased treasury trading activities yielded growth in Spot and Forward Exchange Bought and Sold. Meantime, Interest Rate Swap Receivable and Payable declined year-on-year.
- Other Contingent Accounts climbed 15% to P415.6 billion from expansion in Committed Credit Lines.

Income Statement – For the years Ended December 31, 2019 vs. 2018

The Bank recorded a Net Income attributable to Equity holders of the Parent Company of P44.2 billion in 2019, 35% higher than previous year's P32.7 billion. Net Interest Income climbed 22% to P119.9 billion owing to an expansion in margins as well as growth in interest-earning assets. The Bank prudently set aside P6.2 billion in provisions for loans, securities, ROPA and other assets.

Other income also hiked 19% to P60.1 billion as Service Charges, Trust Fees, and Insurance Premiums increased 16%, 7%, and 25%, respectively, showing strong growth across the Bank's main business lines. The Bank likewise recorded a Trading Gain of P1.4 billion vis-à-vis a Trading Loss of P864 million the previous year.

Operating Expenses went up 16% to P114.6 billion owing to the following:

- Employee Benefits rose 16% from salary increases and an increasing manpower count coming from business expansion.
- Taxes and Licenses jumped 21% attributed to Gross Receipts Tax (GRT) on higher income.
- Insurance expenses increased 9% following continued deposit expansion.
- Policy Reserves soared 41% reflecting higher business volumes of BDO Life.
- Security, Clerical and Janitorial expenses as well as Other Operating Expenses went up 7% and 20%, respectively, owing to an expanded distribution network as well as increased business volumes.

Tax Expense jumped 36% to P15.0 billion following a higher pre-tax income.

Comprehensive Income – For the years Ended December 31, 2019 vs. 2018

From a Consolidated Net Income of P44.2 billion, Total Comprehensive Income for 2019 stood at P44.7 billion. This included an increase in net gains on FVOCI Securities of P7.8 billion, a negative P1 million translation adjustment related to foreign operations, an actuarial loss on retirement benefit asset amounting to P2.4 billion, a remeasurement of

life insurance reserves of negative P5.0 billion, a P79 million rise in unrealized gains on equity investments at FVOCI and a P14 million share in Other Comprehensive Income of affiliates. The Total Comprehensive Income registered a 60% improvement from P27.9 billion in 2018.

Key Performance Indicators - 2019 vs. 2018

	2019	2018	Inc/(Dec)
Return on Average Common Equity	12.8%	10.7%	2.1%
Return on Average Equity	12.6%	10.6%	2.0%
Return on Average Assets	1.4%	1.1%	0.3%
Net Interest Margin	4.15%	3.64%	0.51%
Capital to Risk Assets	14.2%	13.8%	0.4%
Basic Earnings Per Share	10.02	7.40	2.62
Liquidity Ratio	27.8%	30.4%	-2.6%
Solvency Ratio (Debt-to-Equity)	760.5%	821.0%	-60.5%
Asset-to-Equity Ratio	860.5%	921.0%	-60.5%
Interest Rate Coverage Ratio	245.5%	241.9%	3.6%
Profit Margin	20.0%	18.2%	1.8%

Return on Average Common Equity, Return on Average Equity, Return on Average Assets and Basic Earnings Per Share climbed to 12.8%, 12.6%, 1.4% and 10.02, respectively, owing to higher Net Income.

Net Interest Margin improved to 4.15% given higher asset yields in 2019 and growth in earning assets.

Capital to Risk Assets hiked to 14.2% as capital went up at a faster pace than risk weighted assets.

Liquidity Ratio declined to 27.8% on sustained loan expansion.

Solvency Ratio and Asset-to-Equity Ratio dropped to 760.5% and 860.5%, respectively, as capital went up at a faster rate than both liabilities and total assets.

Interest Rate Coverage Ratio moved up to 245.5% following high revenue growth.

Profit Margin improved to 20.0% as revenue increase outpaced cost growth.

(2) Past and Future Financial Condition and Results of Operations

BDO Unibank, Inc. (BDO) delivered a net income of P42.9 billion in 2021 compared to P28.3 billion the previous year, on the Bank's resilient business franchise and normalized provisions. Earnings normalized to pre-pandemic levels, showing stable quarter on quarter business performance with loan growth turning positive. Asset quality remains stable with NPL ratio at 2.8% and NPL coverage at 111%.

Gross customer loans outpaced the industry with a 6% year-on-year increase while total deposits went up by 8% year-on-year, driven by the 13% expansion in Current Account/Savings Account (CASA) deposits that now comprise 85% of total deposits. Non-interest income increased by 11% year-on-year while trading and forex gains normalized to P3.8 billion.

The Bank sustained investments in its IT/digital infrastructure and expanded its digital capabilities to further elevate customer experience and raise productivity. The Bank launched during the year its mobile wallet BDO Pay. In addition, BDO clients can now enjoy paperless in-branch transactions, card-less ATM transactions using biometrics and QR codes, and fully digital account opening.

Total capital base strengthened to P424.5 billion, with Common Equity Tier 1 ratio at 13.5%, well above regulatory minimum. Return on Average Common Equity improved to 10.5% from 7.6% the previous year.

Prospects for the Future/Plans of Operation

The Bank's base case scenario forecasts 2022 Philippine GDP growth of 6.5%, an improvement compared to the 5.6% growth reported in 2021. The acceleration in this year's GDP growth is underpinned by broadening consumption activity as government policymakers signal a further easing of Covid-19 quarantine protocols. The 2022 GDP outlook also incorporates expectations of continued resilience in the economic contributions of overseas worker remittances and the business process outsourcing sector

A continuation of the Philippine economic recovery into this year, however, assumes that expanding vaccine coverage reduces risks of severe outcomes from Covid-19 infections. Otherwise, policymakers may be forced to delay the easing of restrictions. It is also assumed that inflation headwinds are largely limited to the early part of 2022, with commodity price base effects to eventually normalize over the course of the full year.

Downside risks that may hinder the recovery include potential delays in vaccine procurement and the immunization timetable, vaccine resistant Covid-19 variants, and geopolitical events that can cause unexpected spikes in commodity prices and accelerate inflation. The upcoming May 2022 Philippine Presidential election may also raise uncertainties regarding the trajectory of government economic policy.

3) Material Changes

(a) Any Known Trends, Events or Uncertainties (material impact on Liquidity)

None.

(b) Internal and External Sources of Liquidity

The internal and external sources of liquidity are discussed under item 6(2) of SEC Form 17-A of the Bank.

(c) Any Material Commitments for Capital Expenditure and Expected Funds

None.

(d) Any Known Trends, Events or Uncertainties (material impact on sales)

Trends, events or uncertainties, which can have a material impact on sales, are explained under item 6(2) of SEC 17-A of the Bank.

(e) Causes for any Material Changes from Period to Period of Financial Statements

The causes for any material changes from 2018-2021 are explained in item 6(1) of SEC Form 17-A of the Bank.

(f) Seasonal Aspects that has material Effect on the Financial Statements

None.

Item 7. Financial Statements

The consolidated financial statements and schedules are filed as part of this Form 17-A. See attachment for further information.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

BDO's present external auditor, Punongbayan & Araullo, Grant Thornton will be recommended to the shareholders for re-appointment as the external auditor for the ensuing year. Representatives of the said firm are expected to be present at the annual meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions from the shareholders.

Punongbayan & Araullo, Grant Thornton was first appointed external auditor of BDO in 2000 and has not resigned, been dismissed, or its services ceased since its appointment. BDO has had no material disagreement with Punongbayan & Araullo, Grant Thornton on any matter of accounting principle or practices or disclosures in BDO's financial statements. To comply with the requirement of SRC Rule 68 (3)(b)(ix) on the five (5) year Rotation of External Auditors Signing Partner, Mr. Romualdo V. Murcia III has been the Signing Partner of the financial audit since 2020. Mr. Leonardo D. Cuaresma, Jr., Partner of Punongbayan & Araullo, Grant Thornton, handled the financial audit from years 2017-2019.

The Audit Committee endorses for approval of Board of Directors (BOD) the appointment and removal of BDO's internal and external auditor.

Audit and Audit-Related Fees

The aggregate fees billed for each of the last three (3) fiscal years for professional services rendered by the external auditor amounted to ₱11,369,392.77 for the year 2021, ₱14,059,783.54 for the year 2020, and ₱18,085,815.89 for the year 2019. These fees cover services rendered by the external auditor for audit of the financial statements of BDO and other services in connection with statutory and regulatory filings for fiscal years 2021, 2020, and 2019.

Tax Fees and Other Fees

No other fees were paid to Punongbayan & Araullo, Grant Thornton for the last two (3) fiscal years.

It is the policy of BDO that all audit findings are presented to the Board Audit Committee which reviews and makes recommendations to the Board on actions to be taken thereon. The Board of Directors passes upon and approves the Audit Committee's recommendations.

The members of the Audit Committee of BDO are as follows:

1. Jose F. Buenaventura - Chairman (Independent Director)

 Jones M. Castro, Jr. - Member (Lead Independent Director until April 23, 2021; Reclassified to Non-Executive Director)

3. Vicente S. Pérez, Jr. - Member (Independent Director)

4. Corazon S. de la Paz – Bernardo - Advisor
5. Christopher A. Bell-Knight - Advisor
6. Jesus A. Jacinto, Jr. - Advisor

Below is the attendance of the members for the Committee meetings held as of December 2021:

	No. of Meetings Attended	Total No. of Meetings	<u>Percentage</u>
Jose F. Buenaventura	12	12	100%
Jones M. Castro, Jr.	12	12	100%
Vicente S. Pérez, Jr.	12	12	100%

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

1) Directors and Executive Officers

The Board of Directors is empowered to direct, manage and supervise, under its collective responsibility, the affairs of BDO. It is also responsible for the proper administration and management of BDO's trust business. The members of the Board are elected annually by the stockholders to hold office for a term of one (1) year, and shall serve until their respective successors have been elected and qualified.

The Board of Directors meets monthly to discuss BDO's operations and approve matters requiring its approval. Materials containing matters to be taken up during the Board meeting are distributed to the directors at least five (5) days prior to the scheduled Board meeting.

Following is the list of the members of the Board, and the corporate officers and their business experience during the past five (5) years:

Director Orientation and Continuing Education

All newly-elected directors are required to undergo an orientation program within three (3) months from date of election. This is intended to familiarize the new directors on their statutory/fiduciary roles and responsibilities in the Board and Committees, BDO's strategic plans, enterprise risks, group structures, business activities, compliance programs, Code of Business Conduct and Ethics, Personal Trading Policy and Corporate Governance Manual.

All directors are also encouraged to participate in continuing education programs at BDO's expense to maintain a current and effective Board. In 2021, all directors of BDO Unibank complied with the annual corporate governance training requirement of four (4) hours. Nine (9) directors attended the in-house corporate governance seminar facilitated by Gartner Executive Programs last September 1, 2021. It concentrated on the impact of geopolitics on digital business, design and delivery for customer facing digital products, and digital leadership. Two (2) directors attended the corporate governance seminar facilitated by the Institute of Corporate Directors last September 30, 2021 with topics on sustainability, artificial intelligence, and digitalization, among others. The Board also held strategic meetings and received regular economic briefings and briefings on new regulatory issuances.

Below is the list of the members of the Board as of December 31, 2021, and the corporate officers and their business experience during the past five (5) years:

Teresita T. Sy Chairperson Non-Executive Director Filipino, 71 years old Teresita T. Sy has been a member of the Board of Directors of BDO Unibank, Inc. (BDO) since 1977, and currently serves as Chairperson of the Board. Concurrently, she serves as the Chairperson and/or Director of various subsidiaries and affiliates of BDO: BDO Private Bank, Inc., BDO Leasing & Finance, Inc., BDO Finance Corporation, BDO Capital & Investment Corporation, BDO Foundation, Inc., and BDO Life Assurance Company, Inc. Ms. Sy also serves as Advisor to the Board of BDO Network Bank, Inc.

Ms. Sy is the Vice Chairperson of SM Investments Corporation and Advisor to the Board of SM Prime Holdings, Inc. She also sits as Chairperson of the Board of SM Retail, Inc. A graduate of Assumption College with a degree in Bachelor of Arts and Science in Commerce major in Management, she brings to the board her diverse expertise in banking and finance, retail merchandising, mall and real estate development.

Jesus A. Jacinto, Jr. Vice Chairman Executive Director Filipino, 74 years old

Jesus A. Jacinto, Jr. was elected to the Board of Directors of BDO Unibank, Inc. on May 25, 1996, and has since been Vice Chairman of the Board. He is concurrently the Chairman and President of BDO Insurance Brokers, Inc. He also heads Jaces Corp. as Chairman and President, and Janil Realty, Inc. and JAJ Holdings, Inc. as President. Formerly, he was Director and Executive Vice President of CityTrust Banking Corporation; Director of CityTrust Investments Philippines and CityTrust Finance Corporation; and Vice President and Managing Partner of Citibank N.A. He holds a bachelor's degree in Business Administration from Fordham University in New York City and an MBA in International Business from Columbia University, New York City.

Nestor V. Tan
President & Chief Executive Officer
Executive Director
Filipino, 64 years old

Nestor V. Tan is the President and CEO of BDO Unibank, Inc. He was elected to the Board of Directors on June 27, 1998. In addition to his role in BDO Unibank, Inc., he also holds the following positions in the BDO Group: Chairmanship of BDO Strategic Holdings, Inc. and BDO Network Bank, Inc.; Vice chairmanships and/or directorships in BDO Leasing and Finance, Inc., BDO Capital & Investment Corporation, BDO Finance Corporation, BDO Life Assurance Company, Inc., BDO Private Bank, Inc., and SM Keppel Land, Inc.; and Trusteeship of BDO Foundation, Inc.

In addition, he is currently the Chairman of the De La Salle University Board of Trustees; Chairman of Bancnet, the operator of the electronic payment system, InstaPay, and the ATM switching utility for Philippine banks; and Chairman of Mastercard Asia Pacific Advisory

Board. He is the past president and chairman, and current Director of the Bankers Association of the Philippines.

Prior to joining BDO Unibank, Mr. Tan was Chief Operating Officer of the Financial Institutions Services Group of BZW, the investment-banking subsidiary of the Barclays Group. His banking career spans nearly four (4) decades and includes posts at global financial institutions, among them Mellon Bank in Pittsburgh, PA; Bankers Trust Company in New York, NY; and the Barclays Group in New York and London. He holds a bachelor's degree in Commerce from De La Salle University and an MBA from the Wharton School, University of Pennsylvania.

Dioscoro I. Ramos Lead Independent Director Filipino, 63 years old

Dioscoro I. Ramos was elected to the Board of Directors of BDO Unibank, Inc. on January 9, 2016 and was appointed Lead Independent Director on April 23, 2021. Since 2011, Mr. Ramos has been the Chief Investment Officer of RY&S Investments Ltd., Hong Kong. He was Head of Asia Financials Investment Research of Goldman Sachs Asia, LLC, Hong Kong from 1994 to 2011, and appointed Managing Director in 1998 and Partner in 2006. Prior to that, he was with Mellon Bank, N.A. with postings in Pittsburgh, Philadelphia, New York, and Hong Kong. Mr. Ramos is a Certified Public Accountant. He holds a Bachelor of Science degree in Business Administration and Accountancy, cum laude, from the University of the Philippines; and a master's degree in Business from Wharton School, University of Pennsylvania.

George T. Barcelon Independent Director Filipino, 72 years old

George T. Barcelon was elected Independent Director of BDO Unibank, Inc. on April 22, 2019. He is currently the Chairman of the Philippine Chamber of Commerce and Industry (PCCI). He is the visionary behind Integrated Computer Systems, Inc. (ICS), one of the Top 1000 companies based in the Philippines, dedicated to providing effectual IT Solutions for small to large-scale businesses and institutions. For 40 years, ICS has provided its customers with technological expertise and quality services. As the president of a company with 400 employees whose success depends on uncompromising leadership, imagination, and careful quality control, Mr. Barcelon seeks to promote the values of Integrity, Commitment, and Service Quality, the cornerstones upon which ICS was built. He is also a member of the Rotary Club of Makati, Philippines; and a board member of the Cardinal Medical Charities Foundation, Inc. in San Juan City, Philippines. Mr. Barcelon graduated cum laude from De La Salle University, Manila and received a bachelor's degree in Chemical Engineering.

Christopher A. Bell-Knight Non-Executive Director Canadian, 77 years old

Christopher A. Bell-Knight was elected to the Board of Directors of BDO Unibank, Inc. on July 27, 2013. Until his election as Director, he had been acting as Advisor to the Board of BDO Unibank for more than two (2) years. He had also previously served as Director of BDO Unibank from May 2005 until September 2010. He was an Independent Director of Dumaguete City Development Bank of the Philippines from March 2007 to March 2013, and currently serves as an Advisor to the Board. He was formerly a Director of Solidbank Corporation and Vice President and Country Head of The Bank of Nova Scotia. Mr. Bell-Knight has had over 40 years of banking experience in England, Canada, and Asia, 35 of which were spent in credit and marketing. He is an Associate of the Chartered Institute of Bankers – British; an Associate of the Institute of Canadian Bankers; and a Fellow of the Institute of Corporate Directors. He studied at Frome Grammar School in Somerset, England, and attended universities both in England and Canada for his Associate qualifications in Banking.

Jose F. Buenaventura Independent Director Filipino, 87 years old

Jose F. Buenaventura was elected to the Board of Directors of BDO Unibank, Inc. on April 19, 2013. Since 1976, he has been a Senior Partner at Romulo Mabanta Buenaventura Sayoc & de los Angeles Law Offices. He is President and Director of Consolidated Coconut Corporation, Gladtobehome Inc., Glimpse of Negros Holdings, Inc., and Kahigayonan Corp. He sits on the Boards of Directors of the following companies: BDO Securities Corporation (Independent Director), BDO Finance Corporation (Independent Director), Eximious Holdings, Inc., Cebu Air, Inc., GROW, Inc., GROW Holdings, Inc., Hicap Properties Corporation, Himap Properties Corporation, La Concha Land Investment Corporation, Peter Paul Philippines Corporation, Philippine First Insurance Co., Inc., Philplans First, Inc., Techzone Philippines, Inc., Total Consolidated Asset Management, Inc., Turner Entertainment Manila, Inc., Phosephene Holdings, Inc., and Clinquant Holdings, Inc. Atty. Buenaventura holds Bachelor of Arts and Bachelor of Laws degrees from Ateneo de Manila University, and a Master of Laws Degree from Georgetown University Law Center in Washington, D.C.

Jones M. Castro, Jr.
Non-Executive Director
Filipino and American, 72 years old

Jones M. Castro, Jr. was elected to the Board of Directors of BDO Unibank, Inc. on April 20, 2012. He was Lead Independent Director of BDO Unibank from December 7, 2013 to April 23, 2021. Mr. Castro has 48 years of banking expertise, with 41 years of international banking experience. From 2009 to 2011, Mr. Castro was the Area Head for South and

Southeast Asia of Wells Fargo Bank, San Francisco. As Area Head, Mr. Castro had responsibility for 12 countries and managed 11 overseas offices with a total of 102 team members, and US\$3 billion in loans. From 2006 to 2009, Mr. Castro was Regional Head for Latin America 1, including the Caribbean, of the Wachovia Bank, Miami, and likewise had responsibility for 25 countries, 3 overseas offices, 30 team members, and a US\$1.8-billion loan portfolio. From 2005 to 2006, he was Executive Vice President and International Banking Group Head of the Union Bank of California, San Francisco. From 1990 to 1994, he was Senior Vice President – Controller of Bank of California, San Francisco, and from 1994 to 1997, he was its Senior Vice President of Strategic Planning in Office of the President. Mr. Castro is currently Trustee of PhilDev USA and PhilDev S & T Foundations, and is a Fellow at the Institute of Corporate Directors. Mr. Castro obtained his bachelor's degree in Applied Mathematics in Economics and graduated cum laude from Harvard University. He received his master's degree in Business Administration, Accounting & Finance from Stanford University.

Vicente S. Pérez, Jr. Independent Director Filipino, 63 years old

Vicente S. Pérez, Jr. was elected Independent Director of BDO Unibank, Inc. on April 22, 2019. He is currently an Independent Director of BDO Leasing and Finance, Inc. (BDOLF), BDO Finance Corporation, and DoubleDragon Properties Corp. He is also a Non-Executive Director of Singapore Technologies Telemedia Pte, Ltd. Mr. Pérez is currently the Chairman of Alternergy Group, Philippine renewable power companies in wind, hydro and solar. In September 2020, he was appointed Honorary Consul of Bhutan in the Philippines. He was Philippine Energy Secretary from 2001 to 2005. Mr. Pérez briefly served in early 2001 as Undersecretary at the Department of Trade and Industry and as Managing Head of the Board of Investments. Prior to his government service, Mr. Pérez had 17 years banking experience, first in Latin America debt restructuring at Mellon Bank in Pittsburgh, and later in debt capital markets in emerging countries at Lazard in London, New York and Singapore. At 35, he became General Partner at New York Investment Bank Lazard Frères as head of its Emerging Markets Group. He was Managing Director of Lazard Asia in Singapore from 1995 until 1997, when he co-founded Next Century Partners, a private equity firm based in Singapore. In 2005, he was briefly a government appointed director of Philippine National Bank until its privatization. Mr. Perez obtained his master's degree in Business Administration from the Wharton Business School of the University of Pennsylvania in 1983 and a bachelor's degree in Business Economics from the University of the Philippines in 1979. He was a 2005 World Fellow at Yale University where he lectured an MBA class at the Yale School of Management.

Josefina N. Tan Non-Executive Director Filipino, 76 years old Josefina N. Tan was Director of Banco de Oro Universal Bank (now BDO Unibank, Inc.) from February 3, 2001 to August 2005. She then became a Director of Equitable PCI Bank, Inc. from September 2005 until its merger with BDO Unibank in May 2007. Ms. Tan was reelected to the Board of Directors of BDO Unibank (then Banco de Oro – EPCI, Inc.) on July 27, 2007. Concurrently, she is Board Advisor of BDO Private Bank, Inc. She is also Chairman of the Board of Miriam College and a Trustee of the Development Center for Finance and the Laura Vicuña Foundation. She is also Treasurer of the Equestrian Order of the Holy Sepulchre of Jerusalem. Ms. Tan served as President and Director of BDO Private Bank, Inc. from August 29, 2003 to April 17, 2017. She was also Executive Vice President of the former Far East Bank & Trust Co.; Director and President of FEB Leasing & Finance Corporation; Executive Director and Trustee of FEB Foundation, Inc.; and Executive Vice President of FEB Investments, Inc. until 2000. Ms. Tan holds a Bachelor of Arts degree with a major in Communication Arts from Maryknoll College, and a master's degree in Business Administration from Ateneo Graduate School of Business.

Edmundo L. Tan Corporate Secretary Filipino, 76 years old

Edmundo L. Tan has been serving as Corporate Secretary of BDO Unibank, Inc. since July 27, 2007, and of BDO Private Bank, Inc. since February 2012. He was formerly Director of BDO Leasing and Finance, Inc. and now serves as Advisor to the Board. Atty. Tan sits on the Boards of Directors of the following companies: APC Group, Inc. (Director from 2000 to present, Corporate Secretary from 2000 to 2016); Philippine Global Communications, Inc. (Director from 2000 to present, Corporate Secretary from 2000 to 2010); and Aragorn Power and Energy Corporation (Director from 2005 to present, Corporate Secretary from 2005 to 2012). Atty. Tan is also currently a Director of PRC MAGMA Resources, Inc. (2010 to present) and of Ortigas Land Corporation (formerly OHI, July 2012 to present). He was elected Director of Sagittarius Mines, Inc. in March 2016, and Director of Concrete Aggregates Corporation on December 12, 2019. In July 2017, he was elected President of the Philippine Dispute Resolution Center, Inc. (PDRCI), a non-stock, non-profit organization which he co-founded. Atty. Tan is the Managing Partner of Tan Acut Lopez & Pison Law Offices (1993 to present). Formerly, he was a Senior Partner in Ponce Enrile Cayetano Reyes & Manalastas Law Offices; a Partner in Angara Abello Concepcion, Regala & Cruz Law Offices; and an Associate in Cruz Villarin Ongkiko Academia & Durian Law Offices. Atty. Tan holds a Bachelorof Arts degree from De La Salle College, Bacolod, and a bachelor's degree in Law from the University of the Philippines

Sabino E. Acut, Jr. Assistant Corporate Secretary Filipino, 71 years old

Sabino E. Acut, Jr. was appointed Assistant Corporate Secretary of BDO Unibank, Inc. on July 27, 2007, a position he currently holds. He is presently a Senior Partner and Head of the Litigation Department of Tan Acut Lopez & Pison Law Offices. He was a former Senior

Partner and Head of the Litigation Department of Ponce Enrile Cayetano Reyes & Manalastas Law Offices (PECABAR) and, before that, a Partner of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRA). At various times, he was Corporate Secretary of Boulevard Holdings, Inc., Puerto Azul Golf & Country Club, Philippine Hospital Association, and Eastern General Reinsurance Corporation; Legal Counsel of Alabang Country Club; Trustee of Makati Law Foundation; and President of the Legal Management Council of the Philippines. He was Journal Editor of the 1971 Constitutional Convention, Special Assistant to the Director of the Bureau of National and Foreign Information, and Confidential Attorney to former Supreme Court Justice Cecilia Muñoz Palma. He is a member of the Integrated Bar of the Philippines and the Philippine Bar Association. He is currently a Director of Philippine Global Communications, Inc., Ashdale Holdings, Inc., and Primtown Center Holdings, Inc. He was the Corporate Secretary of the then Equitable PCIB Bank, Inc. until its merger with the Bank. He holds the degrees of Bachelor of Arts, Magna Cum Laude, from Mindanao State University; Bachelor of Laws, Cum Laude, from the University of the East; and Master of Laws from the University of Pennsylvania.

Alvin C. Go Assistant Corporate Secretary Filipino, 60 years old

Alvin C. Go is a Senior Vice President for the Legal Services Group of BDO Unibank, Inc. He was also appointed as Assistant Corporate Secretary and Alternate Corporate Information Officer on October 1, 2015. Prior to joining BDO, he was the Chief Legal Counsel of Philippine National Bank from 2003 to 2012. He was an Associate Attorney of Salonga, Ordonez, Yap, Corpuz Padlan & Associates Law Offices from 1985 to 1989. He served as Prosecution Attorney from 1989 to 1990 and State Prosecutor of the Department of Justice from 1990 to 1993. He was a Senior Partner at Go, Cojuangco, Mendoza, Ligon and Castro Law Offices from 1994 to 1999, and Senior Partner at Go and Castro Law Offices from 1999 to 2003. He obtained his Bachelor of Arts, Major in Political Science, from the Immaculate Concepcion College, Ozamiz City and his Bachelor of Laws from Misamis University.

The independent directors of the Bank are George T. Barcelon, Jose F. Buenaventura, Jr., Vicente S. Pérez, Jr., and Dioscoro I. Ramos.

Role of the Chairperson and President

The Board Chair and President collectively are responsible for the leadership of the company. The Chair's primary responsibility is for leading the Board and ensuring its effectiveness while the President is responsible for running the Bank's business.

The roles of the Board Chair and the Bank President are separate and distinct from each other to achieve a balance of authority, clear accountability, and capacity for independent decision-making by the Board.

Senior Executive Officers of the Bank

The members of senior management, subject to control and supervision of the Board, collectively have direct charge of all business activities of BDO. They are responsible for the implementation of the policies set by the Board. The following is a list of BDO's key officers as of December 31, 2021, and their business experiences during the past five (5) years:

Joseph Albert Lim Gotuaco, 56, Filipino, is Senior Executive Vice President and Head of the Bank's Central Operations Group. He joined BDO Unibank, Inc. on February 1. 2019. Mr. Gotuaco started his banking career at Chemical Bank in New York in 1986, as a trader and risk manager for fixed income products. In 1994, he was based in Hong Kong for J.P. Morgan, and was responsible for corporate, financial institution, and sovereign clients in the Philippines and in Southeast Asia. In 2002, he joined Credit Suisse in its Fixed Income Division. In 2005, he joined Merrill Lynch as a Managing Director in its Fixed Income, Currencies and Commodities ("FICC") Division, and served on the firm's Asia-Pacific Operating Committee. In 2009, Mr. Gotuaco was based in Singapore as Partner and Managing Director in a Singapore-based investment vehicle of the Brunei government. where he helped manage investments in general aviation (Piper Aircraft) and related inhouse financing programs (Piper Capital). Mr. Gotuaco joined Bank of the Philippine Islands ("BPI") in 2013. Until 2016, he served as Executive Vice President & Chief Financial Officer; from 2016 to 2018, he was Head of Retail Banking. He also served in BPI's management, asset & liability management, credit, and operating & IT risk management committees. Mr. Gotuaco obtained his B.S. Economics degree, summa cum laude, in finance and marketing in 1986, from the Wharton School at the University of Pennsylvania. He obtained his MBA from Harvard Business School in 1994.

Rolando C. Tanchanco, 59, Filipino, is Senior Executive Vice President for Consumer Banking Group. He holds a Bachelor's degree in Business Economics from the University of the Philippines. He obtained his MBM at the Asian Institute of Management. Mr. Tanchanco joined BDO to head the BDO's Consumer Lending which has since been renamed Consumer Banking to include Digital Banking and Payment Channels. Prior to his joining BDO, Mr. Tanchanco was President of Philam Savings Bank and Head of AIG Credit Card. He is currently a Director of BDO Insurance Brokers, Inc., BDO Network Bank, Inc., and Trans Union Phils.

Walter C. Wassmer, 64, Filipino, is Senior Executive Vice President and Head of the Institutional Banking Group of BDO Unibank, Inc. He is also a Director of BDO Leasing and Finance, Inc., BDO Finance Corporation, and BDO Capital & Investment Corporation. Previously, Mr. Wassmer was the Chairman and Officer-In-Charge of BDO Elite Savings Bank, Inc., formerly GE Money Bank, Inc. (A Savings Bank), and held directorships in MMPC Auto Financial Services Corporation, MDB Land, Inc., Mabuhay Vinyl Corporation, and Banco De Oro Savings Bank, Inc. (formerly Citibank Savings, Inc.). He holds a Bachelor of Science degree in Commerce from De La Salle University.

Jaime C. Yu, 63, Filipino, is Senior Executive Vice President. He holds a Bachelor of Arts degree in Economics from De La Salle University and is a MBA graduate from the Ateneo de Manila University. He has extensive experience in commercial, corporate, and investment banking from the International Corporate Bank and Union Bank of the Philippines, where he held various positions up to his appointment as First Vice President and Region Head for the Manila-Pasay area. He joined BDO in December 1997 and is currently the Group Head of Branch Banking where he manages the entire branch network.

Stella L. Cabalatungan, 57, Filipino, is Executive Vice President. She holds a Bachelor of Science degree in Marketing Management from De La Salle University. Prior to joining BDO, she was Vice President of Banco Santander Philippines, Inc., and Head of the Personal Investment Banking Group from 2000 to 2003. She was also Vice President of Citibank, N.A. from 1998 to 2000 where she spent fifteen (15) years in retail and priority banking in Singapore and the Philippines, her last assignment being the Citigold Priority Banking Head. She is presently seconded to BDO Private Bank, Inc. as Executive Vice President–Wealth Management Head.

Gerard Lee B. Co, 62, Filipino, is Executive Vice President and Deputy Group Head for Institutional Banking. He is a Director of Markham One Development Corp. He served as Director of PCI Leasing and Finance, Inc. and PCI Capital Corporation from 2002-2005 and of BDO Leasing and Finance, Inc. from 2010-2012. He graduated from the University of San Carlos with a Degree in Bachelor of Science in Commerce Major in Banking and Finance. He attended the Advanced Management Program for International Bankers at the Wharton School of the University of Pennsylvania, U.S.A. He likewise completed the Program for Executive Development at IMD in Laussane, Switzerland. He joined the Bank in October 1993 as Vice President for Visayas Division.

Lucy Co Dy, 66, Filipino, is Executive Vice President and Comptroller. She concurrently holds the position of Director of BDO Life Assurance Company, Inc.; Director of BDO Remit Limited and BDORO Europe, Ltd.; Director and Treasurer of BDO Strategic Holdings, Inc.; and Trustee and Treasurer of BDO Foundation, Inc. She holds a Bachelor's degree in Accounting from the University of Santo Tomas.

Eduardo V. Francisco, 60, Filipino, is Executive Vice President. He is President/Director of BDO Capital & Investment Corporation, the investment banking arm of BDO Unibank, Inc. and Chairman of Averon Holdings Corp. He sits on several boards such as the Development Center for Finance, CIBI Foundation, Shareholders Association of the Philippines (SharePhil), International School of Manila, UP College of Business Alumni Association, Financial Executives Institute of the Philippines (FINEX) Foundation and Valle Verde Country Club, Inc. He is also a member of Makati Business Club (MBC), and the POLO Triathlon Team. He is on the Capital Markets committees of the Bankers Association of the Philippines and Philippine Stock Exchange. He is also in the Listings committee of the Philippine Dealing and Exchange Corporation. He is the former Chairman of BDO Nomura Securities, Inc. and Chairman for the International Association of Financial Executives Institutes (IAFEI). He was the Co-Chairman of the Capital Market Development Council

(CMDC) of the Philippines, Vice Chairman of the Integrity Initiative, and has been the President of the Management Association of the Philippines (MAP), FINEX, Wharton-Penn Club, Federation of Valle Verde Associations, First Valle Verde Association Inc. and BDO Securities Corporation. Mr. Francisco has worked with other financial institutions in New York and Hong Kong such as Bank of America and Barclays Bank. He holds a MBA from the Wharton School of the University of Pennsylvania and Bachelor's degree in Business Administration from the University of the Philippines. He is a recipient of Financial Management Excellence from the University of the Philippines and the Distinguished Alumnus Award from the U.P. College of Business Administration. He was honored by BizNewsAsia as one of the Nation Builders and was an Asia Leaders Award's Mentor of the Year finalist.

Jesus Antonio S. Itchon, 60, Filipino, is Executive Vice President of BDO Unibank, Inc. since September 15, 2017. He is seconded to BDO Network Bank, Inc. (BDONB) and serves as President and Vice Chairman of BDONB. He has over thirty (30) years of experience in the financial services industry. Prior to joining the Bank, he was Executive Vice President of Property Company of Friends, Inc. and Williamton Financing Corporation since 2016, and Independent Director of Paymaya Phils. Inc. since 2015. Mr. Itchon also worked with Citibank N.A. Philippines as Managing Director where he held various senior leadership positions from 1986 to 2015 including Citi Country Compliance Officer, President of Citibank Savings and Country Head of Global Transaction Banking. He graduated from the De La Salle University with a degree in Bachelor of Arts in Economics and from Johnson Graduate School of Management, Cornell University with a Master's Degree in Business Administration.

Jeanette S. Javellana, 62, Filipino, is Executive Vice President and Head for Commercial Banking Metro Manila. She joined the Bank in October 2001.

Ma. Corazon A. Mallillin, 59, Filipino, is Executive Vice President of BDO Unibank, Inc. She is currently the Deputy Group Head of Branch Banking Group and has been with BDO Unibank for more than fifteen (15) years. She joined BDO Unibank in March 2005 as Region Head of Branch Banking. Prior to that, she was Senior Vice President for Branch Banking of Maybank, Phils. She was formerly Senior Vice President of Asiatrust Bank from 1998 to 2002 and Assistant Vice President of PCIBank from 1982 to 1998. Atty. Mallillin holds a Bachelor of Laws degree and a Bachelor of Arts degree in Economics from the University of the Philippines.

Dalmacio D. Martin, 59, Filipino, is Executive Vice President of BDO Unibank, Inc. He has been with the Bank for more than ten (10) years. He is currently the Bank's Treasurer of the Bank's Treasury Group. He holds a Bachelor's Degree in B.A Political Science from the U.C Berkeley University and a Masters in Management from the Arthur D. Little MEI.

Edwin Romualdo G. Reyes, 63, Filipino, is Executive Vice President of BDO Unibank, Inc. and Group Head for the Transaction Banking Group. Mr. Reyes has more than thirty (30) years of experience in the banking industry. He was previously Managing Director and

Global Head of Depositary Receipts (DR) at Deutsche Bank Trust Company Americas, New York, USA (Deutsche Bank) from 2006 to 2014. Mr. Reyes also served as Director and Global Head of Strategic Initiatives and Channel partners from 2001 to 2006 and Director & Global Head of Intermediaries, Corporate Trust & Agency Services from 1999 to 2001. Prior to that, he was Vice President, Capital Markets Trust Services at IBJ Whitehall Financial Services, New York, USA from 1998 to 1999. Mr. Reyes also serves on the board of BDO Network Bank, Inc., as non-Executive Director. He holds a Master's Degree in Business Administration, major in Finance/Money and Financial Markets from Columbia University, Graduate School of Business in New York, USA. Mr. Reyes graduated Cum Laude from the University of the Philippines, with a degree of Bachelor of Science in Industrial Engineering and Operations Research.

Luis S. Reyes, Jr., 62, Filipino, is Executive Vice President for Investor Relations and Corporate Planning. He is concurrently a Director of BDO Strategic Holdings, Inc. and Chairman of Nashville Holdings, Inc. He is also a Director and Treasurer of BDO Leasing and Finance, Inc. and BDO Rental, Inc., and Treasurer of BDO Finance Corporation. He holds a Bachelor of Science degree in Business Economics from the University of the Philippines. He was First Vice President of Far East Bank & Trust Company, Trust Banking Group before joining BDO.

Cecilia Luz L. Tan, 61, Filipino, currently holds the position of Executive Vice President and Deputy Head of Institutional Banking Group. Prior to joining BDO, she was Director and President of BPI Capital Corp. and Director – Chairman of BPI Securities Corp. She has over 40 years experience covering the fields of corporate, investment and private banking. She holds a degree in Bachelor of Science in Business Management from Ateneo de Manila University and post graduate in Advanced Management Program in Harvard Business School.

Evelyn L. Villanueva, 63, Filipino, is Executive Vice President of BDO's Risk Management Group, and is BDO's Chief Risk Officer. She holds a Bachelor degree in Statistics from the University of the Philippines. She obtained her Master in Business Management ("MBM") degree from the Asian Institute of Management. She has over forty (40) years of banking experience in corporate banking and enterprise-wide risk management covering credit, market, liquidity, interest rate and operational risk management. She started out as a management trainee in Citytrust Banking Corporation and was connected with HSBC as Senior Vice President for Credit Risk Management before joining BDO.

Albert S. Yeo, 63, Filipino, is an Executive Vice President at BDO Unibank, Inc. since January 3, 2017. Mr. Yeo, prior to joining the Bank, had been with Merrill Lynch & Co. for 17 years, last as a Senior Financial Advisor at their Manhattan Beach Office in Los Angeles, California. He was also connected with UBS Securities and Prudential Securities, Inc. (now Wells Fargo Advisors) in various capacities in the financial services industry. Prior to that, he was connected with IBJ Schroder Bank and Trust (now Mizuho Bank) in their Capital Markets Group in New York City for 5 years. Before his MBA, he spent 2 years at Rizal Commercial Banking Corporation as a Corporate Banking officer at their Binondo area

headquarters. Mr. Yeo earned his MBA in Finance from the Wharton School at the University of Pennsylvania. He finished his undergraduate degree at the Ateneo de Manila University, BS Management Engineering with Magna Cum Laude distinction and was the Departmental Awardee of his class.

Rafael G. Ayuste, Jr., 57, Filipino, is Senior Vice President of BDO Unibank, Inc. He has been with BDO Unibank for more than seven (7) years. He is currently the Trust Officer and Head of BDO Trust and Investments Group and was the Trust Officer and Head of Wealth Advisory and Trust Group of BDO Private Bank, Inc. He has more than thirty-five (35) years banking experience, with twenty-seven (27) years in trust banking. He holds a Bachelor's Degree in Business Administration from University of Sto. Tomas, a Master's Degree in Business Administration (Nominee) from De La Salle University and an Executive Master's Degree (Nominee) in Business Economics from University of Asia and the Pacific.

Frederic Mark S. Gomez, 59, Filipino, is Senior Vice President of BDO Unibank, Inc. He joined the Bank on November 15, 2017 and was appointed as Head of Information Technology Group and Member of the IT Steering Committee, effective March 1, 2018. Prior to joining the Bank, Mr. Gomez was Vice President and Chief Information/Technology Officer for Information Technology, Asia Pacific of S&P Global, Inc. (Singapore & Tokyo, Japan) from January 2011 to January 2017. He held various global head positions at Standard & Poor's (New York, USA) since 1996 before becoming its Vice President and Global IT Head for Sales and Marketing Systems in February 2008 up to January 2011. He graduated from the University of Santo Tomas with a degree in Bachelor of Science in Business Administration.

Lazaro Jerome C. Guevarra, 55, Filipino, is Senior Vice President. He is the Chief of Staff for the Office of the President and concurrently the Head for the Corporate Group, administratively overseeing the Corporate Secretary's Office, Anti-Money Laundering Unit, Legal Services, Compliance, Internal Audit, and Information & Cyber Security Office. Prior to this, he was the Head of Advisory and Mergers & Acquisition Team of BDO Capital & Investment Corporation and was the President of BDO Securities Corporation. He is currently the Chairman/Director of BDO Remit (Canada), Ltd., BDO Remit (Japan), Ltd., and BDO Remit (USA), Inc. He is a Director of BDO Strategic Holdings, Inc., BDORO Europe Ltd., Averon Holdings Corp., SM Keppel Land, Inc., NorthPine Land, Inc., and Nashville Holdings, Inc. He is also a Trustee and Corporate Secretary of BDO Foundation, Inc. Mr. Guevarra is a graduate of the University of the Philippines – School of Economics and has had more than thirty-two (32) years of experience in banking, financial analysis, and mergers & acquisition.

Manuel Z. Locsin, Jr., 64, Filipino, is Senior Vice President/Officer-in-Charge (OIC) of BDO Finance Corporation. He was seconded from BDO Unibank to BDO Finance last year, May 2021, and appointed by the Board of Directors of BDO Finance on May 1, 2021. In addition to his assignment, he is concurrently Director and OIC of BDO Leasing and Finance, Inc. and BDO Rental, Inc. Prior to joining BDO Finance, he was Senior Vice President with Corporate Banking Group of BDO Unibank. He has over twenty-five (25) years of banking

and credit lending experience. He holds a Bachelor of Science Degree in Commerce from the De La Salle University.

Estrellita V. Ong, 66, Filipino, joined BDO in 2012 as Senior Vice President for the Internal Audit Division heading Branches Audit. In April 2013, the Board approved and confirmed her designation as the Unibank Group's Chief Internal Auditor (CIA). She was formerly connected with Security Bank Corporation retiring as its CIA. Prior to being a CIA, she had held position in Security Bank as Assistant Controller and Executive Assistant to the Chairman handling the Centro Escolar University Finance portfolio. She was also formerly a Director of the 6776 Ayala Condo Corp. and Corporate Secretary of the Eastman Enterprises Corp. Prior to joining the bank mainstream, she had held Controllership position in Evergreen Shipping Corp.'s General Agent's office and Pioneer Intercontinental Insurance. She had varied experience also in manufacturing being General Manager and Treasurer of several Import/Export businesses subcontracting for branded US luggage and apparels. She is a Certified Public Accountant graduating from the University of the East – Recto with a Bachelor of Science degree in Business Administration.

Evelyn C. Salagubang, 58, Filipino, is Senior Vice President. She assumed the position of Group Head for Human Resources (HR) of the Bank in July 2011. She was formerly the Head of Human Resources of American Express Savings Bank, with oversight HR role over the American Express International, Inc., and American Express Bank Philippines. Prior to joining BDO, she was the HR Manager for Kraft Foods Philippines, Inc. She holds a degree in Psychology from Assumption College and completed a Diploma Program in Human Resource Management from the same institution.

Maria Theresa L. Tan, 53, Filipino, is Senior Vice President. She is General Manager of BDO Insurance Brokers, Inc. (BDOI). She has had more than two (2) decades of experience in sales, marketing/product management, and general management in the consumer, services, and insurance industries. She graduated from the Ateneo de Manila University with a degree in Business Management, Minor in Marketing. Prior to joining BDO, she was the General Manager of International SOS, Philippines, Inc. She joined the Bank in July 2009.

Federico P. Tancongco, 61, Filipino, is Senior Vice President. He joined BDO Unibank in October 2005 and was then seconded to BDO Private Bank, Inc. as Head of the Compliance and Legal Department. His secondment was recalled and since July 1, 2017 serves as Chief Compliance Officer of BDO Unibank. Prior to this, he served as trial attorney and solicitor with the Office of the Solicitor General for six (6) years before joining the Rizal Commercial Banking Corporation where he was Trust Legal Counsel for the Trust and Investments Division for twelve (12) years. He also serves as trustee in religious non-profit corporations, namely: Far East Broadcasting Corporation, WorldTeach Ministries Philippines, Inc., and Pamilya Muna Pilipinas, Inc. He holds a Bachelor's Degree in Philosophy and Letters from De La Salle University (DLSU) and a Law degree from the University of the Philippines College of Law.

Renato A. Vergel de Dios, 68, Filipino, is the President & CEO of BDO Life Assurance Company, Inc. (BDO Life) and a Director of BDO Life Board since October 2009. He also serves as a member of the Board of Trustees of the Insurance Institute for Asia and the Pacific. Mr. Vergel de Dios has been in the life insurance business for over forty-five (45) years. Prior to joining BDO Life, he served as CEO for Manulife Philippines Inc. and Executive Vice President, Sales and Operations, for the Philippine American Life Insurance Company, Inc. He holds a Bachelor's Degree in Mathematics from Ateneo de Manila University and an MS Management (Sloan) degree from Stanford Graduate School of Business.

Senior Credit Executives

The following are the Senior Credit Executives functioning exclusively as members of the Bank's Executive Committee and/or Management Credit Committee:

Julie Y. Chua, 70, Filipino, is a Senior Credit Executive of BDO Unibank, Inc. She was appointed on January 1, 2022. She was an Executive Vice President since 2008. She holds a Bachelor's degree in Commerce, major in Banking and Finance, Cum Laude, from the University of Santo Tomas. She has more than twenty-five (25) years of experience in branch banking and lending business. Previous to her assignment, she was connected with BPI, Far East Bank & Trust Company and Producers Bank.

Nilo L. Pacheco, Jr., 66, Filipino, is a Senior Credit Executive of BDO Unibank, Inc. He was appointed on February 3, 2020. He has had forty-seven (47) years of work experience in the area of finance that included twenty-eight (28) years in the banking industry. Prior to joining BDO Unibank, Mr. Pacheco was with Sterling Bank of Asia since 2010 where he was a member of the Board of Directors, and Chairman of its Trust, Corporate Governance, and Risk Management Committees, and previously member also of its Executive, Bids and Awards, and Information Technology Committees. He was also concurrently with the De La Salle group from 2011-2019 as Vice President for Finance of both De La Salle College of St. Benilde and De La Salle University and held senior positions in De La Salle Philippines, La Salle Antipolo, Catholic Educational Association of the Philippines, and a member of the Board of Directors of First Metro Asset Management Company and Maybank ATR Kim Eng Securities Inc. Prior to 2011, he held senior positions in Union Bank of the Philippines, United Coconut Planters Bank, International Exchange Bank, and Export and Industry Bank. Mr. Pacheco obtained his Bachelor of Arts degree in Mathematics, magna cum laude, from De La Salle University, took Masters units in Business Administration in the University of the Philippines, and finished the Advanced Management Program of Harvard Business School.

Mario B. Palou, 68, Filipino, is Senior Credit Executive of BDO Unibank, Inc. since March 1, 2018. He has more than thirty-five (35) years experience in the financial industry. He was Executive Vice President and Head of Middle Market Group of the Development Bank of the Philippines since February 2014. He also worked with Bank of the Philippine Islands as Senior Vice President (SVP) and Co-Division Head of Corporate Banking Group (CBG) for Top Corporate Companies from 2000 to 2003 and as SVP and Head of CBG from 2006 to

2013. He was an SVP and Department Head of Commercial Loans of BPI Family Savings Bank from 2003-2006. Prior to that, he was with Far East Bank and Trust Company, and FEB Investments, Inc. Mr. Palou graduated from San Beda College with a degree in Bachelor of Arts in Economics.

Edmundo S. Soriano, 66, Filipino, is Senior Credit Executive and is a Member of BDO Unibank's Executive Committee and Management Credit Committee. For the period of July 2017 to December 2018, he was EVP and Deputy Head, Institutional Banking Group at BDO Unibank, with direct responsibility for International Desks, Financial Institutions and Global Operations as well as a member of BDO's Management Credit Committee. Previous to this, he was Executive Vice President and Group Head for Corporate Banking from July 2004 to June 2017. Before joining BDO, Mr. Soriano was a Vice President at JP Morgan Chase where he was a member of the Senior Management Teams of Hong Kong and China Branches. His last assignment in Hong Kong exposed him to Asia-Pacific regional responsibilities doing Corporate Investment Banking. Prior to this, he was an Assistant Vice President at First Chicago Leasing and Equipment Credit Corp., an affiliate of First National Bank of Chicago. He holds a Bachelor's degree in Economics (Honors) from Ateneo de Manila University and an MBA (with Distinction) from Adelphi University, New York, U.S.A. where he was a Rotary Foundation International Fellow. He attended continuing education programs at INSEAD, University of California at Berkeley and American Institute of Banking. In 2014, Mr. Soriano was President of the Financial Executives Institute of the Philippines (FINEX). For 2015, he was Chairman of FINEX Research and Development Foundation, Inc.

NOTE: BDO is not dependent on the services of any particular employee and does not have any special arrangements to ensure that any employee will remain with BDO and will not compete upon termination.

Board and Senior Management Performance

The Board, through the Corporate Governance Committee, undertakes the evaluation of its performance as a collective body, its Committees and senior management to determine whether they are functioning effectively, pinpoint areas for improvement and ensures that the President is providing effective leadership to the Group.

The assessment criteria used cover among others the areas of leadership, stewardship, review and approval of strategic and operational plans, annual budgets, focus on strategic and long-term issues, monitoring of financial performance, management succession planning, integrity of financial reporting, review of the Bank's ethical conduct, defining roles and monitoring activities of committees.

It also conducts the Director peer evaluation survey intended to encourage improved performance and effectiveness of directors by identifying areas that need improvement. Each director is requested to rate their colleagues on the Board using the prescribed rating scale and questions. The assessment criteria used include among others the director's understanding of the strategy and vision, organizational structure and culture.

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business and regulatory environments, responsibilities as Director, accountability for his/her boardroom actions, contribution to board discussions, independent thinking, strategic insights and direction, active participation in committee meetings, time and commitment to board and committee duties, and finally, his/her overall contribution to the functioning of the Board.

Survey questionnaires were sent to all members of the Board including Advisers. Upon submission of accomplished forms, the external facilitator, in coordination with the Corporate Governance Officer, tabulates the responses and prepares the final report to the Corporate Governance Committee. In turn, the Committee reviews and approves the report and submits to the Board for appropriate action. The Board then issues a resolution noting the results of the evaluation and recommendations stated in the final report.

2) Significant Employees

BDO's senior executive officers are enumerated under Item 9.1, above. BDO has no employee who is not an executive officer expected to make a significant contribution to BDO's business.

3) Family Relationships

Mr. Gabriel U. Lim, Senior Vice President, and Stella L. Cabalatungan, Executive Vice President, are siblings.

4) Involvement of directors/executive officers in legal proceedings

To BDO's knowledge, none of the directors or executive officers is named or is involved during the last five (5) years in any legal proceedings which will have any material effect on BDO, its operations, reputation, or financial condition.

To BDO's knowledge, none of its directors and senior executives have been subject of the following legal proceedings during the last five (5) years:

- 1. bankruptcy petition by or against any business of which such director was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time;
- 2. a conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign;
- to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities;
- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading, market or self-regulatory organization, to have violated the

securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Item 10. Executive Compensation

Disclosure and Transparency

The Bank recognizes the need to report material information in a complete, accurate and timely manner thru easily accessible medium of communications. Significant items that are disclosed include the following:

A. Executive Compensation Policy

It is the objective of BDO to attract, motivate and retain high-performing executives necessary to maintain its leadership position in the industry. To be competitive in the marketplace, BDO offers a remuneration package composed of fixed salary, benefits and long-term incentives. Below are the compensation details of the directors and key executive officers of BDO.

1) President and four (4) most highly compensated executive officers:

in million pesos	Year	Annual Compensation	Other Annual Compensation
President and four (4)	2022 (estimate)	201.57	none
most highly compensated	2021	197.62	none
executive officers	2020	196.31	none
Year	Nar	ne	Position/Title
	Nestor '	V. Tan	President and CEO
	Walter C. V	SEVP	
2021	Jaime	SEVP	
	Rolando C.	SEVP	
	Joseph A.	SEVP	
	Nestor '	President and CEO	
	Walter C. V	SEVP	
2020	Jaime	SEVP	
	Rolando C.	Tanchanco	SEVP
	Joseph A.	SEVP	

The above compensation includes the usual bonus paid to bank officers. Except for salaries, allowances, retirement benefits provided under BDO's retirement plan, and company-wide benefit extended to all qualified employees under BDO's stock option plan, there is no separate stock option, stock warrant or other security compensation arrangement between BDO and its individual officers.

2) Compensation of Directors and Officers as a Group

in million pesos	Year	Salary Bonuses	Other Annual Compensation
Aggregate Officers (from senior vice presidents) & Directors	2022 (estimate)	954.38	none
	2021	944.93	none
	2020	943.73	none

B. Directors' Fees

Each director shall receive a reasonable per diem for attendance in every Board meeting. The President is authorized to fix and/or increase the fees and other remuneration of any Director or any other officer of BDO as may be deemed necessary, subject to Board approval. The Board of Directors of BDO approves all compensation and remuneration schemes for all the executive directors and senior officers of BDO. As provided by law, the total compensation of directors shall not exceed ten percent (10%) of the net income before income tax of BDO during the preceding year.

Each director receives a per diem allowance of ₽10,000 for attending board meetings and ₽5,000 for committee meetings. There is no distinction on the fee for a committee chairman and member. The above table contains the details of the compensation of directors and officers of BDO. In view of possible security risks, BDO opted to disclose these on an aggregate basis as a group. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus or other forms of emoluments.

BDO may grant to the directors any compensation other than per diems by the approval of the shareholders representing at least a majority of the outstanding capital stock.

Each member of the Board of Directors received the following as Directors for the year 2021:

Name of Director	<u>Amount</u>
Barcelon, George T.	₽ 5,422,222.19
Bell-Knight, Christopher A.	5,688,888.91
Buenaventura, Jose F.	5,688,888.91
Castro, Jones M. Jr.	5,800,000.03
Jacinto, Jesus A. Jr	2,720,000.00
Perez, Vicente S. Jr.	5,633,333.34
Ramos, Dioscoro I.	5,599,999.99
Sy, Teresita T.	10,257,777.77
Tan, Josefina N.	5,248,888.87

Tan, Nestor V.	2,740,000.00
Teodoro, Gilberto C. Jr.	4,238,888.91
Total	₽ 59,038,888.92

Abovementioned amounts include total fees and per diems received by the Directors for their attendance in meetings of the Board.

The Compensation Committee determines and proposes for Management and Board approval the salaries and compensation schemes for all executive directors and senior officers of BDO. The Compensation Committee meets at least once a year to discuss matters pertaining to the determination of salaries and compensation schemes and proposals for any changes in the remuneration of executive officers of BDO.

The members of BDO's Compensation Committee are as follows:

1. Gilberto C. Teodoro, Jr. - Chairman (Independent Director)

Dioscoro I. Ramos - Member
 Teresita T. Sy - Member

Below is the attendance of the members for the Committee meetings held as of December 2021:

	Meetings Attended	Total No. of Meetings	<u>Percentage</u>
Gilberto C. Teodoro, Jr. *	N/A	No meeting held during term	
Dioscoro I. Ramos	<u>2</u>	<u>2</u>	<u>100%</u>
Teresita T. Sy	<u>2</u>	<u>2</u>	<u>100%</u>
* Chairman until October 7, 2021			

3) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no special contracts of employment between BDO and the named directors and executive officers, as well as special compensatory plans or arrangements, including payment to be received from BDO with respect to any named director or executive.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1) Security Ownership of Certain Record/Beneficial Owners

As of December 31, 2021, the following are known to BDO to be directly or indirectly the record and/or beneficial owners of more than 5% of BDO's voting securities:

Title of Class	Name, address of record owner and relationship with BDO	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	SM Investments Corp. 10th Floor One E-Com Center, Harbour Drive, Mall of Asia Complex, CBP-I-A, Pasay City/ Parent Company	Sy Family (Substantial Stockholders)	Filipino	1,787,180,649 *	40.75%
Common	PCD Nominee Corp. (Non-Filipino) 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City/Various stockholders	Various stockholders	Foreign	1,099,584,793	25.07%
Common	PCD Nominee Corp. (Filipino) 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City/ Various stockholders	Various stockholders	Filipino	759,527,805**	17.32%%
Common	Multi-Realty Development Corporation 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	SM Investments Corp. (Subsidiary)	Filipino	291,513,036 *	6.65%
Common	Sybase Equity Investments Corporation 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	Various corporate stockholders	Filipino	240,010,292 *	5.47%
	TOTAL (COMM	ION)		4,177,816,575	95.26%

Inclusive of PCD-lodged shares of SM Investments Corporation (SMIC), Multi-Realty Development Corporation (MRDC) and Sybase Equity Investments Corporation (SEIC) Exclusive of PCD-lodged shares of SMIC, MRDC and SEIC.

Preferred	Sybase Equity Investments Corporation 10th Floor L.V. Locsin Building, 6752 Ayala Ave., Makati City/ Stockholder	Various corporate stockholders	Filipino	391,400,000	76.00%
Preferred	SM Investments Corp. 10th Floor One E-Com Center, Harbour Drive, Mall	Sy Family (Substantial Stockholders)	Filipino	123,600,000	24.00%

of Asia Complex, CBP-I-A, Pasay City/ Parent Company			
TOTAL (PREFERRED)		515,000,000	100.00%

The persons authorized to vote the shares of SM Investments Corporation, Multi-Realty Development Corporation and Sybase Equity Investment Corporation are Ms. Teresita T. Sy and/or Mr. Henry T. Sy, Jr. and/or Mr. Harley T. Sy.

As of December 31, 2021, the following are known to BDO as the PCD participants holding 5% or more of BDO's voting securities:

Member	Name and Address	No. of Shares	Percent of Shareholdings
BDO Sec Clients' Accounts	BDO Securities Corporation 33rd Floor BDO Towers Valero 8741 Paseo de Roxas, Salcedo Village, Makati City 1226	338,402,568	7.72%
SCBK Clients' Account	Standard Chartered Bank Standard Chartered Bank Building 6788 Ayala Avenue, Makati City	289,005,008	6.59%
	TOTAL	627,407,576	14.31%

• The PCD, being a nominee corporation, only holds legal title, not beneficial ownership of the lodged shares. The beneficial owners, such as the clients of PCD, have the power to decide how their shares are to be voted.

(<u>NOTE</u>: There are no voting trust shares or shares issued pursuant to a Voting Trust Agreement registered with BDO nor has there been any change in control of BDO. BDO is also not aware of any contractual arrangement or otherwise between its shareholders and/or third parties, which may result in change in control of BDO).

2) Security Ownership of Management

As of December 31, 2021, the total number of shares owned by the directors and management of the registrant as a group unnamed is 30,869,521 common shares, which is equivalent to 0.7039% of the total outstanding common capital stock of the registrant. The Bank's directors and officers own the following common shares of the Bank:

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning balance as of January 1, 2021)	No. of Shares (as of December 31, 2021)	Percent of Class (Shares as of December 31, 2021)
Common	Teresita T. Sy	489,238 - D	Chairperson	Filipino	394,947	506,421	0.0115%

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning balance as of January 1, 2021)	No. of Shares (as of December 31, 2021)	Percent of Class (Shares as of December 31, 2021)
		17,183 - I					
Common	Jesus A. Jacinto, Jr.	D	Vice Chairman	Filipino	802	107,102	0.0024%
Common	George T. Barcelon	D	Independent Director	Filipino	201,001	201,001	0.0046%
Common	Christopher A. Bell-Knight	D	Non-Executive Director	Canadian	10,623	10,623	0.0002%
Common	Jose F. Buenaventura	D	Independent Director	Filipino	70,001	72,401	0.0017%
Common	Jones M. Castro, Jr.	D	Non-Executive Director	Filipino & American	12,001	12,001	0.0003%
Common	Vicente S. Pérez, Jr.	D	Independent Director	Filipino	30,000	30,000	0.0007%
Common	Dioscoro I. Ramos	D	Lead Independent Director	Filipino	203,800	203,800	0.0046%
Common	Josefina N. Tan	D	Non-Executive Director	Filipino	710,608	715,958	0.0163%
Common	Nestor V. Tan	D	President, CEO & Director	Filipino	15,448,629	15,749,369	0.3591%
Common	Joseph Albert L. Gotuaco	D	SEVP	Filipino	400,000	470,000	0.0107%
Common	Rolando C. Tanchanco	D	SEVP	Filipino	566,783	316,783	0.0072%
Common	Walter C. Wassmer	D	SEVP	Filipino	498,339	498,339	0.0114%
Common	Jaime C. Yu	D	SEVP	Filipino	440,284	606,934	0.0138%
Common	Stella L. Cabalatungan	D	EVP	Filipino	263,100	317,100	0.0072%
Common	Gerard Lee B. Co	D	EVP	Filipino	399,482	411,482	0.0094%
Common	Lucy C. Dy	D	EVP & Comptroller	Filipino	614,989	620,339	0.0141%
Common	Eduardo V. Francisco	D	EVP	Filipino	768,779	768,779	0.0175%
Common	Jesus Antonio S. Itchon	D	EVP	Filipino	6,000	6,000	0.0001%
Common	Jeanette S. Javellana	D	EVP	Filipino	311,156	311,156	0.0071%
Common	Ma. Corazon A. Mallillin	D	EVP	Filipino	116,232	145,232	0.0033%
Common	Dalmacio D. Martin	D	EVP & Treasurer	Filipino	159,595	171,595	0.0039%
Common	Edwin Romualdo G. Reyes	D	EVP	Filipino	20,000	20,000	0.0005%
Common	Luis S. Reyes, Jr.	D	EVP	Filipino	747,930	869,580	0.0198%
Common	Cecilia Luz L. Tan	D	EVP	Filipino	0	13,854	0.0003%
Common	Evelyn L. Villanueva	D	EVP & Chief Risk Officer	Filipino	689,677	695,027	0.0158%

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning balance as of January 1, 2021)	No. of Shares (as of December 31, 2021)	Percent of Class (Shares as of December 31, 2021)
Common	Albert S. Yeo	D	EVP	Filipino	1,000	1,000	0.0000%
Common	Noel L. Andrada	D	SVP	Filipino	138,100	204,100	0.0047%
Common	Maria Carina S. Antonio	D	SVP	Filipino	93,620	131,720	0.0030%
Common	Rafael G. Ayuste, Jr.	D	SVP & Trust Officer	Filipino	20,000	32,000	0.0007%
Common	Ferdinand C. Bacungan	D	SVP	Filipino	31,300	39,700	0.0009%
Common	Melanie S. Belen	D	SVP	Filipino	187,604	253,604	0.0058%
Common	Maria Carla Josefa G. Campos	D	SVP	Filipino	0	0	0.0000%
Common	Edmund S. Chan	D	SVP	Filipino	29,500	29,500	0.0007%
Common	Romeo Ramon M. Co, Jr.	D	SVP	Filipino	4,785	4,785	0.0001%
Common	Jonathan T. Cua	D	SVP	Filipino	0	0	0.0000%
Common	Ramon S. David	D	SVP	Filipino	41,591	106,591	0.0024%
Common	Montiel H. Delos Santos	D	SVP	Filipino	103,800	115,800	0.0026%
Common	Noel D. Dizon	D	SVP	Filipino	233,837	233,837	0.0053%
Common	Gwyneth M. Entao	D	SVP	Filipino	47,877	86,277	0.0020%
Common	Belinda C. Fernandez	D	SVP	Filipino	88,564	74,264	0.0017%
Common	Andre M. Flores	D	SVP	Filipino	4,000	4,000	0.0001%
Common	Gina Marie C. Galita	D	SVP	Filipino	0	0	0.0000%
Common	Geneva T. Gloria	D	SVP	Filipino	103,969	103,969	0.0024%
Common	Alvin C. Go	D	SVP & Assistant Corporate Secretary	Filipino	190,800	232,800	0.0053%
Common	Jonathan Cua Bian T. Go II	D	SVP	Filipino	5	8,405	0.0002%
Common	Marilyn K. Go	D	SVP & Deputy Treasurer	Filipino	60,800	72,800	0.0017%
Common	Sonia Maribel D. Go	D	SVP	Filipino	160,687	172,687	0.0039%
Common	Frederic Mark S. Gomez	D	SVP	Filipino	15,000	15,000	0.0003%
Common	Maria Lourdes Donata C. Gonzales	D	SVP	Filipino	0	0	0.0000%
Common	Richard Emil R. Grau	D	SVP	Filipino	0	0	0.0000%
Common	Lazaro Jerome C. Guevarra	D	SVP	Filipino	22,518	48,598	0.0011%
Common	Enrico R. Hernandez	D	SVP	Filipino	230,348	277,698	0.0063%

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning balance as of January 1, 2021)	No. of Shares (as of December 31, 2021)	Percent of Class (Shares as of December 31, 2021)
Common	Geraldine C. Liggayu	D	SVP	Filipino	77,503	108,803	0.0025%
Common	Gabriel U. Lim	D	SVP	Filipino	202,169	214,169	0.0049%
Common	Juan Sabino P. Lizares	D	SVP	Filipino	230,480	238,880	0.0054%
Common	Joseph Rhoderick B. Lledo	D	SVP	Filipino	103,619	103,619	0.0024%
Common	Manuel Z. Locsin, Jr.	D	SVP	Filipino	64,863	66,863	0.0015%
Common	Rhodora M. Lugay	D	SVP	Filipino	0	20,000	0.0005%
Common	Jose Paolo Enrique A. Magpale	D	SVP	Filipino	10,100	18,500	0.0004%
Common	Roy Allan V. Magturo	D	SVP	Filipino	125,172	133,572	0.0030%
Common	Manuel Patricio C. Malabanan	D	SVP	Filipino	0	12,000	0.0003%
Common	Angelita C. Manulat	D	SVP	Filipino	111,411	165,411	0.0038%
Common	Edgardo R. Marcelo, Jr.	D	SVP	Filipino	81,103	49,503	0.0011%
Common	Jose Noel M. Mendoza	D	SVP	Filipino	269,890	238,740	0.0054%
Common	Tomas Victor A. Mendoza	D	SVP	Filipino	23,560	48,960	0.0011%
Common	Ramon T. Militar	D	SVP	Filipino	140,000	124,000	0.0028%
Common	Aurea Imelda S. Montejo	D	SVP	Filipino	262,689	221,489	0.0051%
Common	Jaime M. Nasol	D	SVP	Filipino	86,800	78,800	0.0018%
Common	Carlo B. Nazareno	D	SVP	Filipino	0	0	0.0000%
Common	Cristina G. Ngo	D	SVP	Filipino	178,996	190,996	0.0044%
Common	Frederico Rafael D. Ocampo	D	SVP	Filipino	0	12,000	0.0003%
Common	Estrellita V. Ong	D	SVP & Chief Internal Auditor	Filipino	0	0	0.0000%
Common	Maria Rhoda B. Orsolino	D	SVP	Filipino	45,807	80,807	0.0018%
Common	Jose Alfredo G. Pascual	D	SVP	Filipino	123,755	129,605	0.0030%
Common	Jose Eduardo A. Quimpo II	D	SVP	Filipino	0	5,850	0.0001%
Common	Rogel A. Raya	D	SVP	Filipino	158,234	181,034	0.0041%
Common	Maria Nannette R. Regala	D	SVP	Filipino	359,247	359,247	0.0082%
Common	Gerardo Clemente C. Rivera	D	SVP	Filipino	0	0	0.0000%

Title of Class	Name of Beneficial Owner	Nature of Beneficial Ownership (Direct (D)/ Indirect (I))	Position	Citizenship	No. of Shares (beginning balance as of January 1, 2021)	No. of Shares (as of December 31, 2021)	Percent of Class (Shares as of December 31, 2021)
Common	Susan Audrey P. Rivera	D	SVP	Filipino	43,355	73,755	0.0017%
Common	Evelyn C. Salagubang	D	SVP	Filipino	72,454	122,254	0.0028%
Common	Cerwina Elenore A. Santos	D	SVP	Filipino	51,110	73,410	0.0017%
Common	Roberto Ramon L. Santos	D	SVP	Filipino	0	0	0.0000%
Common	Ma. Theresa S. Simbul	D	SVP	Filipino	62,556	56,556	0.0013%
Common	Paul John Siy	D	SVP	Filipino	0	0	0.0000%
Common	Howard Lincoln D. Son	D	SVP	Filipino	0	0	0.0000%
Common	Noel B. Sugay	D	SVP	Filipino	78,928	95,928	0.0022%
Common	Robert W. Sy	D	SVP	Filipino	99,241	92,931	0.0021%
Common	Edwin R. Tajanlangit	D	SVP	Filipino	804	4	0.0000%
Common	Christopher Raymund P. Tan	D	SVP	Filipino	0	0	0.0000%
Common	Maria Theresa L. Tan	D	SVP	Filipino	94,195	106,195	0.0024%
Common	Federico P. Tancongco	D	SVP & Chief Compliance Officer	Filipino	0	0	0.0000%
Common	Reynaldo A. Tanjangco, Jr.	D	SVP	Filipino	104,802	116,802	0.0027%
Common	Edna R. Tarroza	D	SVP	Filipino	59,152	63,552	0.0014%
Common	Dante R. Tinga, Jr.	D	SVP	Filipino	0	0	0.0000%
Common	Myla R. Untalan	D	SVP	Filipino	9,000	10,450	0.0002%
Common	Sharon Mae S. Vicente	D	SVP	Filipino	0	77,402	0.0018%
Common	Carol P. Warner	D	SVP	Filipino	0	0	0.0000%
Common	Nilo L. Pacheco, Jr.	D	Senior Credit Executive	Filipino	0	0	0.0000%
Common	Mario B. Palou	D	Senior Credit Executive	Filipino	0	0	0.0000%
Common	Edmundo S. Soriano	D	Senior Credit Executive	Filipino	223,520	373,800	0.0085%
Common	Julie Y. Chua	D	Senior Credit Executive	Filipino	576,961	582,311	0.0133%
Common	Edmundo L. Tan	D	Corporate Secretary	Filipino	101,312	101,312	0.0023%
Common	Sabino E. Acut, Jr.	D	Asst. Corporate Secretary	Filipino	20,000	20,000	0.0005%
	Total				30,232,466	30,869,521	0.7039%

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Directors and officers are required to report to BDO any acquisition or disposition of BDO's shares within three (3) business days from the date of the transaction. As prescribed under Philippine Stock Exchange (PSE) Disclosure Rules, BDO shall disclose to the PSE any acquisition or disposition of BDO's shares by its directors and officers within five (5) trading days from the transaction. Moreover, beneficial ownership of BDO shares by the directors and officers is also required to be reported within ten (10) calendar days from the date of initial acquisition or within ten (10) calendar days after the close of each calendar month, if there has been any change in such ownership during the month, to the Securities and Exchange Commission.

(Note: There are no voting trust shares or shares issued pursuant to a Voting Trust Agreement registered with the Bank nor has there been any change in control of the Bank. The Bank is also not aware of any contractual arrangement or otherwise between its shareholders and/or third parties, which may result in change in control of the Bank.)

Item 12. Certain Relationships and Related Transactions

In the ordinary course of business, BDO has loan and other transactions and arrangements involving BDO's products and services, with its subsidiaries and affiliates and with certain directors, officers, stockholders and related interests (DOSRI) and parties. These loans and other transactions and arrangements involving BDO's products and services, are made on substantially the same terms as those given to other individuals and businesses of comparable risks.

Policies and procedures have been put in place to manage potential conflicts of interests arising from related party transactions, such as credit accommodations, products or services extended by BDO to directors or officers in their personal capacity or to their company and related interests and parties. BDO's Executive Committee approves these transactions. Where appropriate, the Related Party Transactions Committee endorses related party transactions to the Board. These transactions are then elevated to the Board for independent review and confirmation. All directors, except the interested party, could scrutinize the details of the transactions to ensure that these are done on an arms-length basis and in accordance with regulations. The details of the deliberations are included in the minutes of the Board and Board Committee meetings. Approved related party transactions are properly tagged for monitoring and reporting of exposures. BDO then submits the significant related party transactions to the BSP where BSP approval is required.

The Related Party Transactions Committee is chaired by Atty. Gilberto C. Teodoro, Jr. (Independent Director). Its members are Mr. Jones M. Castro, Jr.* (Director) and Mr. Jose F. Buenaventura (Independent Director).

Below is the attendance of the members for the Committee meetings held as of December 2021:

	No. of Meetings Attended	Total No. of Meetings	<u>Percentage</u>
Gilberto C. Teodoro, Jr. **	10	12	83.33%

Jose F. Buenaventura 11 12 100.00%	Jones M. Castro, Jr.	12	12	100.00%
	Jose F. Buenaventura	11	12	100.00%

^{*} Lead Independent Director until April 23, 2021

The General Banking Law and BSP regulations limit the amount of the loans granted by BDO to each subsidiary or affiliate, which are not related interests of the directors, officers and/or stockholders of BDO, to not more than 10% of BDO's networth, with a further ceiling of not more than 5% of BDO's networth for unsecured loans. Total outstanding loans to all subsidiaries and affiliates shall not exceed 20% of BDO's networth.

The amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of the deposit and book value of their investment in BDO. In the aggregate, loans to DOSRI generally should not exceed the total capital funds or 15% of the total loan portfolio of BDO, whichever is lower.

For the period ended December 31, 2021, there were no material self-dealings or related party transactions by any director which require disclosure.

Please refer to Notes 2.17 and 27 of the Notes to Financial Statements. Said Financial Statements are attached to this Annual Report.

^{**} Chairman until October 7, 2021

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

Corporate governance in BDO is about effective oversight, strict compliance with regulations, and sustainable value creation to promote the best interest of its various stakeholders.

BDO Unibank, Inc. affirms its deep commitment to the highest standards of corporate governance practice firmly anchored on the principles of accountability, fairness, integrity, transparency and performance consistently applied throughout the institution. BDO's good market reputation has been built on the solid foundation of an ethical corporate culture and responsible business conduct, underpinned by a well-structured and effective system of governance.

BDO complies, where appropriate, with the SEC Code of Corporate Governance for Publicly-Listed Companies and with the Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions. It follows relevant international best practices of corporate governance issued by globally recognized standards-setting bodies such as the Organization for Economic Cooperation and Development (OECD) and the ASEAN Corporate Governance Scorecard (ACGS) which serve as essential points of reference.

This report describes the highlights of our corporate governance practices throughout the financial year ended December 31, 2021.

1. Composition of the Board – The Board is composed of 11 seats, with one vacancy as of December 31, 2021 reserved for an independent director¹. The members of the Board are all professionals with various expertise in fields relevant to BDO's business and strategic plans such as banking, accounting and finance, law, merchandise marketing, strategy formulation, bank regulations, information technology, sustainability, and risk management. It is led by a Non-Executive Chairperson with five Independent Directors, three Non-Executive Directors, and two Executive Directors who are the Vice Chairman and the President & CEO.

The present composition of the Board exceeds the minimum regulatory standards which require that independent and non-executive directors account for the majority. Independent and Non-Executive Directors of the Bank comprise 82% (nine of 11) of the Board. With five of 11 Board seats allocated for independent directors, the Bank goes beyond the 1/3 minimum requirement of the Bangko Sentral ng Pilipinas and the Securities Exchange Commission. Independent Directors comprised the majority (six of 11 or 54.50%) of the Board until April 2021², conforming with international best practices.

The Board is aided by four advisors who are considered as integral parts of the Board and whose influence are akin to directors. Their opinions and recommendations are taken into consideration by the Board members. The presence of a female Board advisor provides an independent view of the Bank and complements the two female non-executive directors.

¹ Atty. Gilberto C. Teodoro, Jr., Independent Director, resigned from the Board of Directors on October 7, 2021. His replacement, Mr. Vipul Bhagat, Independent Director, was appointed by the Board of Directors on January 8, 2022.

² Former Lead Independent Director, Mr. Jones M. Castro, Jr., was reclassified to non-executive director on April 23, 2021, in order to comply with the nine-year term limit for independent directors.

- Composition of the Board Committees –Independent directors chair eight of nine board committees, namely Risk Management, Audit, Corporate Governance, Related Party Transactions, IT Steering, Nominations, Compensation, and Trust. This provides independent and objective judgment on significant corporate matters and ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed and rigorously examined.
- 3. Audited financial statements for calendar year 2020 were disclosed to the public on February 26, 2021, 57 days from year end, following the best practice recommendation of the ASEAN Corporate Governance Scorecard of within 60 days from year-end, for the past seven (7) years;
- 4. Executive Sessions of Independent/Non-Executive Directors A regular meeting is held by Independent and Non-Executive Directors (INED) with the heads of the control functions (i.e. Chief Risk Officer, Chief Compliance Officer, and Chief Internal Auditor) as well as the external auditor, without the presence of management or any bank executive, to discuss various matters or issues outside the Audit Committee and Risk Management Committee meetings. The meeting is chaired by the Lead Independent Director. In 2021, the INED conducted three (3) sessions and the results of these sessions were discussed with the Bank's Executive Directors in three (3) separate sessions.
- 5. Annual Board performance self-assessment A yearly self-assessment is conducted focusing on the performance of the Board, directors, Committees and senior management, through the Corporate Governance Committee, using an approved set of questionnaires. The performance evaluation process begins with sending out customized Board Evaluation Questionnaires to each director and advisor. They are required to complete the questionnaire and explain the rationale of their response. The results of which are tabulated and consolidated. In 2021, the Corporate Governance Committee endorsed to the Board the continuous engagement of the services of an external facilitator for its yearly self-assessment. To the Committee, engaging an independent party every year, rather than every three years as recommended by the Securities and Exchange Commission, provides more governance inputs to the Board and allows comparability and continuity of aspects examined.

This report sets out the main corporate governance practices of the Bank in relation to the following OECD guiding principles:

Rights and Equitable Treatment of Stakeholders

Shareholders

The Bank respects the inherent rights and recognizes the roles of various stakeholders in accordance with law. To this end, it has put in place various governance practices, policies and programs for the protection of shareholders' rights and the promotion for exercising those rights in accordance with OECD principles, such as the right to buy, sell or transfer securities held, the right to receive dividend, the right to vote for the appointment of the external auditor, the right to participate in decision-making for corporate matters, the right to propose agenda item in the shareholders' meeting and the right to attend the shareholders' meeting. As a matter of policy, all stockholders (retail and institutional) on record are encouraged to attend, personally, by proxy, or by remote communication, the annual stockholders' meeting to ensure their participation and active involvement in the affairs of the Bank. Shareholders will be given equal opportunities to raise questions, make suggestions and recommendations pertaining to the operations of the Bank. They can vote by remote communication or in absentia, or assign proxies to vote on their behalves if shareholders cannot attend the stockholders' meeting.

For the convenience of shareholders to exercise their right to attend the stockholders' meeting, the venue, date, time and agenda of the annual meeting, explanation of each agenda item requiring shareholders' approval, method of voting results will be announced in advance. In 2021, the Notice

of Annual Stockholders' Meeting, which contains details and rationale for each agenda item, was released through the Definitive Information Statement on March 26, 2021, or 28 days prior to the date of the Meeting.

The Annual Stockholders' Meeting was held on April 23, 2021 and was attended by the Board Chairperson, President & Chief Executive Officer, and all Directors. The shareholders were allowed to cast their votes on each nominee director and on each agenda item presented to them for approval. They were also given the opportunity to ask questions, express opinions and make suggestions on various issues. Please see the minutes of the 2021 Annual Stockholders' Meeting for detailed Questions and Answers, the voting results showing the Approving, Dissenting and Abstaining Votes cast by the shareholders on each agenda item in www.bdo.com.ph/company-disclosures/stockholders-meetings

A quarterly declaration of cash dividends is approved by the Board of Directors and is immediately disclosed to the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC). This disclosure is readily available at the websites of the PSE and the SEC, as well as of the Bank. During the Annual Stockholders' Meeting, the President reports to the stockholders the financial performance of the Bank for the year. In addition, the Bank files with the PSE and SEC quarterly reports on its financial performance.

The Bank recognizes that all shareholders should be treated fairly and equally whether they are controlling or minority, local or foreign. To ensure this, the Amended By-Laws of the Bank provides that all shares in each class should carry the same rights and any changes in the voting rights must be approved by the shareholders. The Bank accepts the votes cast by nominees and custodians in behalf of the beneficial owners as valid. Shareholders may exercise their right of appraisal in case of amendment to the Articles of Incorporation that has the effect of changing or restricting their rights.

Investors

BDO adopts a pro-active relationship with its stockholders through its Investor Relations' (IR) comprehensive engagement program. IR articulates the Bank's strategic direction as well as financial and operating results by joining conferences and roadshows in key global financial markets and conducting various one-on-one meetings, conference calls and briefings with institutional investors, analysts, and credit rating agencies. IR also reaches out to retail investors by participating in retail conferences and roadshows organized by local brokers. The Bank has in the past likewise joined virtual investor conferences catering to American Depositary Receipts (ADR) investors in the United States. From time to time, IR is joined by other members of the Senior Management team in meetings and corporate access activities in order to impart more insights on BDO's operations.

Relevant information is also shared through official disclosures posted via PSE Edge and company website.

Investor Relations accomplished the following in 2021 amid the continuing impact of the COVID-19 pandemic:

1. Investor Engagement

Amidst continuing travel and mobility restrictions, IR engaged about 500 investors in 2021, through participation in virtual conferences, investor calls, as well as one-on-one conference calls.

IR apprised investors of the following developments in the Bank in 2021:

- The Bank's improved financial performance vis-à-vis 2020, anchored on its strong core businesses and normalized provisions. Asset quality remained manageable and was adequately provided for;
- Ongoing digital initiatives on sustained IT investments, and new product launches; and. More
 positive macroeconomic and business outlook on rising vaccination rates and gradual economic
 reopening.

2. Analyst briefings

IR held virtual briefings on the following dates during which the Bank's senior management presented the Bank's financial results, operations updates, and recent developments:

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February 26, 2021 – covering full year-2020 results
August 2, 2021 – covering 1H 2021 results
October 25, 2021 – covering 9M 2021 results
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Video coverage of the analysts' briefings last year are posted under the Investor Relations section of the Bank's website.

3. Coordination on Environmental, Social and Governance (ESG)

IR coordinated and interacted with the Bank's ESG Team (composed of representatives from Sustainability/Compliance, Sustainable Finance Desk, Risk Management, Human Resources, Corporate Secretary's Office, Central Operations, Marketing Communications, among others) to address queries from third party ESG ratings agencies (e.g., Sustainalytics, S&P Global, MSCI, FTSE, Vigeo, among others), regulators, analysts, and investors.

IR also coordinated the Bank's participation in the Asia Transition Finance Study Group arranged by Mitsubishi UFJ Financial Group (MUFG) that tackled taxonomy and challenges in transition finance across Asia and other markets. The Study Group is composed of more than 20 leading Asian and international institutions, including commercial banks, development banks/Export Credit Agencies and public agencies.

4. Regular feedback from investors and analysts to Senior Management and the Board.

IR regularly conveyed feedback from investors and analysts to Senior Management and to the Board for a better appreciation of market sentiment towards the Bank, through periodic updates on shareholder developments, industry analysis reports, and write-ups and comments about the Bank.

5. Coordination with other units for the disclosure of public information about the Bank

IR recognizes the need for accurate and updated information of the Bank's financial condition and all matters affecting the Bank. It coordinates with the Corporate Secretary's Office and Marketing Communications Group (MCG) to ensure the timely disclosure and posting of material and relevant information.

IR directly liaises with the Bank's stock transfer agent on matters relating to stockholders' claims for cash dividends, updating of contact information and requests for documents and/or information regarding their stockholdings.

Shareholders can request relevant information from the Corporate Secretary or Investor Relations Unit through the contact details provided in the Bank's official website. The minutes of the 2021 Annual Stockholders' Meeting is available in our corporate website at www.bdo.com.ph./company-disclosures/stockholders-meetings.

Customers

Our clients are our most valuable asset and we are truly grateful for their patronage. BDO is committed to meet their needs by providing them with high quality customer service and relevant products and services.

BDO is committed to treat clients fairly. The minimum standards to ensure that clients are treated fairly are the following:

- Communications are fair and not misleading.
- Clients are given clear and concise information, including the risks involved, before they enter into financial products and services.
- Products and services are suitable and appropriate, taking into account the needs of the clients, their financial and risk profile and objectives.
- Complaints should be handled in a prompt, friendly, fair and effective manner.

We scrupulously comply with the regulations on financial consumer protection in the Philippines, the Bank has monitored and profiled the client inquiries/requests/complaints together with resolutions/actions taken. The Bank has been proactive in resolving complaints. The Bank has established a Consumer Assistance Management System to address customer concerns. Effective recourse is one of the five (5) areas of BSP's Consumer Protection Framework, and BDO has been seriously devoting resources to ensure that customer issues are resolved in a timely manner. It has also implemented the Framework and Policy on Social Media Risk Management.

The Bank has in place a Data Privacy Management Program (DPMP), which serves as the framework for protecting the data privacy rights of the Bank's data subjects, to ensure compliance with the Philippine Data Privacy Act (PDPA). The Bank appointed a Data Protection Officer (DPO) who is registered with the National Privacy Commission (NPC). Compliance Officers for Privacy (COPs) in each business and support units (BSUs) were appointed to ensure proper coordination in the implementation of any initiatives related to the DPMP. The required data processing systems were also registered with the NPC. The Data Privacy Policy, Privacy Statement, and Breach Reporting Procedures were established, including the templates for Consent, Data Sharing Agreement, and Outsourcing Agreement. Furthermore, Privacy Impact Assessments (PIAs) by critical units were completed to assess privacy risks in order to ensure that the necessary security measures are in place to mitigate risks to personal data and uphold data privacy rights of individuals. Privacy risk monitoring was also enhanced using the existing risk management tools of the Bank. To ensure continuous education within the Bank, the Data Privacy Training and Awareness Program has been rolled out, consisting of regular conduct of classroom and e-learning courses and email blasts of learning snippets.

The Bank has also intensified data privacy awareness with the in-depth training for COPs and complaints management training for Customer Contact Center personnel. The Risk Management Committee (RMC) is regularly updated on the progress of the Bank's compliance with the PDPA. In view of its commitment to comply with data privacy requirements, and as part of its continuing assessment and development efforts, the Bank actively participates in data privacy forums of the NPC and liaises with other DPOs of the Bankers Association of the Philippines (BAP).

In living the "We Find Ways" service credo, BDO is committed to meet the clients' needs by providing them with high quality customer service and relevant products and services. It continues to invest

heavily in technology to improve products and processes. Our clients can look forward to a more convenient banking experience as the Bank exerts efforts to leverage the use of digital technology in making available its products and services across various channels.

As of December 31, 2021, BDO Unibank Group had 1,193 branches (including two foreign branches), 4,152 automated teller machines (ATMs) and 624 cash accept machines (CAMs). This is a milestone affirming the Bank's commitment to make banking reachable to Filipinos and our way of creating opportunities for more people to experience the rewards of having a bank that takes care of their financial needs.

Creditors, Counterparties and Suppliers

The Bank is committed to meet its contractual obligations with all creditors and counterparties based on the covenants agreed with them. The Bank did not issue any bonds in 2021. Its US\$300 Million 5-Year Senior Notes issued in October 2016 matured and was redeemed in October 2021.

In the conduct of its business dealings, the Bank undertakes to honor all binding trade-related agreements and conditions on the basis of widely accepted industry practices, mutual understanding and cooperation with counterparties. In accordance with law, they will be given priority in payment of the Bank's obligations in the normal course of business and in the event of liquidation.

For suppliers, it has established appropriate policies that govern the vendor accreditation, selection, bidding and approval processes. The Bank strictly prohibits the solicitation and acceptance, directly or indirectly, of any gift (including entertainment services or activities), gratuity, commissions or any form of payment from clients, business partners, suppliers and third party service providers in exchange for any unnecessary or favorable treatment.

Employees

The Bank considers its Human Resources as extremely valuable. To ensure the protection and well-being of the employees, the Bank has implemented policies and programs that cover the following areas:

a. Code of Conduct and Business Ethics

As a financial institution, BDO believes that practicing right conduct and ethical behavior inspires and strengthens the confidence of all our stakeholders.

The Code outlines the principles and policies that govern the activities of the institution, sets forth the rules of conduct in our work place and the standards of behavior of its directors, officers and employees in their activities and relationships with external shareholders. These reflect the core values the institution subscribe to and promote.

The Code applies at all times to all members of the Board of Directors and BDO Unibank Group employees in their dealings with clients, suppliers, business partners and service providers. It covers the Bank's commitment to a gender friendly workplace, concern for occupational health, safety and workplace environment, transparency, integrity and accountability, compliance with laws and regulations, standards of behavior and personal conduct, and ethics of doing business.

b. Training and Development

BDO continues to provide training opportunities aligned with business requirements and employees' potentials and capabilities. Training programs include orientation for new hires, job specific technical training, management and leadership training programs which aim to develop and enhance the knowledge, skills, managerial and leadership capabilities, attitude and mindset of employees. The Bank allocates a yearly training budget for these developmental programs. In 2021 the staff, managerial and senior officers went through an average of 38.74, 39.42 and 38.93 training hours, respectively. In terms of actual number of employees trained, staff was at 19,068, managers at 18,056 and senior officers at 1,816. Improvements in the design and delivery of eCourses and targeted training programs continue to ensure more effective retention of the knowledge learned. Culture and values, service excellence, regulatory requirements, job knowledge as well as leadership development continue to be the focus in 2021 to sustain availability of ready talents that support business growth.

The continuing education program for Directors is an ongoing process to ensure the enhancement of their skills and knowledge. Every year, all Directors and key officers are given updates and briefings, and are required to attend a corporate governance seminar on appropriate topics to ensure that they are continuously informed of the developments in the business and regulatory environments, including emerging opportunities and risks in the banking industry. All directors of BDO Unibank complied with the annual corporate governance training requirement of four (4) hours for 2021. Nine (9) directors, together with the Bank's key executives and also the directors and key officers of BDO Unibank's subsidiaries, attended an in-house corporate governance seminar last September 1, 2021 done virtually. It concentrated on the impact of geopolitics on digital business, design and delivery for customer facing digital products, and digital leadership. Two (2) directors attended the corporate governance seminar facilitated by the Institute of Corporate Directors last September 30, 2021 with topics on sustainability, artificial intelligence, and digitalization, among others.

c. Employee Welfare

BDO is committed to promote the physical, social and mental well-being of its employees. It aims to provide a workplace free from discrimination and all forms of physical, sexual and psychological abuse including harassment, bullying and intimidation. The Bank established the Policy on Disclosure of Sensitive/Confidential Matters to Management to give employees the opportunity to communicate, with protection from reprisal, legitimate concerns about illegal, unethical or questionable practices in the workplace.

d. Health and Safety

BDO is committed to maintain a positive, harmonious and professional work environment with due importance accorded to the occupational health and safety of the employees and related external constituencies.

The continuing activities to promote health and safety are the following:

- No Smoking Policy in all head offices and branches is strictly enforced;
- No firearms allowed in all offices and branch premises;
- Use of CCTV as a deterrent to possible criminal activities such as hold-ups/robberies;
- Fire prevention measures and safety/evacuation drills for fire and earthquakes;
- Installation of access ramps for persons with disability in our buildings and branches to make our offices safe and accessible to PWDs;
- Regular safety inspections in corporate offices and branches nationwide to rectify immediately all noted unsafe conditions; and
- Emergency Response Teams to ensure availability of emergency response personnel in time of disaster.
- Safety and health training

In 2021, the Bank conducted the following initiatives to improve the health and safety of Bank employees and customers inside the premises:

- 1. In response to the Covid19 pandemic, the following programs and protocols were continuously implemented:
 - Covid Care Hotline provided to all employees (teleconsult);
 - Frequency of Covid-19 antigen testing for employees was increased during surge of cases to weekly and fortnightly for client-facing and other employees, respectively;
 - Personnel exhibiting Covid-like symptoms, upon medical assessment, are referred for reverse-transcriptase polymerase chain reaction (RT-PCR) testing;
 - Provision of masks and vitamins to employees;
 - Provision of alcohol and soap at the branches and buildings;
 - Installation of acrylic barriers and signage for physical distancing;
 - Installation of temperature scanners at the entrance of Corporate Centers and provision of portable temperature scanners in other offices;
 - Body temperature of employees is measured thrice daily:
 - Provision of oximeters to monitor the oxygen saturation level of employees;
 - Paperless contact tracing at the branches;
 - · Regular disinfection of bank premises; and,
 - Weekly inspection on the compliance with Covid-19 control at the branches and buildings, among others.
 - Work from home setup to some groups
 - Inspection of ventilation system of buildings
 - Published 262 advisories on Covid-19 prevention in 2021
- 2. A Health and Safety Committee meets on a regular basis to review the progress on the implementation of its programs. The Committee is composed of a mix of officers in the Bank headed by the Central Operations Group Head.

Our clinics are manned by occupational health practitioners and nurses. BDO maintains nine medical clinics located in the following strategic areas in Metro Manila:

- 1. Corporate Center Makati
- 2. Corporate Center Ortigas
- 3. Ortigas Avenue, Greenhills
- 4. Roosevelt Avenue, Greenhills
- 5. Binondo. Dasmariñas
- 6. Davao City
- 7. Karrivin Plaza, Makati
- 8. BDO Paseo Tower
- 9. Double Dragon Meridian, Pasay

Society, Community and the Environment

Corporate Social Responsibility

Through the BDO Foundation, its corporate social responsibility arm, BDO Unibank undertakes initiatives to address the needs of the underprivileged and marginalized members of society. In 2021, the foundation fulfilled its disaster response, financial inclusion, rehabilitation and rebuilding advocacies. It also continued to implement interventions in response to the novel coronavirus pandemic for the benefit of Filipinos most affected by the health crisis.

COVID-19 response programs

BDO Foundation implemented programs designed to help contain COVID-19, support frontliners and help communities severely affected by the pandemic.

BDO Foundation's COVID-19 pandemic response included the following:

- Distribution of food assistance in marginalized communities all over the country in partnership with Ako Bakwit, Caritas Philippines, Tanging Yaman Foundation and social action centers
- Donation of hygiene kits to health workers and patients in Capiz, Iloilo and Negros Oriental provinces
- Provision of manpower support—nurses and medical technicians—for the vaccine rollout of General Santos
 City and Iloilo City to mitigate the surge in cases due to the Delta variant of the COVID-19 virus
- Contribution to the Project Balik Buhay Salary and Bonus Assistance for our Bidas program, which provided financial incentives to nurses stationed in the intensive care units, emergency rooms and COVID wards of hospitals in Cebu, an initiative supported by the Department of Health and Office of the Presidential Assistant for the Visayas
- Assistance in the vaccination of BDO employees' relatives

BDO Foundation's COVID-19 programs benefited 16,750 families, 2,055 health workers and patients, 1,800 vaccinees in General Santos and Iloilo, nurses in eight hospitals, and 1,066 vaccinees nominated by donors as well as people in 30 parishes and persons deprived of liberty in 48 prisons. The initiatives were backed by BDO Unibank and BDO Network Bank branches, local government units, medical organizations, hospitals, non-governmental organizations and volunteers who provided logistical assistance on the ground.

Rehabilitation and upkeep of rural health units

Despite the limitations caused by the pandemic, BDO Foundation completed the rehabilitation of 21 rural health units (RHUs) in the provinces of Batangas, Bohol, Catanduanes, Ilocos Sur, Iloilo, Isabela, Masbate, Negros Occidental, Samar and Surigao del Norte with 716,543 people as beneficiaries. Supported by the DOH and local government units, the initiative was made possible by officers of BDO and BDO Network Bank branches, who helped identify rural health units that needed assistance and handled local coordination.

The rehabilitation program is in line with the foundation's efforts to help improve the healthcare delivery system, one of the goals under the Philippine health agenda. It is also the foundation's contribution to the achievement of the United Nations Sustainable Development Goal no. 3 to ensure healthy lives and promote the well-being of people of all ages. As a pandemic response, the initiative is critical as RHUs support efforts to curb the spread of the coronavirus. Health centers provide free antigen testing and implement the vaccination programs of local government units.

BDO Foundation selected rural health units particularly in economically disadvantaged and disaster-affected areas. It significantly improved the health centers' exteriors, reception and waiting areas, offices and clinics, consultation rooms, treatment rooms, pharmacies, furniture and fixtures. Further, the foundation built breastfeeding stations for nursing mothers, play areas for children and waiting lounges for senior citizens.

As a result of these improvements, rural health units received high assessment scores from the DOH and accreditation from PhilHealth. Doctors, nurses and midwives became better equipped to provide primary and maternal health services to their constituents.

In addition to the rehabilitation of RHUs, BDO Foundation also completed the maintenance, repair and upkeep of 10 previously rehabilitated health centers in Agusan del Sur, Aklan, Biliran, Camarines Sur, Ilocos Sur, North Cotabato, Nueva Ecija, Samar and Sorsogon provinces for the benefit of 564,097 people.

Construction of Tech-Voc Training Facility

BDO Foundation continued to look after the welfare of disaster-affected Filipinos long after the typhoons have made landfall. Dumangas town in Iloilo province was hard hit by Super Typhoon Yolanda (Haiyan) in 2013. To help rebuild the community, the foundation constructed a technical-vocational training facility at the Don Bosco Technical and Vocational Education and Training Center - Dumangas in partnership with the Salesian Society of St. John Bosco.

The two-storey structure serves as a workshop, where senior high school students can learn technical-vocational livelihood skills. The building enables administrators to introduce new courses, accommodate more enrollees and teach more learners. It supports Don Bosco's mission to educate, evangelize and capacitate Filipino youth. The center educates economically disadvantaged and out-of-school youth for gainful employment in the Philippines and abroad. Around 146 students stand to benefit every year from the facility the foundation built.

BDO Foundation's initiative in Iloilo contributes to the achievement of Sustainable Development Goal 8 to promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.

Financial education programs

In partnership with the Bangko Sentral ng Pilipinas (BSP) and in support of BSP's National Strategy for Financial Inclusion, BDO Foundation continued to promote financial inclusion programs in partnership with the Department of Education (DepEd), Overseas Workers Welfare Administration (OWWA), Civil Service Commission (CSC) and Armed Forces of the Philippines (AFP). Programs with new partners including the Bureau of Fire Protection (BFP), Bureau of Fisheries and Aquatic Resources (BFAR), and Philippine National Police (PNP), and Agricultural Credit and Policy Council (ACPC) were implemented.

BDO Foundation and its partners shared financial literacy lessons with public school students, teachers and non-teaching personnel; OFWs and recipients of remittances; civil servants; and uniformed and civilian personnel of the armed forces; personnel of the government's fire service agency; the police; fisherfolk; and farmers. Beneficiaries learned lessons on saving, budgeting and financial planning, investments, debt management, the responsible use of credit, entrepreneurship, avoiding scams and retirement planning, among other topics. So far, the programs have reached 2,600,000 learners, 13,575 OFW-participants of OWWA's Pre-Departure Orientation Seminars, 90

CSC master trainers, 3,199 uniformed and civilian personnel of the AFP, 98 BFP trainers and 1,950 BFP personnel, and 51 BFAR trainers.

In line with the implementation of the programs, the foundation embarked on several key initiatives.

- DepEd issued DepEd Order No. 022, Series of 2021, detailing its Financial Education Policy to ensure that
 financial education will be taught nationwide using the materials developed by BDO Foundation. The policy
 covers all learners, teachers and non-teaching personnel from public and private elementary, junior and senior
 high schools, as well as learning centers for Special Education, Alternative Learning Systems, Indigenous
 Learning Systems and the Madrasah Education Program covering Muslim culture, customs and traditions.
- The foundation and DepEd partnered with Huawei Philippines as sponsors for a teacher competition called the
 "Search for the Best Supplemental Learning Materials in the Teaching of Defined Key Concepts in Science
 and Mathematics." The nationwide contest was designed to encourage teachers to submit innovative learning
 modules that integrate financial literacy into the teaching of Science and Math subjects. The partnership with
 Huawei included the donation of 33 laptops to selected public schools.
- AFP officers conducted a focus group discussion funded by BDO Foundation to identify the financial literacy lessons that the armed forces will cover in its training courses.
- The foundation, BFAR and BSP created the Fish N' LEarn game, an innovative teaching tool designed to make
 financial literacy lessons engaging for fishers. Through the training intervention, participants are expected to
 learn lessons on conserving marine resources, saving for the future, expanding sources of income, proper use
 of insurance and debt management. The target audience will be provided with instructional materials, cards
 and play money produced by BDO Foundation.
- In partnership with BSP, CSC, AFP, BFP, and BFAR, four learning modules were drafted for civil servants, armed forces personnel, firefighters and fishers. Six new financial education videos—three for OFWs and three for civil servants—were produced. Five virtual learning sessions were conducted for DepEd, CSC and BFAR personnel. An online training session was also facilitated for farmers in partnership with East-West Seed.

For the fourth consecutive year, BDO Foundation supported the BSP's Financial Education Stakeholders Expo, a five-day virtual event that gathered financial education advocates. Together with the BDO Trust and Investments Group, the foundation featured the Personal Equity and Retirement Account or PERA in its virtual booth. Working with BDO Remit, film actor and BDO brand ambassador Piolo Pascual shared financial literacy lessons and his personal approach to money management in a plenary session on "Preparing the Filipino Youth for a Financially Healthy Future."

Relief operations

BDO Foundation continued to mount relief operations all over the country, providing aid in provinces placed under a state of calamity. In 2021, the foundation organized relief efforts in response to a fire incident in Occidental Mindoro, the Taal Volcano eruptions and Typhoons Bising (international name: Surigae), Fabian (Cempaka), Maring (Kompasu) and Odette (Rai) for the benefit of 54,120 Filipinos. These were made possible by officers and staff of BDO and BDO Network Bank branches, who made monetary contributions, identified communities that needed assistance, gathered beneficiary information and coordinated relief operations.

Prior to the pandemic, BDO Foundation mobilized employee-volunteers from branches and satellite offices. BDO volunteers visited evacuation sites in cities and towns hit hardest by the disasters to distribute hygiene kits and relief packs containing food, rice and drinking water. As the quarantines were imposed all over the country, the foundation leveraged the support of partner non-governmental organizations, churches, police personnel, the military and local government units for aid distribution.

Handog sa 'Yo ng BDO Foundation

BDO Foundation provided food assistance for economically disadvantaged communities all over the country as part of a Christmas gift-giving initiative dubbed Handog sa 'Yo ng BDO Foundation. In partnership with Caritas Philippines, the social arm of the Philippine Catholic Church, the foundation distributed food packs to 20,000 underserved families in 23 provinces in Luzon, the Visayas and Mindanao.

Handog sa 'Yo was aimed at giving back to the community during the holiday season and supplementing the food supply of families during hard times. Implementation was made possible with the support of parishes and diocesan social action centers as well as BDO and BDO Network Bank branches in the aforementioned provinces.

Other corporate citizenship initiatives

BDO Foundation made an impact on its beneficiaries through other initiatives.

- Distribution of food assistance to 2,299 underserved families in Aklan, Capiz, Cebu, Davao del Sur, Iloilo, Leyte, Metro Manila, Negros Occidental, Pampanga, Pangasinan, Rizal and Samar in partnership with BDO Network Bank, Beiersdorf Philippines, Jesuit Communications Foundation and U.S.-Philippines Society
- Donation of 1,164 bottles of baby lotion, 512 baby soap bars and other items to Ako ang Saklay Foundation for underserved families in Nueva Ecija
- Donation of 170 computers and 10 scanners to public schools in partnership with BDO Network Bank in support
 of DepEd's Basic Education Learning Continuity Plan during the pandemic
- Donation of 904 books to Caritas Manila and the Manila City Library
- Sponsorship of the Zero Extreme Poverty Philippines 2030 6th general assembly, themed "Creating a Better Normal Towards Sustainable Communities", which served as a venue for discussions on efforts to address the effects of the pandemic
- Sponsorship of SEAMEO INNOTECH's Digital Well-being of Filipino Learners: A Webinar on Youth Cybersafety and Digital Citizenship, an online event that featured discussions on how educators can cultivate a secure online environment for learners amid the pandemic

BDO Foundation will continue to conduct relief operations, rehabilitate rural health units and implement financial education programs, among other corporate citizenship initiatives. It will also continue to implement programs in response to the pandemic. Supported by the BDO Unibank community, the foundation will find ways to give back to underserved sectors of society.

Environmental Initiatives

BDO imposes limits and monitors exposure to certain industries such as production or trade in weapons and munitions, online gaming and equivalent enterprises, hydroelectric plant with weir height of more than 50 meters, illegal mining, illegal fishing and child labor (those deemed to have adverse environmental and social effects to community).

BDO's green financing has been practiced since 2010 and is considered one of the pioneers to have catalyzed sustainable finance in Philippine's banking industry. Through its cooperation with IFC until 2018, the Bank has led financing in green energy investments in Renewable Energy, Energy Efficiency and Green Building projects. In February 2018, BDO was the first to have issued a \$150 million green bond in the country and East Asia Pacific with IFC as its sole investor. In addition, BDO had a partnership with Japan Bank for International Cooperation to relend its \$50 million green facility

to environment-related projects focusing on renewable energy in the Philippines in August 2016. Thus, providing our clients with additional financial product that can support their prospective green projects.

In 2021, BDO's Sustainable Finance Framework was certified and given endorsement by Sustainalytics, a leading and independent Environmental, Social and Governance (ESG) research and ratings provider based in New York. Sustainalytics expressed that "BDO's Sustainable Finance Framework is credible and impactful, and aligns with the Sustainability Bond Guidelines in 2018, Green Loan Principles 2020, and the ASEAN Sustainability Bond Standards 2018."

Please refer to the Corporate Social Responsibility Section of the 2021 Annual Report and the 2021 Sustainability Report for more details on the Bank's socio-civic programs and initiatives published in our corporate website at (www.bdo.com.ph).

The Bank also maintained its "Go Green Program" to raise awareness on environmental issues, promote good environmental practices in the workplace, mobilize volunteers for conservation programs. Its Green initiatives focuses on energy conservation using LED lights, water management using waterless urinals, air quality by tree planting in support of "Grow a Million Trees" campaign, waste disposal and other clean-up projects.

BDO Corporate Center Ortigas (BDO CCO) has earned a certification on Leadership in Energy and Environmental Design (LEED), two years after the 47-storey office structure was formally unveiled. It is the first high-rise office-commercial building in the Philippines to achieve a LEED Gold "New Construction Category" Certification. Various sustainable methods were implemented in the construction of the building that steered its LEED accreditation. These include the installation of automated monitoring and control systems as CO2 sensors, occupancy sensors, daylight dimming and timer switches.

- With the help of the CO2 sensors, indoor pollutants are mitigated and help the building steer away from catching the sick building syndrome.
- By deciding to go automated, energy is saved from mechanically turning off or dimming the lights when it does not sense any human activity and when sufficient natural light enters the room.
- Sustainable effort was done by employing dual piping in the plumbing system. Grey
- water, harvested rainwater and condensate water are recycled and re-used for flushing.

The combination of efficient water fixtures and grey water flushing were keys in reducing the total building potable water use by approximately 5,700,000 liters annually. BDO's practice in green financing brings forth solid outcome and basis for establishing Sustainable Finance Framework which provides guidelines and parameters for green and social impact financing. With continued innovation in green financing, the Bank has positioned to lead Sustainable Finance across various industries.

Business Competitors

The Bank is committed to treat business competitors fairly and professionally in all dealings with them. It will avoid making references or discussions that may have a negative impact on the Bank's competitors.

Government and Regulators

The Bank supports the compliance with the spirit, not just the letter, of the laws and regulations of the jurisdictions it operates. All business deals and transactions shall adhere to regulatory requirements and applicable laws particularly on confidentiality of deposits, data privacy and protection, anti-money laundering and other financial crimes, anti-corruption and bribery, insider trading and consumer protection. In 2021, the Bank continued to be active in giving comments on various proposed legislations and regulations.

Transparency and Disclosures

BDO is fully committed to provide its investors and other stakeholders full transparency and timely information disclosure through filing with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE), as found in the following:

- General Information Sheet (GIS)
- Definitive Information Sheet (DIS)
- SEC form 17-A
- SEC form 17-C (current reports material information)
- SEC form 17-Q (Quarterly Report)
- SEC form 23-A/B (Statement of Beneficial Owners)
- Audited Financial Statements (AFS)

Required disclosures relating to:

- 1. Financial information is stated in the AFS, SEC Form 17-Q and the DIS
- 2. Shareholder matters are provided in the DIS
- 3. Executive compensation policy is stated in the DIS
- 4. Directors' fees are found in the DIS
- 5. Corporate actions, among others, are provided in the PSE official website www.pse.com.ph

In particular, BDO released the 2020 audited financial statements on February 26, 2021 or just 57 days after close of the financial year to promote transparency and full disclosure of the results of the operations of the Bank.

Other key information disclosed by the Bank included the composition of the Board, role and activities of board committees, meetings held and attendance of directors, director continuing education records, remuneration policy, shareholding structure, annual performance self-assessment of Board of Directors as a collective body, directors, committees and senior management, Code of Conduct and Business Ethics, Corporate Governance Manual, SEC Annual Corporate Governance Report, BDO organizational structure, conglomerate map an important corporate governance policies such whistle blowing, term limit of independent directors, personal trading, conflict of interest, dividend, Board diversity policy and related party transactions.

To ensure an even wider access by the investors and the public, these disclosures and other corporate information are also uploaded in the Bank's official website www.bdo.com.ph (See "Investor Relations" and "Corporate Governance"). The details of established corporate governance policies are found in the Revised Corporate Governance Manual.

Evaluation System

The Bank has required in its Corporate Governance Manual (the "Manual") that all Board level committees shall report regularly to the Board of Directors in compliance with the Manual's policies and procedures. The Bank supports the principle and regulatory mandate of checks and balances across the entire Group by its observance of the segregation of powers, independence of audit, compliance and risk management functions. In the context of independent checks and balances, the Board has appointed the Chief Internal Auditor, Chief Risk Officer and Chief Compliance Officer to assist the Board in its oversight functions.

As part of its continuing focus on good corporate governance, the Audit Committee is empowered by the Board to oversee the financial reporting process, internal control and risk management systems, internal and external audit functions, and compliance with applicable laws and regulations.

Their oversight function covers the following areas:

On financial reporting, the committee reviews the integrity of the reporting process to ensure the accuracy and reliability of financial statements and compliance with financial reporting standards and disclosure requirements set for listed companies.

On internal control and risk management, it monitors and evaluates the adequacy, soundness and effectiveness of the Bank's established internal control and risk management systems, policies and procedures including implementation across all units of the Bank to provide reasonable assurance against fraud or other irregularities and material misstatement or loss.

On internal and external audit, it recommends the appointment, reappointment and removal of the external auditors, remuneration, approval of terms of audit engagement and payment of fees. It reviews non-audit work, if any, ensuring that it would not conflict with their duties as external auditors or may pose a threat to their independence. It approves the annual audit plan and reviews audit results focusing on significant findings with financial impact and its resolution. It reviews the implementation of corrective actions to ensure that these are done in a timely manner to address deficiencies, non-compliance with policies, laws and regulations.

On compliance, it recommends the approval of the Compliance Charter and reviews the performance of the Chief Compliance Officer and compliance function. It also reviews the annual plans of the Compliance Group including the Anti-Money Laundering Department, and evaluates the effectiveness of the regulatory compliance framework and governance policies and practices of the Bank to ensure that these are consistently applied and observed throughout the institution. It reviews the report of examination of the Bangko Sentral ng Pilipinas (BSP) and other regulators including replies to such reports for endorsement to the Board for approval.

In this context, the following were done during the year:

Board Audit Committee

On financial reporting, the Board Audit Committee (BAC) reviewed and recommended for approval to the Board the Bank's quarterly unaudited and annual audited financial statements ensuring compliance with accounting standards and tax regulations. On February 23, 2021, it endorsed for approval of the Board the Bank's audited financial statements as of December 31, 2020 including the Notes to the Financial Statements. This was approved by the Board on February 24, 2021 and disclosed to the public on February 26, 2021, 57 days from the financial yearend, following the best practice requirement of the ASEAN Corporate Governance Scorecard (ACGS). It believes that the financial statements are fairly presented in conformity with the relevant financial reporting standards in all material aspects. The related internal controls on financial reporting process, compliance with accounting standards were likewise reviewed.

In overseeing the internal audit function, it reviewed and approved the Internal Audit Charter, Audit manuals, and risk-based audit plan after a thorough review of its scope, audit methodology, risk assessment and rating processes, financial budget, manpower resources, as well as changes to the plan during the year. It reviewed audit reports focusing on high and moderate risk findings relating to operational, financial and compliance controls including risk assessment systems with impact to financial, reputation and information security. It regularly tracked the timely resolution of findings and asked for Management's action plans on items that needed to be addressed. It ensured the Internal Audit's independence and unfettered access to all records, properties and information to be able to fully carry out its function. It also assessed the performance of the Chief Internal Auditor and the internal audit function. The Committee is satisfied that the internal audit function has adequate resources to perform its function effectively.

On external audit, it ensured the independence, qualification, and objectivity of the appointed external auditor, which is accredited by the BSP and SEC. On April 21, 2021, it approved and endorsed for approval of the Board the re-appointment of the Bank's external auditor. It reviewed and discussed the content of the engagement letter, audit plan, scope of work, focus areas, composition of engagement team among others, prior to the commencement of audit work. It comprehensively discussed the external audit reports, focusing on internal controls, risk management, governance and matters with financial impact particularly on the changes in accounting and reporting standards. It reviewed Management's Letter as well as Management's response and action taken on the external auditor's findings and recommendations.

In overseeing the compliance function, it reviewed and approved the Compliance Charter, annual plans, and independent compliance testing roadmaps of the Compliance and Anti-Money Laundering (AML) departments. It approved and endorsed for approval of the Board of Directors the Compliance Manuals, including the revised Regulatory Compliance and Management Manual, , Independent Compliance Testing Manual , which incorporate the recommendations by the BSP and Internal Audit in their examinations. It monitored the progress and reviewed the results of the independent compliance and AML testing, timely

submission of regulatory and prudential reports, compliance to mandatory ratios, as well as continuous improvement of the compliance and AML systems. It discussed in detail the BSP Reports of Examination including the results of regulatory examinations of the Bank's foreign subsidiaries and reviewed Management's replies, thereby ensuring implementation of corrective actions. It also reviewed and provided guidance to Management in its replies to concerns of the regulators to ensure that the Bank's position is appropriately presented.

Reports on cases in operations, whistle blower accounts as well as non-loan related cases with impact to financials, internal controls, information systems and reputation were deliberated on focusing on risk assessment, legal handling, and fraud prevention.

As part of its commitment to excellent corporate governance, the Committee conducted a self-assessment for its 2020 performance based on its Terms of Reference. The BAC likewise evaluated the performance of Internal Audit, Compliance and AML departments, and External Audit to ensure their effectiveness and achievement of their objectives.

The BAC reports its evaluation of the effectiveness of the internal controls, financial reporting process, risk management systems of the Bank, based on the report and unqualified opinion obtained from the External Auditor, the overall assurance provided by the Chief Internal Auditor and additional reports and information requested from Senior Management, and found these to be generally adequate across BDO.

The Board Audit Committee is chaired by Atty. Jose F. Buenaventura (Independent Director). Its other members are Mr. Jones M. Castro, Jr., Non-Executive Director) and Vicente S. Perez, Jr. (Independent Director).

The Board Audit Committee held 12 meetings in 2021 with all members attending all meetings.

Corporate Governance Committee

The Corporate Governance Committee (CGC) is primarily tasked to assist the Board in formulating the governance policies and overseeing the implementation of the governance practices of the Bank as well as its subsidiaries and affiliates. Annually, it also conducts the performance evaluation of the Board of Directors, its committees, executive management, peer evaluation of directors, and conducts a self-evaluation of its performance. It provides an assessment of the outcome and reports to the Board the final results of the evaluation including recommendations for improvement and areas to focus to enhance effectiveness. It also oversees the continuing education program for directors and key officers and proposes relevant trainings for them.

During the year, the Corporate Governance Committee facilitated the compliance of the directors of the Bank and its subsidiaries with the regulatory requirement for an annual corporate governance seminar for Directors as part of their continuing education. The seminar focused on the impact of geopolitics on digital business, design and delivery for customer facing digital products, and digital leadership. The Committee continuously

monitored the Bank's compliance with local and international corporate governance standards. It reviewed and endorsed for Board approval the Bank's 2020 Integrated Annual Corporate Governance Report to the Securities and Exchange Commission (SEC), which documents Bank's compliance with the SEC Code of Corporate Governance. It also spearheaded the annual Board evaluation self-assessment by Board members and advisors as facilitated by Isla Lipana & Co./ PwC Philippines (PwC) covering the performance in 2021 of the Board of Directors, Board Committees, Senior Management, each Director, and Board Advisors. Although the recommendation in the SEC Code of Corporate Governance for an external facilitator is required only every three (3) years, the Committee steered the engagement of an external facilitator to handle the annual Board evaluation self-assessment for the Board for better governance practice.

Below is the attendance of the members in Committee meetings held in 2021:

Name	Director Type	No. of Meetings Attended	Total No. of Meetings	Percentage	Remarks
Gilberto C. Teodoro, Jr.	Independent	5	5	100%	Resigned as of October 7, 2021
Vicente S. Pérez, Jr.	Independent	7	7	100%	
Jose F. Buenavantura	Independent	4	4	100%	Appointed on April 23, 2021
Jones M. Castro, Jr.	Independent (until April 23, 2021)	3	3	100%	Member until April 23, 2021; Reclassified to Non-Executive Director as of April 23, 2021

Measures on leading practices of good corporate governance

The Bank is constantly aligning its corporate governance system with the international practice taking into account the continuous developments in national regulations.

The Board approved the amendments to the Bank's Articles of Incorporation and By-Laws to conform with the Revised Corporation Code of the Philippines and the Bank's current operations and structure as well as enhance corporate governance. Noteworthy of these amendments is the increase of the quorum requirement for meetings of the Board from a simple majority to two-thirds (2/3). Every decision made during such meetings shall also require two-thirds (2/3) of such quorum in order to pass a valid corporate act.

Related party transactions, whose value may exceed 10% of the Bank's total assets, require review of an external independent party to evaluate the fairness of its terms and conditions and approval of 2/3 vote of the Board, with at least a majority of the independent directors voting affirmatively.

Any Deviation from the Manual

None

Improvement on Corporate Governance

The Bank is now in the era of digital transformation and we continue to look at ways to optimize the use of the new technologies to strengthen our corporate governance practices while remaining vigilant on the risk of digitization to our business operations. In ensuring that the Bank stays as the market leader in the Philippine financial services industry, we are focused on maximizing the effectiveness of our corporate governance practices as a business enabler and driver of our performance in the proper context of risks and rewards, opportunities and prospects for the Bank. This is essential going forward as we continue to compete and remain relevant to our various stakeholders. Globally, there is also an increasing call for companies to support the UN Sustainable Development Goals as part of sustainable business performance with emphasis on strategies that promote economic growth, environmental protection, efforts that address a range of social needs and a governance model that considers sustainability issues. BDO continues to be mindful of contributing positive impact on sustainability as it continues to report annually on its sustainability performance and contribution to the UN Sustainable Development Goals.

PART V - EXHIBITS AND SCHEDULES

Item 14. List of Branches, Reports on SEC Form 17-C

a) Directory of Branch Offices

A list of the Bank's branches is provided in Item 2 of this report.

b) The SEC Form 17-C (Current Report) filed in 2021 and the first quarter of 2022 are set forth below, such as:

Date of Disclosure	Subject
March 17, 2021	Preliminary Information Statement for the Annual Stockholders' Meeting of BDO on April 23, 2021 at 2:00 in the afternoon, to be conducted virtually and participation will be via remote communication
March 19, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 24,600 common shares
March 23, 2021	Amended General Information Sheet of BDO for the Year 2020 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
March 26, 2021	Definitive Information Statement for the Annual Stockholders' Meeting of BDO on April 23, 2021 at 2:00 in the afternoon, to be conducted virtually and participation will be via remote communication
March 30, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 44,500 common shares
March 31, 2021	Amended Definitive Information Statement for the Annual Stockholders' Meeting of BDO on April 23, 2021 at 2:00 in the afternoon, to be conducted virtually and participation will be via remote communication
April 8, 2021	Amended General Information Sheet of BDO for the Year 2020 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
April 14, 2021	List of Top 100 Stockholders (Common Shares) as of March 31, 2021
April 16, 2021	Public Ownership Report as of March 31, 2021
April 19, 2021	Request for Extension to file SEC Form 17-A
April 23, 2021	Press Release re: BDO Posts P28.2 Billion Income in 2020; Earns P10.4 Billion in 1Q21
April 26, 2021	 Results of Regular Board Meeting held on April 23, 2021: Approval of the hiring of Ms. Maria Lourdes Donata C. Gonzales as Senior Vice President (SVP) for Institutional Banking Group/Corporate Banking, effective May 17, 2021, subject to BSP confirmation; and Approval of the secondment of Mr. Manuel Zamora Locsin, Jr. as SVP and Officer-in-Charge, to BDO Finance Corporation, BDO Leasing and Finance, Inc. and BDO Rental, Inc., effective May 1, 2021, subject to regulatory approval, if necessary
April 26, 2021	Results of 2021 Annual Stockholders' Meeting held on April 23, 2021: - Approval of the election of members of the Board of Directors for 2021– 2022; - Approval of the amendments to BDO's By-Laws to address the comments and recommendations of the Bangko Sentral ng Pilipinas (BSP) on Sections 10 and 16;

Date of Disclosure	Subject
	 Re-appointment of Punongbayan and Araullo, Grant Thornton as external auditor of BDO Unibank for the year 2021;
	- Approval of the Minutes of the Annual Shareholders' Meeting held on June 16, 2020;
	- Approval of BDO's Audited Financial Statement as of December 2020; and
	 Approval and ratification of all acts of the Board of Directors, Board Committees and Management during their terms of office
April 26, 2021	Results of the 2021 Organizational Meeting of the Board of Directors held on April 23, 2021:
	 Approval of the election/appointment of the following persons to the various positions set forth below:
	Chairperson, Vice Chairman and Lead Independent Director;
	2. Advisors to the Board;
	3. Board Committee Members; and,
	4. Corporate Officers.
April 26, 2021	SEC 17-Q (Quarterly Report) as of March 31, 2021
April 28, 2021	Amended disclosure on the Amendments to By-Laws to separate the amendments approved by the Board on October 26, 2019 and ratified by the stockholders on June 16, 2020 from further amendments approved by the Board last December 5, 2020 and ratified by the stockholders on April 23, 2021 made pursuant to the comments of the Bangko Sentral ng Pilipinas
April 28, 2021	Details of the Amendment to By-Laws
May 5, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 29,600 common shares
May 7, 2021	Amended General Information Sheet of BDO for the Year 2020 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
May 10, 2021	BDO Statement of Condition as of March 31, 2021
May 12, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 5,000 common shares
May 14, 2021	SEC Form 17-A (Annual Report) as of December 31, 2020
May 18, 2021	Amended General Information Sheet of BDO for the Year 2020 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
May 20, 2021	Summary of Self-Assessment of the Board Audit Committee of BDO Unibank, Inc. for the Year 2020
May 25, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 5,000 common shares
May 27, 2021	General Information Sheet of BDO Unibank, Inc. for the Year 2021
May 31, 2021	Result of Regular Board Meeting held on May 29, 2021:
·	 Approval of the declaration of regular cash dividends on common shares of BDO in the amount of Php0.30 per share for the 2nd Quarter of 2021 payable on June 25, 2021 to all stockholders of record as of June 16, 2021
June 2, 2021	Integrated Annual Corporate Governance Report of BDO Unibank, Inc. for the year ended 2020

Date of Disclosure	Subject
June 2, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 92,000 common shares
June 4, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
June 23, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 140,000 common shares
June 25, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
June 28, 2021	Result of the Regular Board Meeting held on June 26, 2021: - Notation of the retirement of Mr. Ricardo Valenciano Martin, Executive Vice President and former Chief of Staff to the Office of the President, effective July 1, 2021
July 5, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 22,000 common shares
July 7, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares of BDO
July 13, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 145,500 common shares
July 13, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
July 15, 2021	List of Top 100 Stockholders (Common Shares) as of June 30, 2021
July 16, 2021	Public Ownership Report as of June 30, 2021
July 16, 2021	Notice of Analysts Virtual Briefing on August 2, 2021 (Monday), 02:00 PM PHT, via Cisco Webex
July 23, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
July 23, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 5,000 common shares
August 2, 2021	Result of Regular Board Meeting held on July 31, 2021: - Approval of the financial statements of the Bank for the 1st Half of 2021
August 2, 2021	Press Release re: BDO Earns P21.4 Billion in 1H 2021
August 2, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 56,900 common shares
August 2, 2021	SEC 17-Q (Quarterly Report) as of June 30, 2021
August 3, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
August 10, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 18,000 common shares
August 11, 2021	BDO Statement of Condition as of June 30, 2021
August 19, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO

Date of Disclosure	Subject
August 27, 2021	Results of Regular Board Meeting held on August 27, 2021:
	 Approval of the declaration of regular cash dividends on common shares of BDO in the amount of Php0.30 per share for the 3rd Quarter of 2021 payable on September 24, 2021 to all stockholders of record as of September 15, 2021;
	 Approval of the promotion of the following Senior Officers of the Bank, from First Vice President to SVP, effective February 1, 2021, subject to confirmation by the Bangko Sentral ng Pilipinas: (1) Mr. Jose Eduardo A. Quimpo II (BDO Capital and Investment Corporation), (2) Mr. Gerardo Clemente C. Rivera (BDO Private Bank, Inc. – Treasury), and (3) Ms. Sharon Mae S. Vicente (BDO Securities Corporation – Prime Wealth Management); and
	 Notation of the retirement of Ms. Agnes C. Tuason, Senior Vice President and Head of Institutional Banking Group/Commercial Banking/Metro Manila and Luzon/Metro Manila/MM East A, effective September 1, 2021
September 2, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 28,900 common shares
September 6, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares of BDO
September 8, 2021	Amended disclosure on declaration of cash dividends to reflect correct the Ex-Date
September 14, 2021	Temporary change in business address of BDO Unibank, Inc. from BDO Corporate Center, 7899 Makati Avenue, Makati City 0726 to BDO Towers Valero, 8741 Paseo de Roxas, Salcedo Village, Makati City 1226, effective today, September 14, 2021, until further notice
September 22, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 17,000 common shares
September 23, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Complete Business Address (temporary), Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares of BDO
September 27, 2021	Result of Regular Board Meeting held on September 25, 2021:
	- Acceptance of the resignation of Mr. Antonio Ongkiko Peña, SVP and Business Head of Consumer Banking Group/Lending/Auto Loans, effective October 16, 2021
October 5, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares of BDO
October 5, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 56,900 common shares
October 8, 2021	Resignation of Atty. Gilberto C. Teodoro, Jr., Independent Director of BDO Unibank, Inc. (the "Bank"), from the Bank's Board of Directors effective October 7, 2021, due to and prior to his filing of Certificate of Candidacy for the 2022 Senatorial election
October 11, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
October 13, 2021	Notice of Analysts Virtual Briefing on October 25, 2021 (Monday), 02:00 PM PHT, via Cisco Webex
October 13, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 133,800 common shares
October 13, 2021	List of Top 100 Stockholders (Common Shares) as of September 30, 2021
October 18, 2021	Public Ownership Report as of September 30, 2021

Date of Disclosure	Subject
October 18, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated List of Directors of BDO
October 25, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares of BDO
October 25, 2021	 Results of Regular Board meeting held on October 23, 2021: Notation of the resignation of Atty. Gilberto C. Teodoro, Jr. as Independent Director, effective October 7, 2021; Approval of the hiring of Mr. Alexander Francis Dreyfus Deato as SVP for Information Technology Group/Project Implementation Partnering, effective November 16, 2021, and Ms. Carol Pereyra Warner as SVP for Internal Audit/Subsidiaries Audit, effective December 1, 2021, both subject to BSP confirmation; and Notation of the retirement of Mr. Geronimo Dacanay Diaz, SVP and Region Head of Branch Banking Group/Region 6A-Southern Luzon, effective November 1, 2021
October 25, 2021	Press Release re: BDO Earnings Back to Pre-Pandemic Levels (9M 2021 Profits at P32.4 billion)
October 25, 2021	SEC 17-Q (Quarterly Report) as of September 30, 2021
October 26, 2021	Amended disclosure on the date of appointment of Mr. Alexander Francis Dreyfus Deato, and Ms. Carol Pereyra Warner, to October 23, 2021, date of the Board Meeting
November 5, 2021	Effectivity date of the temporary change in business address of BDO Unibank, Inc. from BDO Corporate Center, 7899 Makati Avenue, Makati City 0726 to BDO Towers Valero, 8741 Paseo de Roxas, Salcedo Village, Makati City 1226, took effect on October 30,2021, instead of on September 14, 2021 as initially reported
November 5, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 47,000 common shares
November 9, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Complete Business Address (temporary), Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares of BDO
November 12, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 89,000 common shares
November 16, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares and List of Affiliates/Subsidiaries of BDO
November 18, 2021	Retraction of Mr. Alexander Francis Dreyfus Deato, SVP for BDO Unibank, Inc. (the "Bank") Information Technology Group/Project Implementation Partnering, acceptance of employment with the Bank to pursue other endeavors
December 6, 2021	 Results of Regular Meeting held on December 4, 2021: Approval of the declaration of regular cash dividends on common shares of BDO in the amount of Php0.30 per share for 4th Quarter of 2021 payable on December 29, 2021 to all stockholders of record as of December 22, 2021; Notation of the retirement of Mr. Antonio N. Cotoco, Senior Credit Executive, and Ms. Guia C. Lim, Senior Credit Executive, both effective on December 31, 2021; and Mr. Noel D. Dizon, SVP and Head of Branch Banking Group/Region 5 – Metro Manila South, and Ms. Cerwina Elenore A. Santos, SVP and Unit Head of Institutional Banking Group/Commercial Banking/Metro Manila and Luzon/Metro Manila/South A, both effective on January 1, 2022; and

Date of Disclosure	Subject
	 Notation of the withdrawal by Mr. Alexander Francis Dreyfus Deato of his acceptance of his appointment as SVP for Information Technology Group/Project Implementation Partnering
December 7, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 33,900 common shares
December 7, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares of BDO
December 17, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 20,900 common shares
December 20, 2021	Press Release re: BDO Plans Issuance of ASEAN Sustainability Bonds To Be Issued Off Its PHP365 Billion Bond Programme
December 21, 2021	Press Release re: BDO Forms Business Alliance with Japan's Resona Bank Group
December 22, 2021	Amended Press Release re: BDO Forms Business Alliance with Japan's Resona Bank Group
December 23, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
December 23, 2021	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 3,000 common shares
December 23, 2021	BDO Unibank, Inc. plans to issue Peso-denominated Fixed-Rate Sustainability Bonds with a minimum aggregate issue size of PHP5 Billion as its third issuance off its PHP365 billion Bond Programme
December 28, 2021	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
January 6, 2022	BDO Unibank, Inc.'s Board of Directors' Attendance for Meetings held in 2021
January 10, 2022	Results of Regular Board Meeting held on January 8, 2022: - Approval of the appointment of Mr. Vipul Bhagat as Independent Director of the Bank to fill the vacancy in the Board with the resignation of Atty. Gilberto C. Teodoro, Jr. on October 6, 2021; - Approval of the appointment of the following Directors to fill vacancy in Corporate Governance, Nominations, Compensation, and Related Party Transactions Committee of the Bank: - Mr. Vipul Bhagat as Chairman of the Bank's Corporate Governance Committee, - Mr. George T. Barcelon as Chairman of the Bank's Compensation Committee, - Mr. Dioscoro I. Ramos as Chairman of the Bank's Related Party Transactions Committee, and - Mr. Vicente S. Pérez, Jr. as Member of the Bank's Nominations Committee, thereby becoming the new members of said Board Committees from the date of Board approval until the 2022 Annual Stockholders' Meeting; and - Approval of the setting of the Annual Stockholders' Meeting of the Bank on April 22, 2022, at 2:00 in the afternoon, to be held virtually; and setting of the record date for stockholders entitled to vote and be voted, and participate at such meeting on March 2, 2022
January 10, 2022	Press Release re: BDO Starts Offer of Php5 billion ASEAN Sustainability Bond
January 10, 2022	BDO Unibank, Inc. (the "Bank") announced the start of its public offering of PHP5 billion worth of Peso-denominated Fixed-Rate ASEAN Sustainability Bonds as the Bank's third issuance under its PHP365 billion Bond Programme
January 11, 2022	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated List of Officers of BDO

Date of Disclosure	Subject
January 18, 2022	Public Ownership Report as of December 31, 2021
January 18, 2022	List of Top 100 Stockholders (Common Shares) as of December 31, 2021
January 20, 2022	Amended Public Ownership Report as of December 31, 2021
January 21, 2022	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated List of Directors, and List of Subsidiaries/Affiliates of BDO
January 25, 2022	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 14,700 common shares
January 26, 2022	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
January 28, 2022	Press Release re: BDO raises Php52.7 billion in ASEAN Sustainability Bonds
January 28, 2022	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 15,000 common shares
January 28, 2022	BDO Unibank, Inc. successfully raised PHP52.7 billion worth of Peso-denominated Fixed-Rate ASEAN Sustainability Bonds under its PHP365 billion Bond Programme, more than 10 times the original offer of PHP5 billion on very strong demand from retail and institutional investors
January 28, 2022	Amended Press Release re: BDO raises Php52.7 billion in ASEAN Sustainability Bonds
January 31, 2022	 Results of Regular Board Meeting held on January 29, 2022: Approval of the declaration of cash dividends on Preferred Shares Series "A" at the rate of 6.5% per annum of the par value, for a total dividend amount of P339,399,305.56, payable within sixty (60) banking days from dividend declaration date; Recall of the secondment of Ms. Rhodora M. Lugay, Senior Vice President (SVP), from BDO Private Bank, Inc./Trust and appointed her to BDO Unibank – Central Operations Group, effective January 25, 2022; and
	 Notation of the retirement of Ms. Ma. Theresa Sese Simbul, SVP and Region Head of Branch Banking Group/Region 1 – Norther Luzon, effective February 1, 2022, subject to clearance
February 4, 2022	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, List of Officers, Stockholders' Information, and Additional Issued Shares of BDO
February 9, 2022	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 31,800 common shares
February 10, 2022	Notice of Analyst Virtual Briefing on February 28, 2022 (Monday), 2:00 PM PHT, via Cisco Webex
February 15, 2022	Notice and Agenda of the Annual Stockholders' Meeting of BDO on April 22, 2022, at 2:00 in the afternoon, to be held virtually
February 16, 2022	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares of BDO
February 21, 2022	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 43,600 common shares
February 23, 2022	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, List of Officers, Stockholders' Information, and Additional Issued Shares of BDO
February 24, 2022	Press Release re: BDO posts P42.8 billion net income in 2021
February 28, 2022	Results of Regular Board Meeting held on February 24, 2022:

Date of Disclosure	Subject
	 Approval of the declaration of regular cash dividends on common shares of BDO in the amount of Php0.30 per share for the 1st Quarter of 2022 payable on March 31, 2022 to all stockholders of record as of March 14, 2022; and Approval of the 2021 Audited Financial Statements
February 28, 2022	Approval of the 2021 Audited Financial Statements – Amended disclosure to attach the Audited Financial Statements and the corresponding Notes to Financial Statements
March 3, 2022	BDO Statement of Condition as of December 31, 2021
March 7, 2022	Reply to PSE Request for Clarification re: Agreement for the Sale of Shares in BDO Leasing and Finance, Inc.
March 8, 2022	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 54,000 common shares
March 9, 2022	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 42,000 common shares
March 11, 2022	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Stockholders' Information, and Additional Issued Shares of BDO
March 17, 2022	Preliminary Information Statement
March 21, 2022	Change in Number of Issued and Outstanding Shares pursuant to BDO's employee stock option/grant program granted to senior officer/s and/or retiree/s, totaling 70,900 common shares
March 23, 2022	Amended General Information Sheet of BDO for the Year 2021 reflecting the updated Capital Structure, Officers, Stockholders' Information, and Additional Issued Shares of BDO
March 28, 2022	Results of Regular Board Meeting held on March 26, 2022: Approval of the extension of the employment term of of Mr. Nestor V. Tan, President and Chief Executive Officer of the Bank, until March 1, 2028; Notation of the retirement of Mr. Walter C. Wassmer, Senior Executive Vice President and Group Head of Institutional Banking Group, effective April 21, 2022; Approval of the additional equity investment in BDO Network Bank, Inc. (BDONB) up to One Billion Seven Hundred Million Pesos (Php1,700,000,000.00) involving the subscription of common shares to be issued out of BDONB's authorized and unissued capital stock; and Approval and endorsement for stockholders' approval the declaration of stock dividends equivalent to 20% of the Bank's outstanding capital stock, as well as an increase in its authorized capital stock (common shares) from 5,500,000,000,000 to 8,500,000,000 shares, and the amendment of the Seventh Article of the Bank's Amended Articles of Incorporation to reflect the increase in authorized capital stock, as follows: "SEVENTH - That the authorized capital stock of the Bank is NINETY-FIVE BILLION PESOS (Php95,000,000,000,000), divided into EIGHT BILLION FIVE HUNDRED MILLION (8,500,000,000) common stock with a par value of TEN PESOS (P10.00) per share, and ONE BILLION (1,000,000,000) Series A Preferred Shares with a par value of TEN PESOS (P10.00) per share."
March 28, 2022	Press Release: BDO declares 20% Stock Dividend and hikes Authorized Capital
March 28, 2022	Press Release: BDO to infuse more capital in BDO Network Bank
	***Related Party Transactions (Please refer to Notes 2.17 and 27 of the Notes to Financial Statements attached to this Report.)

SIGNATURES

this Annual R	eport is signed on beh	on 17 of the Code and Section 141 alf of BDO Unibank, Inc. by the u , Philippines on MA	undersigned, thereto dul
		BDO UNIBANK, INC.	
		Issuer	
	Ву:	New OI	•
		Nestor V. Tan	
		President and CEO	
	,	Falmano Marta	
	\leftarrow		
	Evocutiv	Dalmacio D. Martin e Vice President and Treasurer	
	Executiv	e vice President and Treasurer	
		Lucy Co Dy Executive Vice President	
		* & Head – Comptrollership Group	
	•		
		2)-Jan	
		Edmundo L. Tan	
		Corporate Secretary	
	AND SWORN to before		, affiants exhibiting
to me their evi	dence of identity as follo	WS:	
	Name	Tax Identification No.	
	Nestor V. Tan	TIN 903-578-380	
	Dalmacio D. Martin	TIN 106-905-347	
	Lucy Co Dy	TIN 109-729-870	
	Edmundo L. Tan	TIN 132-173-235	,
			\sim 1 1)

Doc. No.: 283; Page No.: 57; Book No.: XVII; Series of 2022.

Notary Put III for and in the Cities of Pasig.
San Juan and in
the Municipalities of Pateros
Appointment No. 118 (2020-2021)
Commission expires on 31 December 2021*
Suite 1105, 110 Floor, Prestige Tower Condominium
Prtigas Center, F. Ortigas Jr., Pasig City Metro Manila
Roll of Attorney No. 63521
IBP No. 012691-Lifetime/04-02-2014/Menila City
PTR No. 8131511/01-12-2022/Pasig City
CLE Compliance No. VI-0017845; February 14,2019
*until June 30, 2022, per B.M. No. 3795



FOR SEC FILING

Consolidated Financial Statements and Independent Auditors' Report

BDO Unibank, Inc. and Subsidiaries

December 31, 2021, 2020 and 2019



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **BDO** Unibank, Inc. and Subsidiaries (the **BDO** Unibank Group) and of **BDO** Unibank, Inc. (the Parent Bank) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the BDO Unibank Group and the Parent Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BDO Unibank Group and the Parent Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the BDO Unibank Group and the Parent Bank's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Punongbayan & Araullo, the independent auditor appointed by the stockholders, has audited the financial statements of the BDO Unibank Group and the Parent Bank in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Chairperson of the Board

Nestor V. Tan

President & Chief Executive Officer

Dalmacio D. Martin

Treasurer

Signed this 24th day of February 2022

BDO Unibank, Inc.
BDO Towers Valero
8741 Paseo De Roxas
Salcedo Village
Makati City 1226
Philippines
Swift Code BNORPHMM
Tel +632 8840-7000

We find ways®

bdo.com.ph

SUBSCRIBED and SWORN to before me this 24th day of February, 2022 affiants exhibiting to me their Competent Evidence of Identity (CEI), as follows:

Name	CEI Number	Date & Place Issued
1. Teresita T. Sy	Passport No. – P6453728B SSS No. – 03-2832705-4	03.09.2021/DFA NCR East
2. Nestor V. Tan	Passport No. – P5830111B CTC No. – 26781429	11.23.2020/ DFA NCR East 01.14.2022/Makati City
3. Dalmacio D. Martin	Driver's License No. – N11-89-041108 CTC No. – 08793789	02.13.2018/DLRC-Alabang 02.07.2022/Makati City

WITNESS BY HAND AND SEAL on the day first above-mentioned at Makati City.

Doc. No. 255
Page No. 52
Book No. 3
Series of 2022

Atty AFMENA M. ZOSA
Appointment No. M-566
Notary Public extended until JUN 3 J 2022
per Supreme Court En Banc Resolution dated 22 June 2021
(B.M. No. 3795)
21/F BDO Towers Valero, 8741 Paseo de Roxas
Salcedo Village, Makati City 1226
Roll No. 57025

IBP lifetime Member No. 014370, RSM
PTR No. 8535994, 06 January 2021, Makati City
MCLE Compliance No. VV-0012110, 11 September 2018



Report of Independent Auditors

Punongbayan & Araullo

20th Floor, Tower 1 The Enterprise Center 6766 Ayala Avenue 1200 Makati City Philippines

T+63 2 8988 2288

The Board of Directors and Stockholders BDO Unibank, Inc. BDO Corporate Center 7899 Makati Avenue, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BDO Unibank, Inc. and subsidiaries (collectively referred to as the BDO Unibank Group) and of BDO Unibank, Inc. (the Parent Bank), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BDO Unibank Group and of the Parent Bank as at December 31, 2021 and 2020, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities* for the Audit of the Financial Statements section of our report. We are independent of the BDO Unibank Group and of the Parent Bank in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Certified Public Accountants

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters identified in our audit of the financial statements of the BDO Unibank Group and the Parent Bank:

(a) Valuation of Loans and Other Receivables

Description of the Matter

The BDO Unibank Group and the Parent Bank are required to recognize allowance for impairment on their loans and other receivables using the expected credit loss (ECL) model in accordance with PFRS 9, *Financial Instruments*. As of December 31, 2021, the BDO Unibank Group and the Parent Bank had loans and other receivables amounting to P2,450,903 million and P2,399,983 million, respectively, net of allowance for impairment of P67,743 million and P65,592 million, respectively. Loans and other receivables are the most significant resources of the BDO Unibank Group and the Parent Bank which account for 68% and 69% of the BDO Unibank Group's and the Parent Bank's total resources, respectively.

The allowance for impairment of loans and other receivables is considered to be a matter of significance as it requires the application of critical management judgment and use of subjective estimates in determining how much impairment loss is required to be recognized in the financial statements. These judgment and estimates are disclosed in the BDO Unibank Group's and the Parent Bank's accounting policies in Notes 2 and 3 to the financial statements.

The BDO Unibank Group and the Parent Bank use an ECL model in determining the impairment of their loans and other receivables. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, the associated loss ratios and of default correlations between counterparties. Furthermore, the BDO Unibank Group and the Parent Bank incorporated forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly from its initial recognition and the measurement of ECL. The BDO Unibank Group and the Parent Bank have identified and documented key drivers of credit risk and credit losses for each loan portfolio and, using an analysis of historical data, have estimated relationships between macro-economic variables, credit risk and credit losses.

The significant judgments applied and the subjectivity of estimates used by management have further heightened due to the unprecedented impact of COVID-19 pandemic to the BDO Unibank Group's and the Parent Bank's loans and receivables. In 2021, the management performed comprehensive review of loan accounts to assess vulnerable loan accounts which resulted in the transfer of the classification of some loans from Stage 1 to either Stage 2 or 3. Further, BDO Unibank Group and the Parent Bank consider the current and forecasted macroeconomic variables in determining the appropriate overlay and in updating the probability of default and loss given default. Accordingly, the BDO Unibank Group and the Parent Bank have recognized in 2021 impairment losses on loans and other receivables amounting to P17,222 million and P17,006 million, respectively, based on the ECL model used by the BDO Unibank Group and the Parent Bank by considering the current credit status of the base and receivables and the potential delinquencies brought about by the current economic condition:



The disclosures of the BDO Unibank Group and the Parent Bank on the allowance for impairment of loans and other receivables, and the related credit risk are included in Notes 4 and 11 to the financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the adequacy of allowance for impairment of loans and other receivables, which was considered to be a significant risk, included:

- testing the design and operating effectiveness of relevant controls across the
 processes, as assisted by our own Information Technology specialists, over the loan
 classification into stages, and the calculation and recognition of the allowance for
 impairment;
- evaluating appropriateness of the BDO Unibank Group and the Parent Bank's credit policy and loan impairment process as approved by the Board of Directors;
- verifying that the loans are classified to the appropriate stage, and challenging the criteria used to categorize the loan to Stage 1, 2 or 3 in accordance with PFRS 9;
- on a sample basis, evaluating the appropriateness of the credit risk ratings of loans to assess appropriateness of credit risk monitoring;
- assessing the appropriateness of the BDO Unibank Group and the Parent Bank's design of the ECL impairment model;
- evaluating the inputs and assumptions, as well as the formulas used in the
 development of the ECL models for each of the loan portfolio. This includes assessing
 the completeness and appropriateness of the formula and inputs used in determining
 the probability of default, loss given default and exposure at default;
- for forward-looking information used, evaluating whether the forecasted
 macro-economic factors, which generally include but not limited to Gross Domestic
 Product growth, unemployment rate, foreign exchange, stock market index, oil prices
 and interest rates, were appropriate. In addition, assessing the level of significance of
 correlation of selected macro-economic factors to the default rates as well as the
 impact of these variables to the ECL;
- assessing the borrowers' repayment abilities by examining payment history for selected loan accounts; and,
- on selected non-performing loan accounts, evaluating the management's forecast of recoverable cash flows based on agreed restructuring agreement, actual payment pattern after the restructuring, valuation of collaterals and estimates of recovery from other sources of collection.





(b) Valuation of Financial Instruments

Description of the Matter

In general, the fair valuation of the financial instruments of the BDO Unibank Group and the Parent Bank is computed with reference to external sources and readily available market value. The fair valuation of financial instruments of the BDO Unibank Group and the Parent Bank is considered a key area of focus in our audit due to the use of inputs from external sources in computing the market value of some financial instruments such as derivative with no readily available market value. To the extent practicable, certain financial instruments are measured using models with observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates.

As of December 31, 2021, the derivative financial assets and derivatives with negative fair values of the BDO Unibank Group that are carried at fair value amounted to P6,232 million and P5,742 million, respectively, while that of the Parent Bank amounted to P2,469 million and P2,462 million, respectively.

The disclosures of the BDO Unibank Group and the Parent Bank on exposure to financial instruments valuation risk are included in Note 4 to the financial statements.

How the Matter was Addressed in the Audit

Our audit procedures, included among others, the following:

- testing of design and operating effectiveness of relevant controls over the valuation process including the valuation method and assumption used by the BDO Unibank Group and the Parent Bank on the financial instruments, particularly the measurement of derivative financial instruments;
- evaluating whether fair value prices used were appropriate by testing the inputs against reliable market sources;
- recomputing the fair values based on the inputs and compared with the market values used by the BDO Unibank Group and the Parent Bank; and,
- reviewing the formulas used in fair market valuation.

(c) Carrying Value of Goodwill and Other Intangible Assets with Indefinite Useful Lives

Description of the Matter

BDO Unibank Group has goodwill of P4,535 million, with allowance for impairment of P1,514 million, as of December 31, 2021, and the significant portion of which relates to the acquisition of BDO Network Bank, Inc. (BDO Network). Furthermore, the BDO Unibank Group and the Parent Bank have other intangible assets with indefinite useful lives amounting to P3,525 million and P3,522, respectively.





Under PFRS, BDO Unibank Group and the Parent Bank are required to annually test the amount of goodwill and other intangible assets with indefinite useful lives for impairment. This annual impairment testing of goodwill and other intangible assets with indefinite useful lives for impairment is considered to be a key audit matter because the management's process in assessing the recoverability of the intangible assets is complex. In addition, the assumptions used in determining the cash generating units (CGUs) where the goodwill and other intangible assets with indefinite useful lives are allocated and estimating the recoverable amount involves significant judgment. The recoverable amount of the CGUs has been computed using discounted cash flows method. This valuation method uses several key assumptions, including estimates for forecasted statement of financial position and net profit of CGUs, terminal value growth rates and discount rate.

The BDO Unibank Group's disclosures about goodwill and other intangible assets are included in Notes 2, 3 and 15 to the financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to impairment of goodwill and other intangible assets with indefinite useful lives included, among others, evaluating the appropriateness of assumptions and methodologies used by the management, in particular, those relating to the forecasted statement of financial position and statement of income as well as the discount and growth rate used. We have involved our Firm valuation specialist to assist in evaluating the appropriateness of assumptions used in estimating the recoverable amount of CGUs. In addition, our audit of the financial statements of BDO Network as of and for the year ended December 31, 2021 did not identify events or conditions that may cast significant doubt on BDO Network's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises the information included in the BDO Unibank Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement) and SEC Form 17-A, and Annual Report for the year ended December 31, 2021, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

APR 1 2 2022

Certified Public Accountants
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.



In preparing the financial statements, management is responsible for assessing the BDO Unibank Group's and the Parent Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BDO Unibank Group and the Parent Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BDO Unibank Group's and the Parent Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether
 due to fraud or error, design and perform audit procedures responsive to those risks, and
 obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
 The risk of not detecting a material misstatement resulting from fraud is higher than for
 one resulting from error, as fraud may involve collusion, forgery, intentional omissions,
 misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing
 an opinion on the effectiveness of the BDO Unibank Group's and the Parent Bank's internal
 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BDO Unibank Group's and the Parent Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the BDO Unibank Group and the Parent Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the
 entities or business activities within the BDO Unibank Group and the Parent Bank to
 express an opinion or the financial statements. We are responsible for the direction,
 supervision and performance of the group audit. We remain solely responsible for our
 audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence. and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. As discussed in Note 31 to the financial statements, the Parent Bank presented the supplementary information required by the Bureau of Internal Revenue under Revenue Regulations (RR) No. 15-2010 in a supplementary schedule filed separately from the basic financial statements. RR No. 15-2010 requires the supplementary information to be presented in the notes to the financial statements. The supplementary information for the years ended December 31, 2021 and 2020 required by the BSP as disclosed in Note 36 to the financial statements is presented for purposes of additional analysis. Such supplementary information required by BIR and BSP is the responsibility of management. The supplementary information is not a required part of the basic financial statements prepared in accordance with PFRS; it is not also a required disclosure under the Revised Securities Regulation Code Rule 68 of the SEC.

The engagement partner on the audits resulting in this independent auditors' report is Romualdo V. Murcia III.

PUNONGBAYAN & ARAULLO

By:

CPA Reg. No. 0095626 TIN 906-174-059 PTR No. 8852339, January 3, 2022, Makati City SEC Group A Accreditation Partner - No. 0628-AR-4 (until Sept. 4, 2022) Firm - No. 0002 (until Dec. 31, 2024) BIR AN 08-002511-022-2019 (until Sept. 4, 2022)

Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 24, 2022

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UREAL

BDO UNIBANK, INC. AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 AND 2020 (Amounts in Millions of Philippine Pesos)

			BDO Unit	ank Gro	up		Paren	t Bank	
	Notes		2021		2020		2021		2020
RESOURCES									
CASH AND OTHER CASH ITEMS	8	P	69,105	P	74,851	P	66,440	P	72,301
DUE FROM BANGKO SENTRAL NG PILIPINAS	8		304,906		308,636		302,660		305,079
DUE FROM OTHER BANKS	9		70,092		65,289		64,349		63,281
TRADING AND INVESTMENT SECURITIES - Net	10		616,261		508,810		497,963		399,456
LOANS AND OTHER RECEIVABLES - Net	11		2,450,903		2,301,981		2,399,983		2,259,686
PREMISES, FURNITURE, FIXTURES									
AND EQUIPMENT - Net	12		44,807		44,330		41,586		40,832
INVESTMENT PROPERTIES - Net	14		18,795		15,851		11,263		11,835
OTHER RESOURCES - Net	15		48,880	_	55,152	_	81,762	_	82,913
TOTAL RESOURCES		<u>P</u>	3,623,749	P	3,374,900	P	3,466,006	P	3,235,383
LIABILITIES AND EQUITY									
DEPOSIT LIABILITIES	17	P	2,820,896	P	2,610,151	P	2,751,715	P	2,548,291
BILLS PAYABLE	18		204,431		209,744		196,174		202,867
INSURANCE CONTRACT LIABILITIES	20		65,328		58,410				
OTHER LIABILITIES	21		108,546		103,574		94,656		92,171
Total Liabilities			3,199,201		2,981,879		3,042,545		2,843,329
EQUITY	22								
Attributable to: Shareholders of the Parent Bank			400.024		204 422				
Non-controlling Interests			422,934 1,614		391,423 1,598		423,461		392,054
			424,548		393,021		423,461		392,054
TOTAL LIABILITIES AND EQUITY		P	3,623,749	P	3,374,900	P	3,466,006	P	3,235,383

See Notes to Financial Statements.



BDO UNIBANK, INC. AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(Amounts in Millions of Phillianine Persos Except Per Share Data)

D		5 Z	FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2023 (Amounts in Millions of Philippine Pesos Except Per Share Data)	ions of Phi	DECEMBER Lippine Pesos	Except Per	Share Data)						
ATI	UREA				J. F. II Oud					Parer	Parent Bank		
Al	Notes		2021	2	2020	2	2019	2	2021	2	2020	2	2019
INTEREST INCOME	AXPA	A	144,879	Д	157,031	Д	160,572	<u>a</u>	136,772	ď	149,697	Ь	153,081
	X YERS		13,533		23,331		40,681		12,906		22,400		38,581
NET INTEREST INCOME	P 1		131,346		133,700		119,891		123,866		127,297		114,500
IMPAIRMENT LOSSES (RECOVERY) - Net Financial Assets Non-financial Assets Others	16 10,11 15 15 15 21 21 21		16,942 93		29,661 511 68		6,021 200 55)		16,745 56 28		29,037 491 68		5,754
			17,063		30,240		6,166		16,829		29,596		2,699
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES			114,283		103,460		113,725		107,037		97,701		108,801
OTHER OPERATING INCOME	25		61,354		55,210		60,111		40,635		37,254		43,145
OTHER OPERATING EXPENSES	25		119,875		112,640		114,649		93,613		290,067		94,337
PROFIT BEFORE TAX			55,762		46,030		59,187		54,059		44,888		57,609
TAX EXPENSE	31		12,907		17,776		15,019		11,378		16,282		13,376
NET PROFIT		A.	42,855	а	28,254	Д	44,168	g.	42,681	А	28,606	ф	44,233
Attributable to: Shareholders of the Parent Bank Non-controlling Interests		Δ.	42,791	d.	28,246	م ل	44,194						
		д	42,855	Д	28,254	Д	44,168						
Earnings Per Share: Basic Diluted	32	اء اء	9.68	A A	6.37	a a	10.02						

BDO UNIBANK, INC. AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(Amounts in Millions of Philippine Pesos)

				BDO Un	BDO Unibank Group					Pare	Parent Bank		
	Notes	2	2021		2020		2019		2021	7	2020		2019
NET PROFIT		<u>a</u>	42,855	а	28,254	а	44,168	<u>a</u>	42,681	А	28,606	а	44,233
OTHER COMPREHENSIVE INCOME (LOSS)													
Items that are or will be reclassified subsequently to profit or loss:													
comprehensive income (FVOCI), net of tax	10	_	5,365)		4,069		7,583	J	2,572)		2,381		3,659
=	,		-	,				,	1000		į		í
statements of income, net of tax	0 0		307)	_	37		228		192)	_	147)	_	()
Net gains (losses) on FVOCI securities, net of tax	2		5,759)		4,056		7,824		2,834)		2,270		3,657
Translation adjustment related to foreign operations			92		(4		1		30		8)		(5)
			5,667)		4,012		7,823		2,784)		2,262		3,652
Items that will not be reclassified to profit or loss:			,	,			;						
Remeasurement on life insurance reserves Actuarial pain flosses) on remeasurement of retirement	20		2,686	_	(020'9	_	5,046)						í
benefit obligation, net of tax Reversal of revaluation increment, net of tax	78	J	6,013)		764	J	2,355)	_	5,663)		732		2,240)
Unrealized gains (losses) on equity investments at FVOCI, net of tax	10		135		579		79		49		698		181)
			137)		4,727)		7,322)		5,559)	1	1,601		2,421)
Share in other comprehensive income (loss) of subsidiaries and associates accounted for under equity method	15.2		(9		10)		14		2,587		4,610)		34
Other Comprehensive Income (Loss), net of tax			5,810)		725)		515		5,756)		747)		1,265
TOTAL COMPREHENSIVE INCOME		a .	37,045	<u>a</u>	27,529	<u>a</u>	44,683	4	36,925	Д	27,859	Д	45,498
Attributable to: Shareholders of the Parent Bank Non-controlling Interests		a .	37,028	۵.	27,505	d.	44,675						
		4	37,045	Д	27,529	Д	44,683						

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See Notes to Financial Statements.

99,021	133 44 273 5,603) 5,153)	37,045	365)	370,587	306 92) 354 5,600)	5,032)		او	69 69	393,021	\$27,302	347 327 994 5,993	3,097)	44,683		9	1,636	1,659
Ag Total B) ji ji		9	8 d 559'1		34			81)(Р 398 Р	4 III						820	870
Non-control Interests					S - S								0					
Total Attributable to Sharebolders of the Percot Bank	133 273 5,602) (37,028	365) P	P 368,932	306 92) 354 5600)	27,505			12	P 391,423	255,858	746 756 994 994	3,097)	44,675			825	789
Accumulated State in Other Comprehensive Income (Loss) of Associates		•	9			10)				40)	14)			*				
Accumulated Translation Adjustment		28	3	=) (09				9) 81			2)				
Rencessurement on Life Insurance Reserves (P 8,859) (P		989°5	P 4(7)	9 2,789) Р) (0,00,9				P 8,859) (F	р 2257 р			5,046) (
Revaluation Increment		88	, 1,816	d) 556 d) 556 d	P 1,008						(8)	(8)
SDO Unibsask Group Accumulated Actuarial Losses (P 10,459)		2695)	1,669	P 11,224)		765				P 10,459)	P 8,893)			2347)			52) 91
Net Unrealized Fear Value Geins (Loues) on FVOCT		5,995)	(9)	P 1,741) (P		4634		1,115		900%	P 10,390) (7,862 (82.L	38	38
Surplus Free 214,525	5,602)	263) (1,37) (49)		192,333 ((009'5	5,600)	772) 209 830 107)	1,109)	5 5	214,525	155,480 (\$593)	44,194	772) 1,543) 9)	(88)	989	765
at Reserves			, a	12 P) 4	8	0						•	5
upha Reerres Oth	± 82 18	26.3	4 881	18,362 P	35.	382	272 209) 850) 107	(on		17,964 р	14,788 P	25 g	1,750		272 1,543 9 9 1,824			
Additional Puld-in Capital Su	82 81		4 UHYA	124,049 P	238	278				124,327 P	P 128,577 P	229	22.9					
S 150			615	\$150 P						\$150	\$150							
Common Stock P	2 2		d 558,00	43,814 P	**	588				45,842 P	43,740 P	ž	24					
No	a	я я		-	R		# z		8	-1	-	×			2 2		2 2	
			me (PVOCI)				er EC.	5										
17. 1, 2021	ing the year using the year ing the year	nne (doss) ee st GLLP over ECL.	ities classified so er comprehensive inco RBER 31, 2023	3Y 1, 2020	ing the year uring the year ing the year	one (loss)	bon bon of excess GLLP a	ibes chanifoed as PVO	interest in subsidianies	BER 31, 2020	tY 1, 2019	ring the year uring the year ing the year		erze (loss)	111 GLLP over ECL.	ties destined as	interest in subsidence	
BAIANCE AT JANUARY 1, 2021	Tensacions with owners Insusace of shares during th Options transferred during Options expensed during th Cash dividends	Total computhensive income (bost) Transfer from Surpkas Pene Trast reserve Appropriation of monts GLDF over ECL. Other mereves	Deposals of equity recurines chantiled to fair when through other componhenive income (PVOCJ) BALANCE AT DECIDABRER 31, 2621	BALANCE AT JANUARY 1, 2020	Transactions with owners Images of shares thing the year Options transferred during the year Options expensed things the year Cash devidencie	Total compenhensive income (foss)	Tous for from Suspin Pose Test tests of appropriation Revent of appropriation of exest GLLP over ECL. Other exerces	Disposals of equity securibes dessified as PVOCI	Other activities in connectivity interest to subsidiaries	BALANCE AT DECEMBER 31, 2020	BALANCE AT JANUARY 1, 2019	Transactions with owners Issuance of shares during the year Options transferred during the year Options expensed during the year		Total comprehensive income (loss)	Transfer from Supples Pine That reserve Appropriation of access GLLP over ECL. Other reserves	Disposals of equity securities destified as FVOCI	Other adjustments Change in ownership interest in subsidiaries Disposal of properties	
×	£	Tressfer of Tressfer of Appre	AXPAYER PS ASSIS		YENG	ř	£	ă 8	5	ВА	BA	Į.		Ţ.	ę	ă	ō	

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No. Col. (No.								Net Unrealized				Accumulated Share in	
The control					Additional			Pair Value Gains (Losses) on		Revaluation		Income (Loss) of Subsidiaries and	
The color The		Notes	Common Stack	Preferred Stock	Paid-in Capital		Surplus Pree	FVOCI	1	Increment	1	Associates	Total Equity
Company Comp	E AT JANUARY 1, 2021		P 43,842	P 5,150	P 124,308	P 17,085	P 214,207	P 2459		4	(P 14)	5,923)	
12 12 12 13 14 15 15 15 15 15 15 15	on with owners or of shares during the year	n	13										133
13 13 13 13 13 13 13 13	to transferred during the year to expensed during the year		s 10 1			252	5602						252
1			1 1		130	317 (5.602)						\$152)
11 12 13 14 14 15 15 15 15 15 15	prehensive income (loss)						42,681			55	8	2,587	36,925
The many	om Surplus Pere												
1 1 1 1 1 1 1 1 1 1	printing of excess GLLP over ECL	22 22				1,250 (1,250)						
11 12 13 14 15 15 15 15 15 15 15) 785,1	(1,557)						
11 12 13 14 15 15 15 15 15 15 15													
The metal The	e income						322)	(2)(2	366)
115 per 105, 1 2 2 2 2 2 2 2 2 2	BALANCE AT DECEMBER 31, 2021		Р 43,855		р 124,628	18,959		(P 348)	(P 15,675)		У 36		P 423,461
12 12 12 13 13 14 15 15 15 15 15 15 15	OCOL 1 VOLUME TAT		0	5	OUPC! a	786 21					9	2.280)	
The result of the control of the c	man 's sandard to												
His marker, 22,24	e of shares during the year	a	87		278	3							306
11 Part 22 23 24 24 24 24 24 24	expensed during the year					316							316 5,600)
			28		278	362 (5,032)
H. Porme RG. 22, 28	rehensive incorne (loss)							3,139	732		(8		27,859
11 Prove PTA 22 28	Surpline Rose												
15, 70 16, 70 16, 70 17, 70 18, 70 1	f excess GLLP o	22,28				223 (* 5.		x
Admin 15,30 To Color	нелен	a				9							
No.			-			84)	864			-			
15, 30 1	f equity securities dessified as FVOCI						1,109)	148				198	9
22 74 6666 1539 P 13428 P 13428 P 13429 P 2449 P 2449 P 2449 P 13429 P 2449 P 13429 P 2449 P 13429 P 2449 P 13429 P 13	tment in ownership interest in subsidiaries	15, 30					=						11
22 74 672 P 13420 P 13			-				11						11
22 7.4 6720 P 5,150 P 132,59 P 13477 (P 4,211) (P 8,504) P 1,005 (P 1) (P 2,014) P 13477 (P 4,211) (P 2,014) P 13477 (P 1,014) P 13477 (P	AT DECEMBER 31, 2020		P 43,842	P 5,150	P 124,308	р 17,085	P 214,207	Р 2,459	(P 10,012)	р 952	(P 14)	4	р 392,054
22,238	ATJANDARY 1, 2019		р 43,740	- 1	P 123,358	13,885				900'1 d		2314)	
ECT. 22.28 ECT. 1,720 (s with owners	n											
ECT. 22.28 ET. 1,720 (5,593) (1,720 (1,720) (e of shares during the year transferred during the year		74		672	098							24.7 0.88 0.88
2.2.28	expensed during the year vidends					200		-	-				(\$65'5
Tatal 22.38			74	-	672	1,750 (3,097
T 22, 28 T 22, 28 T 23, 28 T 3, 20 T 4, 20 T 5, 20 T 5, 20 T 7, 20	rehensive income (loss)						44,233	3,476	(2240)		(5	75	45,498
## 15.70	om Surplus Pree	22,28) 681	189)						
15,50 (1,722) (1,722) (1,723)	nisiton of excess GLLP over ECL	22	-			1,563	1,563)						
15,30 (698) (20) ((10)) ((1,752 (1,752)						-
22 73 733 734 735 735 735 735 735 735 735 735 735 735	f equity securities classified as					3	(689)	(23)					712)
22 76 (C.S.) 76 (C.S.)	tment in ownership interest in subsidiane	15.30					733						733
(8)	of properties	n					76			(8			23
							808			(23)		-	756



BDO UNIBANK, INC. AND SUBSIDIARIES STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (Amounts in Millions of Philippine Pesos)

				BDO Un	BDO Unibank Group					Par	Parent Bank		
	Notes		2021		2020		2019		2021		2020		2019
)A													
CASH FLOWS FROM OPERATING ACTIVITIES Profit before tax		<u>a</u>	55,762	Д	46,030	Д	59,187	Д	54,059	Д	44,888	Д	57,609
Adjustments for:													
Interest income	23	_	144,879)	_	157,031)	_	160,572)	٥	136,772)	_	149,697)	_	153,081)
ned ved			147,093		153,049	,	151,225	,	140,391	,	140,917	,	26 707)
2		_	13,039)		(117,47	_	40,240)	_	000,00	_	00,000	_	30,00
	42		13,533		23,331		40,681		12,906		77,400		100,00
Cann from the disposal of secutities at rait value through other	10	,	278)	,	(44)	_	163)	•	191)	_	178)	_	8)
for hearing at a minimum of a continue of			156)		3 586)		17)		108)		3,586)	_	17)
Description and amortivation	12 14 15		9.198		9,190		8.850		8,035		7,935		7,564
22	10 11 15 16		17.063		30.240		6,166		16,829		29,596		5,699
of subsidiaries and associates	15	_	814)		470)	_	(969	_	6,350)	_	3,839)	_	6,046)
Foreign exchange loss (pain) unrealized			7.614)		5,705		2,885	_	6,714)		4,492		2,976
Fair value losses (sains)			293)	_	(89)		597		221)		19	1	1,093
Operating profit before changes in operating resources and liabilities			75.576		81,535		67,895		68,814		75,318		61,032
Decrease (increase) in financial assets at fair value through profit or loss		,	10.287)	_	(926)	_	7,374)		39	_	1,222)	_	1,040)
Increase in loans and other receivables			145,077)		59,366)	_	192,119)	_	135,533)	_	70,019)	_	194,417)
Increase in investment properties			4,291)	_	194)	_	1,058)	_	(828)	_	392)	_	1,014)
Increase in other resources		_	13,928)	_	16,213)	_	16,122)	_	9,535)	_	14,039)	_	13,265)
Increase in deposit liabilities			210,839		126,307		66,043		203,574		110,989		77,148
Increase in insurance contract liabilities			12,604		6,867		8,921		,				,
Increase in other liabilities			15,963		5,479		22,660	1	13,629		9,201		22,703
Cash generated from (used in) operations			141,399		137,439	_	51,154)		140,330		109,836	_	48,853)
Cash paid for income tax			13,213)		15,857)		13,555)	ال	12,140)		14,872)	ا	11,861
Not Cash Brown Alach in Chambine Arterities			128.186		121,582	Ų	64,709)		128,190		94,964	J	60,714)
Iver Cash From Cosed in) Operating Activities													
CASH FLOWS FROM INVESTING ACTIVITIES Acquisitions of investment securities at amortized cost	10	J	169,502)	J	(116,777)	J	79,199)	_	161,191)	_	111,208)	_	78,983)
Acquisitions of securities at fair value through other comprehensive				,				,	110000	,	150 021	,	30 656
income (FVOCI)	10	_	476,166)	_	(5/1/61	_	28,665)	_	440,507)	_	102,021	_	40,664
Maturities of investment securities at amortized cost			400 264		158 470		30,000		459.718		129,731		24.053
Proceeds from disposals of securities at FVOCI	,	,	470,204	,	2,000	,	4 207	,	2 214)	,	2 570 1	,	3 446)
Acquisitions of premises, furniture, tratures and equipment Proceeds from disposals of premises, furniture, fartures and equipment	7		158		131	_	310	_	65	_	22	_	165
Net Cash Used in Investing Activities			90,901)		(8,975)		47,548)		61,069)		59,765)		48,203
CASH PLOWS PROM PINANCING ACTIVITIES													277
Proceeds from bills payable	18		127,859		375,207		510,151		797,00		181,6/4		132,407
Payments of bills payable	18	_	139,905)	_	327,299)		482,251)	_,	74,022)	<u> </u>	120,527)		99,044)
Dividends paid	22	_	5,603)	_	2,600)	_	5,593)	_	2,602)	_	2,600)		(6,66,6
Payments of lease liabilities	13	_	3,238)	_	2,940)	_	3,122)	_	3,100)	_	2,828)	_	3,076)
Proceeds from issuance of common stock	22		133		306		746		133		306		746
Redemption of subordinated notes payable	19				10,000)	-		1			10,000)		
Net Cash From (Used in) Financing Activities			20,754)		29,674	1	19,931		21,829)		43,025	- 1	25,500
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Carried Forward)		Д	16,531	Ь	82,281	(P	92,326)	d.	15,292	Д	78,224	d)	83,417)
				No.									

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Brought Forward) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR Cash and other cash items 8	54								0000		0000
D CASH EQUIVALENTS (Brought Forward) NNING OF YEAR		707	20	2020	2019		2021	7	2020		2019
NNING OF YEAR	A	16,531	Ь	82,281	(P 92,326)	P (9	15,292	Д	78,224	(P	83,417)
8 EAA											
		74,851		64,140	53,74	6	72,301		62,726		52,492
8		308,636		309,040	354,13	2	305,079		306,938		349,017
		65,289		38,956	55,292	2	63,281		35,820		48,780
OF P		164		308	9,16	8	164		308		6,490
X		16,729			22,00	6	14,135		-		22,009
		57,100		31,277	42,21	4	57,100		31,277		42,214
YEASS		8,578		5,345	4,828	801	8,577		5,344		4,828
201		531,347		449,066	541,392		520,637		442,413		525,830
CASH AND CASH EQUIVALENTS AT END OF YEAR											
•		69,105		74,851	64,14	0	66,440		72,301		62,726
8		304,906		308,636	309,04	0	302,660		305,079		306,938
^		70,092		65,289	38,956	9	64,349		63,281		35,820
10				164	308	8	,		164		308
11		17,095		16,729	1		15,800		14,135		
The state of the s		81.083		57,100	31,27	7	81,083		57,100		31,277
15		5,597		8,578	5,345	51	5,597		8,577	1	5,344
	<u>a</u>	547,878	Ь	531,347	Р 449,066	9	535,929	Д	520,637	Д	442,413

Supplemental Information on Noncash Financing and Investing Activities

The following are the significant noncash transactions:

- a. The BDO Unibank Group and the Parent Bank foreclosed real and other properties totalling to P13,523 and P13,479, respectively, as of December 31, 2021, P13,757 and P13,743, respectively, as of December 31, 2020 and P14,009 and P14,009 and P13,780, respectively, as of December 31, 2019 in settlement of certain loan accounts (see Note 14).
 - b. The BDO Unibank Group and the Parent Bank recognized additional right-of-use assets amounting to P3,216 and P2,951, respectively, in 2021 and P1,775 and P1,628, respectively, in 2020 and P2,801 and P2,693, respectively, in 2019 which are presented as part of Premises, Furnitures, Fixtures and Equipment (see Notes 12 and 13).

Other Information
Certain investment securities at amortized cost, reverse repurchase agreements, interbank loans receivables, and FCNC are included as part of cash and cash equivalents for cash flow purposes but are presented as part of Trading and Investment Securities, Loans and Other Receivables, and Other Resources, respectively, in the statements of financial position (see Note 2.5).

BDO UNIBANK, INC. AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021, 2020 AND 2019

(Amounts in Millions of Philippine Pesos, Except Per Share Data or As Indicated)

1. CORPORATE MATTERS

1.1 Incorporation and Operations

BDO Unibank, Inc. (BDO Unibank, BDO or the Parent Bank) was incorporated in the Philippines on December 20, 1967 to engage in the business of banking. It was authorized to engage in trust operations on January 5, 1988 and in foreign currency deposit operations on November 23, 1990. The Bangko Sentral ng Pilipinas (BSP) granted approval to the Parent Bank to operate as an expanded commercial bank on August 5, 1996. The Parent Bank commenced operations as such in September of the same year. The Parent Bank and its subsidiaries (collectively referred to as BDO Unibank Group) offer a wide range of banking services such as commercial banking, investment banking, private banking, insurance and other banking services. These services include traditional loan and deposit products, as well as treasury, asset management, realty management, leasing and finance, remittance, trade services, retail cash cards, life insurance and insurance brokerage, credit card services, stock brokerage, trust and others.

As a banking institution, BDO Unibank Group's operations are regulated and supervised by the BSP. In this regard, BDO Unibank Group is required to comply with the rules and regulations of the BSP such as those relating to maintenance of reserve requirements on deposit liabilities and deposit substitutes and those relating to the adoption and use of safe and sound banking practices, among others, as promulgated by the BSP. BDO Unibank Group is subject to the provisions of Republic Act (R.A.) No. 8791, the General Banking Law of 2000, and other related banking laws.

The Parent Bank's common shares are listed in the Philippine Stock Exchange (PSE).

The BDO Unibank Group and the Parent Bank's banking network within and outside the Philippines as of December 31, 2021 and 2020 follows:

	BDO Uniban	k Group	Parent E	Bank
	2021	2020	2021	2020
Local branches	1,542	1,470	1,191	1,182
Foreign branches	2	2	2	2
Automated teller machines (ATMs):				
On-site	2,626	2,539	2,339	2,307
Off-site	1,857	1,898	1,812	1,855
Cash accept machines (CAMs)	624	599	624	599
Self-service teller machines	9	5	9	5
Mobile automated teller machines	1	2	1	2

APR 12 2022

BDO Unibank Group operates mainly within the Philippines with banking branches in Hong Kong and Singapore, a real estate and holding company in Europe, and various remittance subsidiaries operating in Asia, Europe, Canada and the United States. These foreign operations accounted for 1.2%, 1.0% and 1.1% of BDO Unibank Group's total revenues in 2021, 2020 and 2019, respectively, and 2.1% and 1.9% of BDO Unibank Group's total resources as of December 31, 2021 and 2020, respectively. BDO Unibank Group's subsidiaries and associates are shown in Notes 2.3 and 15.2.

The Parent Bank's principal office address is at BDO Corporate Center, 7899 Makati Avenue, Makati City while the temporary business address is at BDO Towers Valero, 8741 Paseo de Roxas Street, Salcedo Village, Makati City effective October 30, 2021 until further notice.

1.2 Approval of Financial Statements

The financial statements of the BDO Unibank Group and the Parent Bank as of and for the year ended December 31, 2021 (including the comparative financial statements as of December 31, 2020 and for the years ended December 31, 2020 and 2019) were authorized for issue by the Parent Bank's Board of Directors (BOD) on February 24, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Financial Reporting Standards in the Philippines

The consolidated financial statements of BDO Unibank Group and the separate financial statements of the Parent Bank have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC), from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of resources, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The BDO Unibank Group and the Parent Bank present a statement of comprehensive income separate from the statement of income.

The BDO Unibank Group and the Parent Bank present a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the BDO Unibank Group and the Parent Bank's functional and presentation currency, and all values are presented in millions, except for per share data or when otherwise indicated (see also Note 2.22).

Items included in the financial statements of BDO Unibank Group and the Parent Bank are measured using its functional currency. Functional currency is the currency of the primary economic environment in which BDO Unibank Group and the Parent Bank operate.

2.2 Adoption of New and Amended PFRS

(a) Effective in 2021 that are Relevant to BDO Unibank Group and the Parent Bank

The BDO Unibank Group and the Parent Bank adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2021:

PFRS 4, PFRS 7, PFRS 9 and

PFRS 16 (Amendments) : Insurance Contracts, Financial Instruments:

Disclosures, Financial Instruments and Leases – Interest Rate Benchmark Reform

Phase 2

PFRS 16 (Amendments) : Leases – Coronavirus Disease 2019

(COVID-19) - Related Rent Concessions

Beyond June 30, 2021

Discussed below and in the succeeding pages are the relevant information about these amendments to existing standards.

(i) PFRS 9 (Amendments), Financial Instruments, PFRS 7 (Amendments), Financial Instruments: Disclosures, PFRS 16 (Amendments), Leases, and PFRS 4 (Amendments), Insurance Contracts – Interest Rate Benchmark Reform Phase 2. The amendments address issues that may affect financial reporting during the interest rate benchmark reform, including the effect of changes to contractual cash flows or hedging relationships resulting from the replacement of the London Interbank Offered Rate (LIBOR) with alternative benchmark rates. The Phase 2 amendments are relevant to BDO Unibank Group because it is exposed to the effects of the LIBOR reform on its financial instruments that will mature post-2021 (the date by which the reform is expected to be implemented).

Discussed below are the relevant information arising from BDO Unibank Group's adoption of these amendments.

• When the contractual terms of the BDO Unibank Group's borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the BDO Unibank Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of PFRS 9 are applied to the other changes.

 When a lease is modified as a direct consequence of the interest rate benchmark reform and the new basis for determining the lease payments is economically equivalent to the previous basis, the BDO Unibank Group remeasures the lease liability to reflect the revised lease payments discounted using a revised discount rate that reflects the change in the basis for determining the contractual cash flows.

For the year ended December 31, 2021, the interest rate benchmark reform has no impact on the BDO Unibank Group's financial assets and liabilities. The changes in BDO Unibank Group's risk management strategy arising from the LIBOR reform and other required disclosures are disclosed in Note 4.6.

(ii) The BDO Unibank Group and the Parent Bank elected to adopt early PFRS 16 (Amendments), Leases – COVID-19-Related Rent Concessions beyond June 30, 2021, which is effective from April 1, 2021. The amendment extends for one year the use of practical expedient of not assessing whether rent concessions reducing payments up until June 30, 2022 occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The BDO Unibank Group and the Parent Bank have applied this practical expedient to all rent concessions that need conditions of the amendments to PFRS 16. The rent concessions recognized as offset against Occupancy under Other Operating Expense account in the 2021 statement of income of the BDO Unibank Group and the Parent Bank amounted to P395 for the year ended December 31, 2021 (see Note 25).

(b) Effective Subsequent to 2021 but not Adopted Early

There are new PFRS and amendments to existing standards effective for annual periods subsequent to 2021, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on BDO Unibank Group and the Parent Bank's financial statements.

- (i) PFRS 3 (Amendments), Business Combination Reference to the Conceptual Framework (effective from January 1, 2022)
- (ii) PAS 16 (Amendments), *Property, Plant and Equipment Proceeds Before Intended Use* (effective from January 1, 2022)
- (iii) PAS 37 (Amendments), Provisions, Contingent Liabilities and Contingent Assets Onerous Contracts Cost of Fulfilling a Contract (effective January 1, 2022)
- (iv) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the BDO Unibank Group:
 - PFRS 9 (Amendments), Financial Instruments Fees in the '10 per cent' Test for Derecognition of Liabilities
 - Illustrative Examples Accompanying PFRS 16, Leases Lease Incentives

- (v) PAS 1 (Amendments), Presentation of Financial Statements Classification of Liabilities as Current or Non-current (effective January 1, 2023)
- (vi) PAS 1 (Amendments), Presentation of Financial Statements Disclosure of Accounting Policies (effective January 1, 2023)
- (vii) PAS 8 (Amendments), Accounting Estimates Definition of Accounting Estimates (effective January 1, 2023)
- (viii) PAS 12 (Amendments), Income Taxes Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective January 1, 2023)
- (ix) PFRS 10 (Amendments), Consolidated Financial Statements, and PAS 28 (Amendments), Investments in Associates and Joint Ventures Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture (effective date deferred indefinitely)
- (x) PFRS 17, *Insurance Contracts* (effective January 1, 2023). The new standard will eventually replace PFRS 4, *Insurance Contracts*. The Insurance Commission (IC), through its Circular Letter 2018-69, has deferred the implementation of PFRS 17 for life insurance and non-life insurance industry. PFRS 17 will set out the principles for the recognition, measurement, presentation and disclosure of insurance contracts within its scope.

This new standard requires a current measurement model where estimates are remeasured in each reporting period. Moreover, contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and,
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognized as revenue over the coverage period.

PFRS 17 further allows a choice between recognizing changes in discount rates either in the statement of income or directly in other comprehensive income. The choice is likely to reflect how insurers account for financial assets under PFRS 9.

In addition, the standard provides an optional, simplified premium allocation approach for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

A modification of the general measurement model called the variable fee approach is also introduced by PFRS 17 for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

2.3 Basis of Consolidation

The BDO Unibank Group's consolidated financial statements comprise the accounts of the Parent Bank, and its subsidiaries as enumerated in Notes 2.3I and 15.2, after the elimination of material intercompany transactions. All intercompany resources and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the BDO Unibank Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Bank, using consistent accounting principles.

The Parent Bank accounts for its investments in subsidiaries, associates and transactions with non-controlling interests as follows:

(a) Investments in Subsidiaries

Subsidiaries are all entities over which the Parent Bank has the power to control the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent Bank controls another entity. The Parent Bank obtains and exercises control whei) it has power over the entity, (ii) it is exposed, or has rights to, variable returns from its involvement with the entity, and, (iii) it has the ability to affect those returns through its power over the entity, usually through voting rights. Subsidiaries are consolidated from the date the Parent Bank obtains control.

The Parent Bank reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries [see Note 2.3(d)]. Acquisition method requires recognizing and measuring the identifiable resources acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the BDO Unibank Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the BDO Unibank Group recognizes any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of BDO Unibank Group's share of the identifiable net assets acquired, is recognized as goodwill. If the acquisition consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly as a gain in the statement of income [see Note 2.3(d)].

On the other hand, business combinations arising from transfers of interests in entities that are under the common control of the shareholder that controls BDO Unibank Group are accounted for under the pooling-of-interest method and reflected in the financial statements as if the business combination had occurred at the beginning of the earliest comparative period presented, or if later, at the date that common control was established; for this purpose, comparative periods presented are restated. The resources and liabilities acquired are recognized in BDO Unibank Group's financial statements at their carrying amounts. The components of equity of the acquired entities are added to the same components within BDO Unibank Group's equity.

Investments in subsidiaries are initially recognized at cost and subsequently accounted for using the equity method in the Parent Bank's financial statements (see Note 2.11).

(b) Investment in Associates

Associates are those entities over which the BDO Unibank Group and the Parent Bank are able to exert significant influence but which are neither subsidiaries nor interests in a joint venture. Investments in associates are initially recognized at cost and subsequently accounted for using the equity method.

Acquired investment in associate is subject to the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. Goodwill represents the excess of acquisition cost over the fair value of the BDO Unibank Group and the Parent Bank's share of the identifiable net assets of the acquiree at the date of acquisition. Any goodwill or fair value adjustment attributable to the BDO Unibank Group and the Parent Bank's share in the associate is included in the amount recognized as investment in an associate.

All subsequent changes to the ownership interest in the equity of the associates are recognized in the BDO Unibank Group and the Parent Bank's carrying amount of the investments. Changes resulting from the profit or loss generated by the associates are credited or charged against the Equity in net profit (loss) of associates as part of Miscellaneo—s - net and Share in net income of subsidiaries and associates under Other Operating Income account in the statement of income for BDO Unibank Group and Parent Bank, respectively.

Impairment loss is provided when there is objective evidence that the investment in an associate will not be recovered (see Notes 2.21 and 15.2).

Changes resulting from other comprehensive income of the associate or items recognized directly in the associate's equity are recognized in other comprehensive income or equity of the BDO Unibank Group and the Parent Bank, as applicable. However, when the BDO Unibank Group and the Parent Bank's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the BDO Unibank Group and the Parent Bank do not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognizing its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognized.

Distributions received from the associates are accounted for as a reduction of the carrying value of the investment.

(c) Transactions with Non-controlling Interests

BDO Unibank Group's transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of BDO Unibank Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the subsidiary's net assets is recognized in equity. Disposals of equity investments to non-controlling interests, which result in gains or losses for BDO Unibank Group, are also recognized in equity.

When BDO Unibank Group ceases to have control, any interest retained in the subsidiary is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The initial carrying amount for the purposes of subsequently accounting for the interest retained as an associate, joint venture or financial asset is the fair value. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if BDO Unibank Group had directly disposed of the related resources or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

In BDO Unibank Group's financial statements, the non-controlling interest component is shown in its statement of changes in equity, and in its statement of income and statement of comprehensive income for the share of profit or loss and movement of other comprehensive income, respectively, during the year.

The BDO Unibank Group holds interests in the following subsidiaries:

_		Percentage of Own	nership
Subsidiaries	2021	2020	2019
Rural Bank			
BDO Network Bank, Inc.			
(BDO Network)			
(A Rural Bank of BDO)	84.87%	84.87%	84.87%
Investment House	04.07 / 0	04.0770	04.0770
BDO Capital & Investment			
Corporation (BDO Capital)	99.88%	99.88%	99.88%
Private Banking	<i>77.0070</i>	<i>77.</i> 00 / 0	<i>77.</i> 00 / 0
BDO Private Bank, Inc.			
(BDO Private)	100%	100%	100%
Leasing and Finance	10070	10070	10070
BDO Leasing and Finance,			
	88.54%	88.54%	88.54%
Inc. (BDO Leasing)	88.54%	88.34%	88.34%
Averon Holdings Corporation	00 000/	00.000/	00.000/
(Averon)	99.88%	99.88%	99.88%
BDO Rental, Inc. (BDO Rental)	100%	100%	88.54%
BDO Finance Corporation	4000/	4000/	40007
(BDO Finance)	100%	100%	100%
Securities Companies			
BDO Securities Corporation	00.0007	00.000/	00.000/
(BDO Securities)	99.88%	99.88%	99.88%
Armstrong Securities, Inc. (ASI)	80%	80%	80%
BDO Nomura Securities, Inc.			
(BDO Nomura)	-	-	51%
Real Estate Companies			
BDO Strategic Holdings, Inc.			
(BDOSHI)	100%	100%	100%
BDORO Europe Ltd. (BDORO)	100%	100%	100%
Equimark-NFC Development			
Corporation (Equimark)	60%	60%	60%
Insurance Companies			
BDO Life Assurance Company Inc.,			
(BDO Life)	100%	100%	100%
BDO Insurance Brokers, Inc. (BDOI)	100%	100%	100%
Remittance Companies			
BDO Remit (Japan) Ltd.	100%	100%	100%
BDO Remit (Canada) Ltd.	100%	100%	100%
BDO Remit Limited	100%	100%	100%
BDO Remit (Macau) Ltd.	100%	100%	100%
BDO Remit International			
Holdings B.V. (BDO RIH)	96.32%	96.32%	96.32%
BDO Remit (USA), Inc.	100%	100%	100%
BDO Remit (Italia) S.p.A	-	100%	100%
Others			
PCI Realty Corporation	_	-	100%
			~ ~ , -

Non-controlling interests represent the interests not held by BDO Unibank Group in BDO Network, BDO Capital, BDO Leasing, Averon, BDO Rental, BDO Securities, BDO Nomura, ASI, Equimark and BDO RIH in 2019. For 2021 and 2020, BDO Unibank Group's non-controlling interest is the same as 2019 except for BDO Rental and BDO Nomura, which was merged with BDO Securities.

On December 5, 2020, the BOD of the Parent Bank approved the write-off of the investment in PCI Realty Corporation (see Note 15.2).

On December 1, 2020, the merger of BDO Nomura and BDO Securities was completed, with BDO Securities as the surviving entity (see Note 30.2).

On June 13, 2020, BDO Remit (Italia) S.p.A completed its liquidation and made partial repatriation of funds to BDOSHI. Final capital return was made on July 1, 2021 (see Note 30.4).

On July 26, 2019, the BOD of BDOSHI approved and authorized BDOSHI to incorporate a new finance company with an initial paid-in capital of P1,000, subject to applicable regulatory approvals. On December 9, 2019, the Securities and Exchange Commission (SEC) approved the incorporation of BDO Finance (see Note 30.3).

On May 16, 2019, the Parent Bank completed the sale of its 15% ownership interest in BDO Network.

(d) Business Combination

Business acquisitions are accounted for using the acquisition method of accounting [see Note 2.3(a)].

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of a business combination over BDO Unibank Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired (see Note 2.21). Impairment losses on goodwill are not reversed.

Negative goodwill, if any, which is the excess of BDO Unibank Group's interest in the net fair value of acquired identifiable assets, liabilities and contingent liabilities over cost of investment is recognized directly in the statement of income.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segments.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by BDO Unibank Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting or pooling-of-interest method [see Note 2.3(a)].

2.4 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to BDO Unibank Group's chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows BDO Unibank Group's products and services as disclosed in Note 6, which represent the main products and services provided by BDO Unibank Group.

Each of these operating segments is managed separately as each of these services requires different technologies and resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies of BDO Unibank Group used for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its financial statements.

In addition, corporate assets, which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no significant changes from prior periods in the measurement methods used to determine reported segment information.

2.5 Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation.* All other non-derivative financial instruments are treated as debt instruments.

Regular purchases and sales of financial assets are recognized on their settlement date (i.e., the date that the BDO Unibank Group commits to purchase or sell the asset).

At initial recognition, the BDO Unibank Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVTPL), transaction costs that are incremental or directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

(a) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets are driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of financial assets are described in the succeeding pages.

(i) Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within BDO Unibank Group's business model whose objective is to hold financial assets in order to collect contractual cash flows ("held to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows
 that are solely payments of principal and interest (SPPI) on the principal amount
 outstanding.

Except for other receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, Revenue from Contracts with Customers, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any expected credit loss (ECL).

Where the business model is to hold assets to collect contractual cash flows, the BDO Unibank Group assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the BDO Unibank Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement [see Note 3.1(c)]. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The BDO Unibank Group's financial assets at amortized cost are presented as Cash and Other Cash Items, Due from BSP, Due from Other Banks, Loans and Other Receivables, Investment securities at amortized cost and certain accounts under Other Resources account in the statement of financial position.

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, due from BSP and other banks, foreign currency notes and coins (FCNC), reverse repurchase agreements, certain interbank bank loans receivables and investment securities at amortized cost with original maturities of three months or less from placement date.

(ii) Financial Assets at Fair Value Through Other Comprehensive Income

BDO Unibank Group accounts for financial assets at fair value through other comprehensive income (FVOCI) if the assets meet the following conditions:

- they are held under a business model whose objective is to hold to collect the associated cash flows and sell ("hold to collect and sell"); and,
- the contractual terms of the financial assets give rise to cash flows that are SPPI on the principal amount outstanding.

At initial recognition, BDO Unibank Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the BDO Unibank Group for trading or as mandatorily required to be classified as FVTPL. The BDO Unibank Group has designated equity instruments as at FVOCI.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value, including the foreign exchange component, are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as part of net unrealized gain or loss (NUGL) on FVOCI account in equity. When the asset is disposed of, the cumulative gain or loss previously recognized in the NUGL account is not reclassified to profit or loss but is reclassified directly to Surplus Free account except for those debt securities classified as FVOCI wherein fair value changes are reclassified to profit or loss.

Any dividends earned on holding equity instruments are recognized in profit or loss as part of Miscellaneous - net under Other Operating Income account in the statement of income, when the BDO Unibank Group's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the BDO Unibank Group, and, the amount of dividend can be measured reliably, unless the dividends clearly represent recovery of a part of the cost of the investment.

(iii) Financial Assets at Fair Value Through Profit or Loss

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not SPPI are accounted for at FVTPL. Also, equity securities are classified as financial assets at FVTPL, unless the BDO Unibank Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The BDO Unibank Group's financial assets at FVTPL include equity securities which are held for trading purposes.

Financial assets at FVTPL are measured at fair value with gains or losses recognized in profit or loss as part of Trading gain under Other Operating Income in the statement of income. Related transaction costs are recognized directly as expense in profit or loss. The fair values of these financial assets are determined by reference to active market transactions or using valuation technique when no active market exists.

Interest earned on these investments is recorded under Interest Income while dividend income is reported as part of Dividends under Other Operating Income account in the statement of income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

BDO Unibank Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, BDO Unibank Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the BDO Unibank Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(b) Effective Interest Rate Method and Interest Income

Interest income is recognized using the effective interest rate (EIR) method for all financial instrument measured at amortized cost and financial instrument designated at FVTPL. Interest income on interest bearing financial assets measured at FVOCI are also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of EIR. The BDO Unibank Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive (negative) adjustment to the carrying amount of the asset in the statement of financial position with an increase (reduction) in interest income. The adjustment is subsequently amortized through interest and similar income in the statement of income.

The BDO Unibank Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

For financial assets that have become credit-impaired subsequent to initial recognition [see Note 2.5(c)], interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

(c) Impairment of Financial Assets

At the end of the reporting period, the BDO Unibank Group assesses its ECL on a forward-looking basis associated with its financial assets which consist of debt instruments carried at amortized cost and FVOCI, and other contingent accounts such as committed credit lines and unused commercial letter of credits. No impairment loss is recognized on equity investments. The BDO Unibank Group considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The BDO Unibank Group measures loss allowances at an amount equal to lifetime ECL, except for the following financial instruments for which they are measured as 12-month ECL:

- debt securities that are identified to have 'low credit risk' at the reporting date; and,
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

For these financial instruments, the allowance for impairment is based on 12-month ECL associated with the probability of default of a financial instrument in the next 12 months (referred to as 'Stage 1' financial instruments). When there has been a significant increase in credit risk subsequent to the initial recognition of the financial asset, a lifetime ECL (which are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial asset) will be recognized (referred to as 'Stage 2' financial instruments). 'Stage 2' financial instruments also include those loan accounts and facilities where the credit risk has improved and have been reclassified from 'Stage 3'. A lifetime ECL shall also be recognized for 'Stage 3' financial instruments, which include financial instruments that are subsequently credit-impaired, as well as purchased or originated credit impaired (POCI) assets.

The BDO Unibank Group's definition of credit risk and information on how credit risk is mitigated by the BDO Unibank Group are disclosed in Note 4.3.

(d) Measurement of ECL

The key elements used in the calculation of ECL are as follows:

- *Probability of Default (PD)* it is an estimate of likelihood of a borrower defaulting on its financial obligation over a given time horizon, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.
- Loss Given Default (LGD) it is an estimate of loss arising in case where a default occurs at a given time (either over the next 12 months or 12-month LGD), or over the remaining lifetime or lifetime LGD). It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those BDO Unibank Group would expect to receive, including the realization of any collateral. It is presented as a percentage loss per unit of exposure at the time of default.

• Exposure at Default (EAD) – it represents the gross carrying amount of the financial instruments subject to impairment calculation; hence, this is the amount that the BDO Unibank Group expects to be owed at the time of default over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD). In case of a loan commitment, the BDO Unibank Group shall include the undrawn balance (up to the current contractual limit) at the time of default should it occur, unless the drawdown after default will be mitigated by the normal credit risk management actions and policies of the BDO Unibank Group.

The measurement of the ECL reflects: (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (ii) the time value of money; and, (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The BDO Unibank Group recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt instruments measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in NUGL account, and does not reduce the carrying amount of the financial asset in the statement of financial position, and other contingent accounts, for which the loss allowance is recognizes in the other liability account.

The BDO Unibank Group's detailed ECL measurement as determined by the management is disclosed in Note 4.3.5.

(e) Derecognition of Financial Assets

(i) Modification of Loans

When the BDO Unibank Group renegotiates or otherwise modifies the contractual cash flows of loans to customers, the BDO Unibank Group assesses whether or not the new terms are substantially different to the original terms. The BDO Unibank Group considers, among others:

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- whether any substantial new terms are introduced that will affect the risk profile of the loan;
- significant extension of the loan term when the borrower is not in financial difficulty;
- significant change in the interest rate;
- change in the currency the loan is denominated in; and/or,
- insertion of collateral, other security or credit enhancements that will significantly affect the credit risk associated with the loan.

If the terms are substantially different, the BDO Unibank Group derecognizes the financial asset and recognizes a "new" asset at fair value, and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the BDO Unibank Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are recognized as gain or loss on derecognition of financial assets in profit or loss. As to the impact on ECL measurement, the expected fair value of the "new" asset is treated as the final cash flow from the existing financial asset at the date of derecognition. Such amount is included in the calculation of cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the BDO Unibank Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows of the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). As to the impact on ECL measurement, the derecognition of the existing financial asset will result in the expected cash flows arising from the modified financial asset to be included in the calculation of cash shortfalls from the existing financial asset.

(ii) Derecognition of Financial Assets Other than Through Modification

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the BDO Unibank Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the BDO Unibank Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the BDO Unibank Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the BDO Unibank Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(f) Classification and Measurement of Financial Liabilities

Financial liabilities include deposit liabilities, bills payable, insurance contract liabilities and other liabilities (including derivatives with negative fair values, except taxes payable, unearned income and capitalized interest and other charges).

• Deposit liabilities and other liabilities are recognized initially at fair value and subsequently measured at amortized cost less settlement payments.

- *Bills payable* are recognized initially at fair value, equivalent to the issue proceeds (fair value of consideration received), net of direct issue costs. Bills payable are subsequently measured at amortized cost. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.
- *Derivatives with negative fair values* are recognized initially and subsequently measured at fair value with changes in fair value recognized in profit or loss (see Note 2.6).
- Lease deposits from operating and finance leases (presented as Lease deposits under Other Liabilities account in the statement of financial position) are initially recognized at fair value. The excess of the principal amount of the deposits over its fair or present value is immediately recognized as day-one gain and is included as part of Miscellaneous net under Other Operating Income account in the statement of income. Meanwhile, interest expense on the subsequent amortization of the lease deposits is accrued using the effective interest method and is included as part of Interest Expense account in the statement of income.
- Dividend distributions to shareholders are recognized as financial liabilities when the dividends are declared by BDO Unibank Group and subject to the requirements of BSP Circular 888.

(g) Derecognition of Financial Liabilities

Financial liabilities are derecognized in the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

(h) Financial Guarantees and Undrawn Loan Commitments

The BDO Unibank Group issues financial guarantees and loan commitments. Financial guarantees are those issued by the BDO Unibank Group to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract or agreement. Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the BDO Unibank Group is required to provide a loan with pre-specified terms to the customer. The nominal contractual value of financial guarantees and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not reflected in the statement of financial position. These contracts are in the scope of the ECL requirements where the BDO Unibank Group estimates the expected portion of the irrevocable undrawn loan commitments that will be drawn over their expected life based on the BDO Unibank Group's historical observations of actual drawdowns and forward-looking forecasts. The ECL related to financial guarantees and loan commitments without outstanding drawn amounts is recognized under Other Liabilities account in the statement of financial position.

2.6 Derivative Financial Instruments

BDO Unibank Group is a party to various foreign currency forwards, cross-currency swaps and interest rate swaps. These contracts are entered into as a service to customers and as a means of reducing or managing BDO Unibank Group's foreign exchange and interest rate exposures, as well as for trading purposes.

Derivatives are initially recognized at fair value on the date on which derivative contract is entered into and are subsequently measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, BDO Unibank Group recognizes profit or loss at initial recognition.

For more complex instruments, BDO Unibank Group uses valuation models, which usually use the discounted cash flow approach. Some or all of the inputs into these models may not be market observable, and are derived from market prices or rates or are estimated based on assumptions. When entering into a transaction, the financial instrument is recognized initially at the transaction price, which is the best indicator of fair value, although the value obtained from the valuation model may differ from the transaction price. This initial difference in fair value indicated by valuation techniques is recognized as profit or loss depending upon the individual facts and circumstances of each transaction and not later than when the market data becomes observable.

The value produced by a model or other valuation technique, in some instances, is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks as well as other factors. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value in the statement of financial position.

Certain derivatives, if any, may be designated as either: (i) hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge); or, (ii) hedges of highly probable future cash flows attributable to a recognized asset or liability, or a forecasted transaction (cash flow hedge). Changes in the fair value of derivatives are recognized in profit or loss. The method of recognizing the resulting fair value gain or loss on derivatives that qualify as hedging instrument, if any, depends on the hedging relationship designated by BDO Unibank Group.

2.7 Premises, Furniture, Fixtures and Equipment

Land is stated at cost less impairment losses, if any. As no finite useful life for land can be determined, related carrying amounts are not depreciated. All other premises, furniture, fixtures and equipment are carried at cost less accumulated depreciation, amortization and any impairment in value. Property items of the former Equitable PCI Bank (EPCIB), entity merged with BDO Unibank in 2008, stated at appraised values were included in BDO Unibank Group balances at their deemed costs at the date of transition to PFRS in 2005. The revaluation increment is credited to Revaluation Increment account in the equity section of the statement of changes in equity, net of applicable deferred tax (see Note 2.16h).

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized while expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the depreciable assets as follows:

Buildings	10 to 50 years
Furniture, fixtures and equipment	3 to 15 years
Leasehold rights and improvements	5 to 10 years

Construction in progress represents properties under construction and is stated at cost. This includes costs of construction and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

Fully depreciated assets are retained in accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.21.h).

The residual values, estimated useful lives and method of depreciation and amortization of premises, furniture, fixtures and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

An item of premises, furniture, fixtures and equipment, including the related accumulated depreciation, amortization and any impairment loss, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.8 Investment Properties

Investment properties are stated at cost. The cost of an investment property comprises its purchase price and directly attributable costs incurred. This also includes land and building acquired by BDO Unibank Group from defaulting borrowers not held for sale in the next 12 months. For these properties, the cost is recognized initially at fair value. Investment properties, except land, are depreciated on a straight-line basis over a period of 10 to 50 years.

BDO Unibank Group adopted the cost model in measuring its investment properties; hence, these are carried at cost less accumulated depreciation and any impairment in value.

Depreciation and impairment loss are recognized in the same manner as in premises, furniture, fixtures and equipment (see Notes 2.7 and 2.21).

Direct operating expenses related to investment properties, such as repairs and maintenance, and real estate taxes are normally charged against current operations in the period in which these costs are incurred.

Investment properties are derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss and is presented as part of Income from assets sold or exchanged under Other Operating Income account in the statement of income in the year of retirement or disposal.

Transfers from other accounts (such as premises, furniture, fixtures and equipment) are made to investment properties when and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party or holding the property for capital appreciation, while transfers from investment properties are made when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

2.9 Real Properties for Development and Sale

Real properties for development and sale (included as part of Other Resources account) consist of subdivision land for sale and development, and land acquired for home building, home development, and other types of real estate development. These are carried at the lower of aggregate cost and net realizable value (NRV). Costs, which are determined through specific identification, include acquisition costs and costs incurred for development, improvement and construction of subdivision land.

Real properties for development and sale are derecognized upon disposal or no future economic benefit is expected from their disposal. Any gain or loss on the retirement or disposal of these properties is recognized in profit or loss and is presented as part of Income from assets sold or exchanged under Other Operating Income account in the year of retirement or disposal.

2.10 Non-current Assets Held for Sale

Non-current assets held for sale include other properties (chattels) acquired through repossession or foreclosure that BDO Unibank Group intends to sell within one year from the date of classification as held for sale.

BDO Unibank Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In the event that the sale of the asset is extended beyond one year, the extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond BDO Unibank Group's control and there is sufficient evidence that BDO Unibank Group remains committed to sell the asset.

Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as assets held for sale and their fair value less costs to sell. The BDO Unibank Group shall recognize an impairment loss for any initial and subsequent write-down of the asset to fair value less cost to sell. Gain for any subsequent increase in fair value less cost to sell of an asset is recognized to the extent of the cumulative impairment loss previously recognized. Assets classified as held for sale are not subject to depreciation or amortization.

If BDO Unibank Group has classified an asset as held for sale, but the criteria for it to be recognized as held for sale are no longer satisfied, the BDO Unibank Group shall cease to classify the asset as held for sale and will reclassify it as investment properties for land and building, or other properties for chattel and other assets. For building under investment properties or other properties, this would be subject to depreciation.

The profit or loss arising from the sale of assets held for sale is included as part of Income from assets sold or exchanged under Other Operating Income account in the statement of income.

2.11 Equity Investments

In the Parent Bank's financial statements, investments in subsidiaries and associates (presented as Equity investments under Other Resources account in the statement of financial position) are accounted for under the equity method of accounting and are initially recognized at cost less allowance for impairment, if any (see Note 2.21). Associates are all entities over which the BDO Unibank Group has significant influence but which are neither subsidiaries nor interest in a joint venture.

Investments in subsidiaries and associates are initially recognized at cost and subsequently accounted for using the equity method (see Note 2.3).

Changes resulting from other comprehensive income of the subsidiary and associate or items recognized directly in the subsidiary's and associate's equity are recognized in other comprehensive income or equity of the Parent Bank, as applicable. However, when the Parent Bank's share of losses of subsidiary or associate equals or exceeds its interest in the subsidiary or associate, including any other unsecured receivables, the Parent Bank would not recognize further losses, unless it has incurred obligations or made payments on behalf of the subsidiary or associate. If the subsidiary or associate subsequently reports profits, the investor resumes recognizing its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognized.

Impairment loss is provided when there is objective evidence that the investment in a subsidiary and an associate will not be recovered (see Note 2.21).

Distributions received from the subsidiaries and associates are accounted for as a reduction of the carrying value of the investment.

2.12 Other Resources

Other resources, which include non-current assets held for sale (see Note 2.10), pertain to other assets that are controlled by BDO Unibank Group as a result of past events. These are recognized in the financial statements when it is probable that the future economic benefits will flow to BDO Unibank Group and the asset has a cost or value that can be measured reliably. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.21).

2.13 Intangible Assets

Intangible assets include goodwill, trading rights, branch licenses, customer lists, trademark and computer software licenses.

Goodwill represents the excess of the cost of acquisition over the fair value of the net assets acquired at the date of acquisition [see Note 2.3(d)]. Goodwill is classified as intangible asset with indefinite useful life and, thus, not subject to amortization but to an annual test for impairment (see Note 2.21). Goodwill is subsequently carried at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment.

Trading rights represent the rights given to securities subsidiaries of BDO Unibank Group engage in stock brokerage to preserve access to the trading facilities and to transact business on PSE. Trading right is assessed as having an indefinite useful life. It is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less allowance for impairment loss, if any. BDO Unibank Group has no intention to sell its trading right in the future as it intends to continue to operate its stock brokerage business. The trading right is tested annually for any impairment in realizable value (see Note 2.21).

Branch licenses, on the other hand, represent the rights given to BDO Unibank Group to establish certain number of branches as an incentive in acquiring distressed banks or as provided by the BSP in addition to the current branches of the acquired banks. Branch licenses are assessed as having an indefinite useful life and are tested annually for any impairment (see Note 2.21).

Customer lists consist of information about customers such as their name, contact information, and managed accounts under BDO Unibank Group's trust business. The customer list is classified as intangible asset with indefinite useful life, hence, would be reviewed for impairment by assessing at each reporting date whether there is any indication that the trust business brought about by the customer lists may be impaired (see Note 2.21).

Trademark pertains to the license granted to the Parent Bank for the exclusive right to use the trademark, service mark, name or logo of Diners Club International, Ltd. (Diners) in connection with the Parent Bank's operation of Diners Club card business in the Philippines. The trademark is covered by a trademark license agreement with a term of five years, renewable every five years, subject to certain conditions set by trademark owner. This intangible asset is recognized at an amount equal to the excess of purchase price for the acquisition of Diners credit card portfolio over the acquisition-date fair value of the net assets acquired. It is amortized on a straight-line basis over a finite useful life of five years based on the term of the trademark license agreement, which is deemed to have a finite useful life since renewal is not guaranteed.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. These costs are amortized on straight-line basis over the expected useful life of five years. Costs associated with maintaining computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.14 Insurance Contract Liabilities

(a) Legal Policy Reserves

Life insurance contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The provision for life insurance contracts is calculated on the basis of a prospective actuarial valuation method and assumptions subject to the provisions of the Insurance Code and guidelines set by the IC.

The BDO Unibank Group uses gross premium valuation (GPV) as the basis for valuation of the reserves for traditional life insurance policies. GPV is calculated as the sum of the present value of future benefits and expenses, less the present value of future gross premiums arising from the policy discounted at the appropriate risk-free discount rate provided by the IC. For this purpose, the expected future cash flows shall be determined using the best estimate assumptions with due regard to significant recent experience and appropriate margin for adverse deviation (MfAD) from the expected experience. The methods and assumptions shall be in accordance with the internationally accepted actuarial standards and consider the generally accepted actuarial principles concerning financial reporting framework promulgated by the Actuarial Society of the Philippines, which now considers other assumptions such as morbidity, lapse and/or persistency, non-guaranteed benefits and MfAD.

The changes in legal policy reserves for traditional life insurance policies are recognized as follows:

- (i) the increase or decrease in legal policy reserves in the current year due to other assumptions excluding change in discount rate will be recognized to profit or loss; and,
- (ii) remeasurement on life insurance reserves due to changes in discount rates will be recognized in other comprehensive income (see Note 2.16).

(b) Insurance Contracts with Fixed and Guaranteed Terms

Liabilities are determined as the sum of the present value of future benefits and expenses less the present value of future gross premiums discounted at rates prescribed by the IC. Future cash flows are determined using best estimate assumptions with regard to significant recent experience and appropriate margin for adverse deviation from the expected experience.

BDO Unibank Group has different assumptions for different products. However, the reserves are computed to comply with the statutory requirements, wherein discount rates are based on risk-free discount rates provided by IC and other assumptions such as mortality, disability, lapse, and expenses taking into account BDO Unibank Group's experience.

(c) Variable Unit-linked Insurance Contracts

BDO Unibank Group, through BDO Life, issues unit-linked insurance contracts. In addition to providing insurance coverage, a unit-linked contract links payments to units of an internal investment fund set up by BDO Unibank Group with the consideration received from the policyholders. Premiums received from the issuance of unit-linked insurance contracts are recognized as premiums revenue. As allowed by PFRS 4, BDO Unibank Group chose not to unbundle the investment portion of its unit-linked products.

The reserve for unit-linked liability is increased by additional deposits and changes in unit prices and is decreased by policy administration fees, mortality and surrender charges and any withdrawals. At each reporting date, this reserve is computed on the basis of the number of units allocated to the policyholders multiplied by the unit price of the underlying investment funds. The assets and liabilities underlying the internal investment funds have been consolidated with the general accounts of BDO Unibank Group.

(d) Liability Adequacy Test

Liability adequacy tests are performed annually to ensure the adequacy of the insurance contract liabilities. In performing these tests, current best estimates of future contractual cash flows, claims handling and policy administration expenses are used. Any deficiency is immediately charged against profit or loss initially by establishing a provision for losses arising from the liability adequacy tests.

Insurance premiums and insurance benefits and claims on insurance contracts are recognized as follows:

(a) Insurance Premiums

- (i) Net insurance premium. Recognized as gross premium on insurance contracts less reinsurers' share of gross premiums.
- (ii) Gross premiums on insurance contracts. Premiums arising from insurance contracts are initially recognized as income on the effective date of the insurance policies. Subsequent to initial recognition, gross earned premiums on life insurance contracts are recognized as revenue at the date when payments are due.
- (iii) Reinsurers' share of gross premiums. Gross reinsurance premiums on traditional and variable contracts are recognized as an expense when the policy becomes effective.

(b) Insurance Benefits and Claims

- (i) Net insurance benefits and claims. BDO Unibank Group's net insurance benefits and claims consist of gross benefits and claims, reinsurers' share on benefits and claims, gross change in legal policy reserves and reinsurers' share on gross change in legal policy reserves.
- (ii) Gross benefits and claims. Gross benefits and claims of the policyholders include the cost of all claims arising during the year. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.
- (iii) Reinsurers' share on benefits and claims. Reinsurers' share on benefits and claims pertain to the amount recoverable from reinsurers for recognized claims during the year. These are accounted for when the corresponding claims are recognized.
- (iv) Gross change in legal policy reserves. Gross change in legal policy reserves represents the change in the valuation of legal policy reserves recognized as part of Insurance Contract Liabilities account in the statement of financial position.

(v) Reinsurers' share on gross change in legal policy reserves. Reinsurers' share on gross change in legal policy reserves pertain to the reinsurers' share in the change of legal policy reserves. These are accounted for in the same period as the corresponding change in insurance contract liabilities.

2.15 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.16 Equity

Equity consists of the following:

- a. Capital stock represents the nominal value of shares that have been issued.
- b. Additional paid-in capital_includes any premiums received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.
- c. Surplus reserves consist of (i) reserve for trust business represents the accumulated amount set aside by BDO Unibank Group under existing regulations requiring the BDO Unibank Group to carry to surplus 10% of its net profits accruing from its trust business until the surplus shall amount to 20% of the regulatory capital and, to the appropriation for general loan loss provision as prescribed by BSP; (ii) reserve for insurance fund and additional working capital for underwriting and equity trading securities and reserve fund requirement for subsidiaries engaged in the security brokerage business (see Note 22); and (iii) share options outstanding (SOO) represents the accumulated total of employee share options' amortizations over the vesting period as the share-based employee remuneration are recognized and reported in the statement of income. SOO will be deducted for any exercise or forfeiture of share options already vested.
- d. Other reserves pertain to amount recognized from increase in percentage of ownership to any of the subsidiaries of BDO Unibank Group.
- e. Surplus free includes all current and prior period results as disclosed in the statement of income and which are available and not restricted for use by BDO Unibank Group, reduced by the amounts of dividends declared, if any.
- f. NUGL on FVOCI compose of cumulative mark-to-market valuation of outstanding securities and accumulated impairment on debt securities classified as FVOCI.
- g. Accumulated actuarial gains (losses) from the remeasurements of post-employment defined benefit plan.
- *h*. Revaluation increment pertains to gains from the revaluation of land under premises, furniture, fixtures and equipment, which is now treated as part of the deemed cost of the assets (see Note 2.7).

- *i.* Remeasurement on life insurance reserves arises from the increase or decrease of the reserves brought about by changes in discount rates (see Note 2.14).
- *j.* Accumulated translation adjustment pertains to foreign exchange differences arising on translation of the resources and liabilities of foreign branch and subsidiaries that are taken up in other comprehensive income (see Note 2.22).
- k. Accumulated share in other comprehensive income (loss) of subsidiaries and associates pertains to changes resulting from the BDO Unibank Group and the Parent Bank's share in other comprehensive income (loss) of subsidiaries and associates or items recognized directly in the subsidiaries and associates' equity.
- /. Non-controlling interests represent the portion of the net resources and profit or loss not attributable to BDO Unibank Group, which are presented separately in BDO Unibank Group's statement of income, statement of comprehensive income and within the equity in BDO Unibank Group's statement of financial position and changes in equity.

2.17 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between BDO Unibank Group and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with BDO Unibank Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of BDO Unibank Group that gives them significant influence over BDO Unibank Group and close members of the family of any such individual; and, (d) BDO Unibank Group's funded retirement plan (see Note 26.2).

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form. The BDO Unibank Group established policies and procedures on related party transactions in accordance with the regulations of the BSP and the SEC. All material related party transactions, which exceed the established materiality thresholds, must undergo prior review from the board-level Related Party Transactions Committee before endorsing the same to the BOD for approval.

Related party transactions, whose value exceeds 10% of the BDO Unibank Group's total resources, either single or aggregated within a 12-month period, require review of an external independent party and approval of two-thirds vote of the BOD, with at least a majority of the independent directors voting affirmatively. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within 12-month period that breaches the materiality threshold of 10% of BDO Unibank Group's total resources based on the latest audited consolidated financial statements, the same approval of the BOD would be required for the transaction that meets and exceeds the materiality threshold covering the same related party.

2.18 Other Income and Expense Recognition

Revenue is recognized only when (or as) the BDO Unibank Group satisfies a performance obligation by transferring control of the promised services to the customer. A contract with a customer that results in a recognized financial instrument in the BDO Unibank Group's financial statements may be partially within the scope of PFRS 9 and partially within the scope of PFRS 15. In such case, the BDO Unibank Group first applies PFRS 9 to separate and measure the part of the contract that is in-scope of PFRS 9, and then applies PFRS 15 to the residual part of the contract. Expenses and costs, if any, are recognized in profit or loss upon utilization of the assets or services or at the date these are incurred. All finance costs are reported in profit or loss on accrual basis, except to the extent that they are capitalized.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

The BDO Unibank Group also earns service fees and commissions in various banking services, and gains on sale of properties, which are supported by contracts approved by the parties involved. These revenues are accounted for by the BDO Unibank Group in accordance with PFRS 15.

For revenues arising from these various banking services which are to be accounted for under PFRS 15, the following provides information about the nature and timing of satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

- (a) Service charges, fees and commissions Service charges, fees and commissions are generally recognized over time as the service is being provided and is based on the various criteria of recognition for each specific income source. These include the following accounts:
 - (i) Commission and fees arising from loans, deposits, and other banking transactions are taken up as income based on agreed terms and conditions.
 - (ii) Loan syndication fees are recognized as revenue when the syndication has been completed and that BDO Unibank Group retained no part of the loan package for itself or retained a part at the same effective interest rate for the other participants.
 - (iii) Arranger fees arising from negotiating or participating in the negotiation of a transaction for a third party such as arrangement of the acquisition of shares or other securities or the purchase or sale of businesses are recognized at the completion of the underlying assumptions.
 - (iv) Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-proportionate basis.

(b) Asset Management Services – The BDO Unibank Group recognizes trust fees related to asset management services, which include trust and fiduciary services. Trust fees related to investment funds are recognized ratably over the period the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time.

For other income outside the scope of PFRS 15, the following provides information about the nature and the related revenue recognition policies:

- (a) Trading and Securities Gains (Losses) These are recognized when the ownership of the securities is transferred to the buyer and is computed as the difference between the selling price and the carrying amount of the securities disposed of. These also include trading gains and losses as a result of the mark-to-market valuation of investment securities classified as FVTPL.
- (b) Gain or loss from assets sold or exchange Income or loss from assets sold or exchanged is recognized when the title to the properties is transferred to the buyer or when the collectability of the entire sales price is reasonably assured. This is included in statement of income as part of Other Operating Income account.
- (c) Recovery on charged-off assets Income arising from collections on accounts or recoveries from impairment of items previously written off are recognized in the year of recovery. This is included in statement of income as part of Other Operating Income account.

The BDO Unibank Group recognizes an expense and liability relative to the fair value of the reward points earned by clients and customers [see Note 3.2(j)] since such points are redeemable primarily from the goods or services provided by a third party participating in the program, for example, SM Group (a related party) and rewards partners of the Parent Bank.

2.19 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and these can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events (e.g., legal disputes or onerous contracts).

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that BDO Unibank Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

The BDO Unibank Group offers monetized rewards to active account holders in relation to its credit card and marketing rewards program. Provisions for rewards are recognized at a certain rate of the account holders' availments, determined by management based on redeemable amounts.

2.20 Leases

BDO Unibank Group accounts for its leases as follows:

(a) BDO Unibank Group as Lessor

Leases, wherein BDO Unibank Group substantially transfers to the lessee all risks and benefits incidental to ownership of the leased item, are classified as finance leases and are presented as receivable at an amount equal to BDO Unibank Group's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on BDO Unibank Group's net investment outstanding in respect of the finance lease.

Leases, which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease collections are recognized as income in profit or loss as part of Rental under Other Operating Income account in the statement of income on a straight-line basis over the lease term.

(b) BDO Unibank Group as Lessee

For any new contracts entered into, BDO Unibank Group considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, BDO Unibank Group assesses whether the contract meets three key evaluations which are:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to BDO Unibank Group;
- BDO Unibank Group has the right to obtain substantially all of the economic benefits
 from use of the identified asset throughout the period of use, considering its rights
 within the defined scope of the contract; and,
- BDO Unibank Group has the right to direct the use of the identified asset throughout the period of use. BDO Unibank Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the BDO Unibank Group recognizes a right-of-use asset and a lease liability in the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by BDO Unibank Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, BDO Unibank Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The BDO Unibank Group also assesses the right-of-use asset for impairment when such indicators exist (see Note 2.21). On the other hand, BDO Unibank Group measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or BDO Unibank Group's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

BDO Unibank Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense as incurred.

On the statement of financial position, right-of-use assets and lease liabilities have been presented as part of Premises, Furniture, Fixtures and Equipment and Other Liabilities, respectively.

2.21 Impairment of Non-financial Assets

BDO Unibank Group's equity investments, goodwill, branch licenses, trading rights, trademark and customer lists recorded as part of Other Resources, Premises, Furniture, Fixtures and Equipment, Investment Properties and other non-financial assets are subject to impairment testing. Intangible assets with an indefinite useful life, such as goodwill, branch licenses, customer lists and trading rights are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Except for goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.22 Foreign Currency Transactions and Translations

(a) Foreign Currency Transactions

The financial statements of the Foreign Currency Deposit Unit (FCDU) of BDO Unibank Group are translated at the prevailing current exchange rates (for statement of financial position accounts) and average exchange rate during the period (for statement of income accounts) for consolidation purposes.

Foreign exchange gains and losses resulting from the settlement of foreign currency denominated transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Changes in the fair value of monetary financial assets denominated in foreign currency classified as FVOCI securities are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in the carrying amount are recognized in other comprehensive income.

(b) Foreign Currency Translation

The accounting records of BDO Unibank Group are maintained in Philippine pesos except for foreign branches and subsidiaries, which are maintained in U.S. dollars (USD), Canadian Dollar (CAD), European Union Euro (Euro), Great Britain Pound (GBP), Japanese Yen (JPY), Hong Kong Dollars (HKD) or Singapore Dollar (SGD).

The operating results and financial position of foreign branches and subsidiaries which are measured using the USD, CAD, Euro, GBP, JPY, HKD or SGD, respectively, are translated to Philippine pesos (BDO Unibank Group's functional currency) as follows:

- (i) Resources and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (ii) Income and expenses for each statement of income are translated at the monthly average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,
- (iii) All resulting exchange differences are recognized as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation due from foreign branch and net investment in foreign subsidiaries are recognized in other comprehensive income as part of Accumulated Translation Adjustment (see Note 2.16). When a foreign operation is sold, the cumulative amount of exchange differences is recognized in profit or loss.

The translation of the financial statements into Philippine peso should not be construed as a representation that the USD, CAD, Euro, GBP, JPY, HKD or SGD amounts could be converted into Philippine peso amounts at the translation rates or at any other rates of exchange.

2.23 Compensation and Benefits Expense

BDO Unibank Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plan, and other employee benefits, which are recognized as follows:

(a) Post-employment Defined Benefit

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with BDO Unibank Group, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund. BDO Unibank Group's defined benefit post-employment plan covers all regular full-time employees. The post-employment plan is tax-qualified, noncontributory and administered by a trustee.

The liability recognized in the statement of financial position for defined benefit post-employment plans is the present value of the defined benefit obligation (DBO) less the fair value of plan assets at the end of reporting period, together with adjustments for asset ceiling. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using a discount rate derived from the interpolated yields of government bonds as calculated by Bloomberg which used Bloomberg Valuation Service (BVAL) Evaluated Pricing Service to calculate the PHP BVAL Reference Rates which are published by Philippine Dealing & Exchange Corp. (PDEx). These yields are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in interest) are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. If there is a plan amendment, curtailment or settlement during the period, the BDO Unibank Group remeasures its net defined benefit liability or asset using updated actuarial assumptions to determine the current service cost and net interest for the remaining of the annual reporting period after the change to the plan. Net interest is reported as part of Interest expense on bills payable and other borrowings under Interest Expense account in the statement of income.

Past-service costs are recognized immediately in profit or loss in the period of plan amendment and curtailment.

(b) Post-employment Defined Contribution Plan

A defined contribution plan is a post-employment plan under which BDO Unibank Group pays the required employer's contributions into an independent entity, such as the Social Security System. BDO Unibank Group has no legal or constructive obligations to pay further contributions after payment of the required employer's contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred.

(c) Short-term Benefits

Short-term employee benefits include wages, salaries, bonuses, and non-monetary benefits provided to current employees, which are expected to be settled before 12 months after the end of the reporting period during which an employee services are rendered, but does not include termination benefits. The undiscounted amount of the benefits expected to be paid in respect of services rendered by employees in an accounting period is recognized in profit or loss during that period and any unsettled amount at the end of the reporting period is included as part of Accrued expenses under Other Liabilities account in the statement of financial position.

(d) Termination Benefits

Termination benefits are payable when employment is terminated by BDO Unibank Group for authorized cause before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. BDO Unibank Group recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognized costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of reporting period are discounted to present value.

(e) Bonus Plans

BDO Unibank Group recognizes a liability and an expense for bonuses based on the BDO Unibank Group's bonus policy. A provision is recognized by BDO Unibank Group where it is contractually obliged to pay the benefits or where there is a past practice that has created a constructive obligation.

(f) Employee Stock Option Plan

BDO Unibank Group has an employee stock option plan (ESOP) for its senior officers (from vice-president up) for their contribution to BDO Unibank Group's performance and attainment of team goals. None of the BDO Unibank Group's stock plan are cash settled.

All services received in exchange for the grant of the stock options are measured at their fair values using the Black-Scholes option model. Where employees are rewarded using stock options, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. The amount of stock options allocated to the qualified officers is based on the performance of the senior officers as determined by management and it requires a vesting period of five years. These are adjusted accordingly for any resignation or disqualification. The vested options may be exercised within three years from vesting date. The cost of ESOP is amortized over five years (vesting period) starting from the approval of the BOD. The annual amortization of stock options is included in Compensation and benefits under Other Operating Expenses account in the statement of income with corresponding recognition of SOO (included as part of Surplus Reserves under the Equity section of the statement of financial position).

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to capital stock to the nominal (or par) value of the shares issued with any excess being recorded as additional paid-in-capital. In case of forfeiture, the previously recognized share options outstanding will be transferred to additional paid-in-capital.

(g) Unavailed Leaves

Unavailed leaves (excluding those qualified under the retirement benefit plan), included in Other Liabilities account, are recognized as expense at the amount BDO Unibank Group expects to pay at the end of reporting period. Unavailed leaves of employees qualified under the retirement plan are valued and funded as part of the present value of DBO in Note 2.23(a).

2.24 Income Taxes

Tax expense recognized in statement of income comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates and tax laws have been enacted or substantively enacted at the end of each reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which BDO Unibank Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if BDO Unibank Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority (see Note 31.1).

2.25 Earnings Per Share

Basic earnings per share is determined by dividing consolidated net profit by the weighted average number of common shares issued and outstanding during the period, after retroactive adjustment for any stock dividend declared in the current period.

The diluted earnings per share is also computed by dividing consolidated net profit by the weighted average number of common shares issued and outstanding during the period. However, consolidated net profit attributable to common shares and the weighted average number of common shares outstanding are adjusted to reflect the effects of potentially dilutive convertible preferred shares and stock option plan granted by BDO Unibank Group to the qualified officers (to the extent that shares under the stock option plan shall be issued from the unissued authorized capital stock and not purchased from the market or stock exchange).

Convertible preferred shares are deemed to have been converted to common shares at the issuance of preferred shares. The stock option plan is deemed to have been converted into common stock in the year the stock option is granted.

2.26 Trust Activities

BDO Unibank Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. Resources and income arising thereon are excluded from these financial statements, as these are neither resources nor income of BDO Unibank Group.

2.27 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about BDO Unibank Group's financial position at the end of reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

BDO Unibank Group and the Parent Bank's financial statements, prepared in accordance with PFRS, require management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates and the differences could be significant.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying BDO Unibank Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) Application of ECL to Financial Assets at Amortized Cost and Financial Assets at FVOCI

BDO Unibank Group uses the general approach to calculate ECL for all debt instruments carried at amortized cost and FVOCI, together with loan commitments and financial guarantee contracts. The allowance for impairment is based on the ECLs associated with the probability of default of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized. This is where significant judgement is required.

BDO Unibank Group has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument (see Note 4.3.5).

(b) Evaluation of Business Model Applied in Managing Financial Instruments

BDO Unibank Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows, largely its core deposit funding arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for trading activities consistent with its risk appetite.

BDO Unibank Group developed business models which reflect how it manages its portfolio of financial instruments. BDO Unibank Group's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by BDO Unibank Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument, BDO Unibank Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by BDO Unibank Group (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to BDO Unibank Group's investment, trading and lending strategies.

(c) Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model

In determining the classification of financial assets, BDO Unibank Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, BDO Unibank Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, BDO Unibank Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

If more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows.

In making this judgment, BDO Unibank Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if BDO Unibank Group can explain the reasons for those sales and why those sales do not reflect a change in BDO Unibank Group's objective for the business model.

In 2021 and 2020, the BDO Unibank Group and the Parent Bank disposed of certain debt securities from its amortized cost portfolio in accordance with its investment policy. Such disposals have qualified under the permitted sale events set forth in BDO Unibank Group's and Parent Bank's business model in managing financial assets manual and the requirements of PFRS 9 (see Note 10.3).

(d) Distinction Between Investment Properties and Owner-occupied Properties

BDO Unibank Group determines whether a property qualifies as investment property. In making its judgment, BDO Unibank Group considers whether the property generates cash flows largely independent of the other assets held by BDO Unibank Group. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other resources used in the supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes. If the portions can be sold separately (or leased out separately under finance lease), BDO Unibank Group accounts for those portions separately. If the portion cannot be sold separately, the property is accounted for as investment property only if insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. BDO Unibank Group considers each property separately in making its judgment.

(e) Distinction Between Operating and Finance Leases for Contracts where BDO Unibank Group is the Lessor

BDO Unibank Group has entered into various lease agreements as a lessor. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risks and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of resources.

(f) Determination of Lease Term

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of land and office spaces, the factors that are normally the most relevant are (i) if there are significant penalties should BDO Unibank Group pre-terminate the contract, and (ii) if any leasehold improvements are expected to have a significant remaining value, BDO Unibank Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, BDO Unibank Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

BDO Unibank Group did not include the renewal period as part of the lease term of the land and office spaces because the terms of most of the contracts are renewable upon the mutual agreement of the parties.

The lease term is reassessed if an option is actually exercised or not or BDO Unibank Group becomes obliged to exercise or not. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the BDO Unibank Group.

(g) Classification and Fair Value Determination of Acquired Properties

BDO Unibank Group classifies its acquired properties as Premises, Furniture, Fixtures and Equipment if used in operations, chattels as Non-current assets held for sale (presented under Other Resources account) if expected to be recovered through sale rather than use, real properties as Investment Properties if intended to be held for capital appreciation or lease, as financial assets if qualified as such in accordance with PFRS 9 or as Other properties (presented under Other Resources account) if held for sale but the depreciable properties (other than building) are not yet disposed within certain years. At initial recognition, BDO Unibank Group determines the fair value of the acquired properties through internally or externally generated appraisal. The appraised value is determined based on the current economic and market conditions as well as the physical condition of the properties. The BDO Unibank Group's methodology in determining the fair value of acquired properties are further discussed in Note 7.5.

(h) Assessment of Significant Influence on Entities in which BDO Unibank Group Holds Less than 20% Ownership

The management considers that the BDO Unibank Group and the Parent Bank have significant influence on NLEX Corporation even though it holds less than 20% of the ordinary shares in the latter. In making this judgment, management considered the BDO Unibank Group and the Parent Bank's voting rights, which is based from its acquired right to nominate a director in NLEX Corporation as granted in the Amended and Restated Shareholders' Agreement (ARSA).

ARSA provides that investors shall be entitled to nominate one director for as long as it owns at least 10% of the equity of NLEX Corporation, or shall be entitled to nominate two directors for as long as it owns at least 16.5% of the equity of NLEX Corporation.

Failure to make the right judgment will result in either overstatement or understatement of resources, liabilities, income and expenses.

(i) Determination of Timing of Satisfaction of Performance Obligations

BDO Unibank Group determines that its revenues from services for account management, loan administration and fees from annual credit card membership shall be recognized over time. In making its judgment, BDO Unibank Group considers the timing of receipt and consumption of benefits provided by BDO Unibank Group to the customers. As the work is performed, BDO Unibank Group becomes entitled to payments. This demonstrates that the customers simultaneously receive and consume the benefits of the BDO Unibank Group's rendering of these retail and corporate banking services as it performs.

In determining the best method of measuring the progress of the BDO Unibank Group's rendering of aforementioned services, the management considers the output method, which uses direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised as basis in recognizing revenues. Such measurements include results of performance completed to date and time elapsed.

(j) Determination of Branch Licenses Having Indefinite Useful Lives

The BDO Unibank Group's licenses were regarded as having an indefinite useful lives considering there is no foreseeable limit to the period over which such assets are expected to generate net cash inflows for the BDO Unibank Group. The assessment of having indefinite useful lives is reviewed periodically and is updated whether events and circumstances such as the period of control over these assets and legal or similar limits on the use of these assets continue to support such assessment.

(k) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.19 and relevant disclosures are presented in Note 34.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of resources and liabilities within the next reporting period.

(a) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost and debt instruments measured at FVOCI is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.3.

The carrying value of financial assets at FVOCI, Investment securities at amortized cost and Loans and Other Receivables, and the analysis of the allowance for impairment on such financial assets, are shown in Notes 10.2, 10.3, 11, and 16 respectively.

(b) Fair Value Measurement for Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. Valuation techniques are used to determine fair values which are validated and periodically reviewed. To the extent practicable, models use observable data, however, areas such as counterparty credit risk, volatilities and correlations require management to make estimates. Changes in assumptions could affect the reported fair value of financial instruments. The BDO Unibank Group uses judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The carrying values of the BDO Unibank Group's financial assets at FVTPL and financial assets at FVOCI and the amounts of fair value changes recognized during the years on those assets are disclosed in Notes 10.1 and 10.2, respectively.

(c) Determination of Fair Value of Derivatives

The fair value of derivative financial instruments that are not quoted in an active market is determined through valuation techniques normally using the discounted cash flow model.

Valuation techniques are used to determine fair values, which are validated and periodically reviewed. To the extent practicable, models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions and correlations could affect reported fair value of financial instruments. The value produced by a model or other valuation technique, in some instances, is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks as well as other factors. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value in the statement of financial position.

BDO Unibank Group and the Parent Bank use judgment to select a variety of methods and make assumptions that are mainly based on conditions existing at the end of each reporting period.

(d) Estimation of Useful Lives of Premises, Furniture, Fixtures and Equipment, Investment Properties and Other Resources

BDO Unibank Group estimates the useful lives of premises, furniture, fixtures and equipment, investment properties and other properties, including trademark and computer software license, based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The BDO Unibank's goodwill and branch licenses were regarded as having indefinite useful lives considering there is no foreseeable limit to the period over which such assets are expected to generate net cash inflows for the BDO Unibank Group. The assessment of having indefinite useful lives is reviewed periodically and is updated whether events and circumstances such as the period of control over these assets and legal or similar limits on the use of these assets continue to support such assessment.

Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

The carrying amounts of premises, furniture, fixtures and equipment are analyzed in Note 12 while investment properties and other resources, including trademark, goodwill and branch licenses, are analyzed in Notes 14 and 15, respectively.

(e) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

BDO Unibank Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the BDO Unibank Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(f) Determination of Assumptions for Management's Estimation of Fair Value of Investment Properties

Investment properties are measured using the cost model. The fair value disclosed in Note 13 to the financial statements is determined by BDO Unibank Group using the discounted cash flows valuation technique which are mainly based on existing market conditions and actual transactions at each reporting period such as selling price under installment sales, expected timing of sale and appropriate discount rates. The expected selling price is determined by either an independent or internal appraiser on the basis of current appraised values of the properties or similar properties in the same location and condition (see Note 7.5).

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties. A significant change in key inputs and sources of information used in the determination of the fair value disclosed for those assets may result in adjustment in the carrying amount of the assets reported in the financial statements if their fair value will indicate evidence of impairment.

(g) Determination of Realizable Amount of Deferred Tax Assets

BDO Unibank Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is applied by the management to determine the amount of deferred tax assets that can be recognized based on the likely timing and level of BDO Unibank Group's future taxable income. The BDO Unibank Group assessed its projected performance in determining the sufficiency of the future taxable income to support the recognition of deferred tax assets.

The carrying value of deferred tax assets, which management assessed to be utilized within the next two to three years, as of December 31, 2021 and 2020 is disclosed in Note 31.1.

(h) Impairment of Non-financial Assets

Except for goodwill and other intangible assets with indefinite useful lives, PFRS requires that an impairment review be performed when certain impairment indicators are present. BDO Unibank Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.21. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Impairment losses recognized in profit or loss are disclosed in Note 16.

(i) Valuation of Post-employment Defined Benefit

The determination of BDO Unibank Group's obligation and cost of post-employment and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 26.2 and include, among others, discount rates, expected rate of return on plan asset and salary increase rates. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit obligation, as well as the significant assumptions in estimating such obligation are presented in Note 26.2.

(j) Recognition of Reward Points

BDO Unibank Group provides rewards points to its banking clients and customers based on the month-to-date average daily balance they maintain in their personal CASA. Reward points are redeemable in a wide selection of reward categories, including travel, merchandise of third parties, reward credits and gift certificates. Certain loyalty points for credit card have no expiration date unless the credit card is cancelled but for other rewards program, unredeemed points may expire at some future date.

BDO Unibank Group sets up a liability to cover the cost of future reward redemptions for points earned to date. The estimated liability is based upon points earned by the clients and the current cost per point of redemption. The estimated points to be redeemed are measured and adjusted based on many factors including but not limited to past redemption behavior of the clients, product type on which the points are earned and their ultimate redemption rate on the points earned to date but not yet redeemed.

BDO Unibank Group continually evaluates its estimates for rewards based on developments in redemption patterns, cost per point redeemed and other factors. The estimated liability for unredeemed points is impacted over time by enrollment levels, amount of points earned and redeemed, weighted-average cost per point, redemption choices made by the clients and other membership rewards program changes. The calculation is most sensitive to changes in the estimated ultimate redemption rate. This rate is based on the expectation that a large majority of all points earned will eventually be redeemed and the rewards will be redeemed through goods or services supplied by a third party or affiliated retail partners based on BDO Unibank Group's past experience.

The carrying value of the rewards points accrued by BDO Unibank Group are presented as part of Accrued expenses under Other Liabilities account in the statement of financial position as disclosed in Note 21.

(k) Valuation of Legal Policy Reserves

Legal policy reserves represent estimates of present value of future benefits and expenses in excess of present value of future gross premiums. These estimates are based on interest rates, mortality/morbidity tables, and valuation method subject to the provisions of the Insurance Code and guidelines set by IC.

The liability for life insurance contracts uses the discount rate as provided by the IC with other assumptions based on best estimate with regard to significant recent experience and appropriate margin for adverse deviation from the expected experience. At each reporting date, these estimates are reassessed for adequacy and changes will be reflected in adjustments to the liability. The main assumptions used relate to mortality, morbidity, lapse, and discount rate.

For life insurance contracts, estimates are made as to the expected number of deaths and lapses for each of the years in which the BDO Unibank Group is exposed to risk. The BDO Unibank Group uses mortality tables and lapse rates subject to the guidelines set by the IC as the basis of these estimates. The estimated number of lapses, deaths, illness or injury determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future premiums.

(1) Fair Value Measurement of Share Options

The BDO Unibank Group estimates the fair value of the executive stock option by applying the Black-Scholes Option pricing model, considering the terms and conditions on which the stock option plan was granted. The estimates and assumptions used include, among others, the option's vesting period, applicable risk-free interest rate, expected dividend yield, volatility of the BDO Unibank Group's share price, and fair value of the BDO Unibank Group's common shares. Changes in these factors can affect the fair value of stock options at grant date.

4. RISK MANAGEMENT

With its culture of managing risk prudently within its capacity and capabilities, the BDO Unibank Group will pursue its strategy and business plans to provide consistent quality service to its customers, to achieve its desired long-term target returns to its shareholders and satisfy or abide by the needs of its other stakeholders, including its depositors and regulators.

The BDO Unibank Group believes that, as there are opportunities, there are associated risks and the objective is not to totally avoid risks, but to adequately and consistently evaluate, manage, control, and monitor the risks and ensure that the BDO Unibank Group is adequately compensated for all the risks taken. Good risk management involves making informed and rational decisions about the level of risks the institution wants to take, in the pursuit of its objectives, but with consideration to return commensurate with the risk-taking activity.

The BDO Unibank Group's goal is to remain a strong bank that is resilient to possible adverse events. Hence, the BDO Unibank Group ensures:

- strong financial position by maintaining adequate capital ratios;
- sound management of liquidity; and,
- ability to generate sustainable earnings commensurate with the risks taken.

For credit risk, market risk, and liquidity risk, the BDO Unibank Group ensures that these are within Board-approved operating limits. For operational risk (which includes legal, regulatory, compliance risks), and reputational risks, these are invariably managed by the development of both a strong "control culture" and an effective internal control system that constantly monitors and updates operational policies and procedures with respect to the BDO Unibank Group's activities and transactions.

Risk management at BDO Unibank Group begins at the highest level of the organization. At the helm of the risk management infrastructure is the BOD who is responsible for establishing and maintaining a sound risk management system. The BOD assumes oversight over the entire risk management process and has the ultimate responsibility for all risks taken. It regularly reviews and approves the institution's tolerance for risks, as well as, its business strategy and risk philosophy.

The BOD has constituted the Risk Management Committee (RMC) as the Board-Level Committee responsible for the oversight of the risk management program. Considering the importance of appropriately addressing credit risk, the BOD has also constituted the Executive Committee. The Executive Committee is responsible for approving credit-specific transactions, while the RMC is responsible for approving risk appetite levels, policies, and risk tolerance limits related to credit portfolio risk, market risk, liquidity risk, interest rate risk, operational risk (including business continuity risk, IT risk, information security and cyber-security risk, data privacy risk, and social media risk), consumer protection risk and environmental and social risk to ensure that current and emerging risk exposures are consistent with BDO Unibank Group's strategic direction and overall risk appetite.

Within BDO Unibank Group's overall risk management system is the Assets and Liabilities Committee (ALCO), which is responsible for managing the BDO Unibank Group's statement of financial position, including the BDO Unibank Group's liquidity, interest rate and foreign exchange related risks. In addition, ALCO formulates investment and financial policies by determining the asset allocation and funding mix strategies that are likely to yield the targeted financial results.

BDO Unibank Group operates an enterprise-wide risk management system to address the risks it faces in its banking activities. The Risk Management Group (RMG) is mandated to adequately and consistently evaluate, manage, control, and monitor the overall risk profile of the BDO Unibank Group's activities across the different risk areas, i.e., credit, market, liquidity, interest rate, and operational risks, including business continuity risk, IT risk, information security, cyber-security, and data privacy risk, to optimize the risk-reward balance and maximize return on capital. RMG also has the responsibility for recommending to the appropriate body, risk policies across the full range of risks to which the BDO Unibank Group is exposed. RMG functionally reports to the RMC.

The evaluation, analysis, and control performed by the Risk Function, in conjunction with the Risk Takers, constitute the risk management process. The risk management process is applied at three levels: the transaction level, the business unit level, and the portfolio level. This framework ensures that risks are properly identified, quantified and analyzed, in the light of its potential effect on the BDO Unibank Group's business. The goal of the risk management process is to ensure rigorous adherence to the BDO Unibank Group's standards for precision in risk measurement and reporting and to make possible, in-depth analysis of the deployment of capital and the returns that are delivered to the shareholders.

In 2021, there is no significant change on the policies and process for managing the risk and the methods used to measure the risk of the BDO Unibank Group and the Parent Bank, except for the performance of the comprehensive review of the financial instruments, particularly for loan accounts, to assess vulnerability to the significant increase in credit risk in response to the continuing impact of COVID-19 pandemic, updating of the BDO Unibank Group's Treasury system to capture the complex computation of Secured Overnight Financing Rate (SOFR) in relation to the LIBOR phase out and adhering to the protocols set by International Swaps and Derivatives Association (ISDA) on LIBOR Reform (see Note 4.6).

4.1 Liquidity Risk

Liquidity risk is the risk that there could be insufficient funds available to repay depositors, to fulfill commitments to lend, or to meet any other liquidity commitments. BDO Unibank Group manages liquidity risk by holding sufficient liquid assets of appropriate quality to meet funding requirements, manage and control liquidity gaps through Maximum Cumulative Outflow (MCO) limits, regular liquidity stress testing to ensure positive cashflow across all identified stress scenarios, and establishment of a Liquidity Contingency Plan, to ensure adequate liquidity under both business-as-usual and stress conditions.

The analysis of the maturity groupings of resources, liabilities and off-book items as of December 31, 2021 and 2020 in accordance with account classification of the BSP is presented in the succeeding pages. The amounts disclosed in the maturity analysis are the contractual cash flows using the primary contractual maturities or behavioral assumptions on core levels (e.g., core deposit liabilities and core deposit substitutes with maturities within one year have been classified in the more than three years category), if the latter is more relevant for purposes of profiling the liquidity gap.

	2021										
	One to Three Months		Tha Mo	More an Three onths to ae Year	One	re Than e Year to ee Years	More Than Three Years			Total	
Resources:											
Cash and other cash items Due from BSP and	P	69,105	P	-	P	-	P	-	P	69,105	
other banks Trading and investment		150,526		22,027		55,300		147,145		374,998	
securities Loans and other		22,687		31,904		140,229		421,441		616,261	
receivables - net Other resources - net*		503,503		252,927 118		395,115 46		1,299,358 112,318		2,450,903 112,482	
Total Resources		745,821		306,976		590,690		1,980,262		3,623,749	
Liabilities and Equity: Deposit liabilities Bills payable Insurance contract		563,666 24,278		177,738 89,567		595,385 55,139		1,484,107 35,447		2,820,896 204,431	
liabilities**		349	(613)		206		65,386		65,328	
Other liabilities		41,159		4,099		4,601		58,687		108,546	
Total Liabilities Equity		629,452		270,791		655,331		1,643,627 424,548	_	3,199,201 424,548	
Total Liabilities and Equity		629,452		270,791		655,331		2,068,175		3,623,749	
On-book gap		116,369	-	36,185	(64,641)	(87,913)			
Cumulative on-book gap		116,369		152,554		87,913					
Contingent assets		263,000		81,896		20,865		23,227		388,988	
Contingent liabilities		325,897		82,924		28,606		23,100		460,527	
Off-book gap	(62,897)	(1,028)	(7,741)		127	(71,539)	
Net Periodic Gap		53,472		35,157	(72,382)	(87,786)		71,539	
Cumulative Total Gap	<u>P</u>	53,472	<u>P</u>	88,629	<u>P</u>	16,247	(<u>P</u>	71,539)	<u>P</u>		

^{*} Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties and Other Resources.

^{**} Insurance Contract Liabilities with maturity of more than three months to one year have negative aging because the renewal premiums (inflow) are greater than the expected insurance benefit liability.

	2020									
	One to Three Months	More Than Three Months to One Year	More Than One Year to Three Years	More Than Three Years	Total					
Resources:										
Cash and other cash items Due from BSP and	P 74,851	1 P -	Р -	Р -	P 74,851					
other banks Trading and investment	177,530	625	3,147	192,617	373,925					
securities Loans and other	78,817	7 20,246	102,007	307,740	508,810					
receivables - net	446,210		345,380	1,260,752	2,301,981					
Other resources - net*			40	115,185	115,333					
Total Resources	777,420	270,612	450,574	1,876,294	3,374,900					
Liabilities and Equity:										
Deposit liabilities	589,950	6 22,147	30,071	1,967,977	2,610,151					
Bills payable	34,050	33,142	112,819	29,733	209,744					
Insurance contract										
liabilities**	409		(460)	58,018	58,410					
Other liabilities Total Liabilities	<u>36,785</u> 661,200		1,623 144,053	<u>63,570</u> 2,119,298	103,574 2,981,879					
Equity	-	-	-	393,021	393,021					
Equity					575,021					
Total Liabilities and Equity	661,200	0 57,328	144,053	2,512,319	<u>3,374,900</u>					
On-book gap	116,220	213,284	306,521	(636,025)						
Cumulative on-book gap	116,220	329,504	636,025	-						
Contingent assets	225,810	56,673	26,387	16,559	325,435					
Contingent liabilities	279,492	2 58,342	26,171	<u>16,462</u>	380,467					
Off-book gap	(53,670	<u>(1,669)</u>	216	97	(55,032)					
Net Periodic Gap	62,544	4 211,615	306,737	(635,928)	55,032					
Cumulative Total Gap	P 62,544	<u>4 P 274,159</u>	<u>P 580,896</u>	(<u>P 55,032</u>)	<u>P - </u>					

^{*} Other resources includes Premises, Furniture, Fixtures and Equipment, Investment Properties and Other Resources.

**Insurance Contract Liabilities with maturities of one to three months and more than one to three years have negative aging because the renewal premiums (inflow) are greater than the expected insurance benefit liability.

						2021				
	•	One to Three Months		More an Three onths to ne Year	More Than One Year to Three Years		More Than Three <u>Years</u>			Total
Resources: Cash and other cash items Due from BSP and other banks Trading and investment securities	P	66,440 143,601 8,166	P	- 21,971 27,987	P	- 55,296 119,732	P	- 146,141 342,078	P	66,440 367,009 497,963
Loans and other receivables – net Other resources – net*		494,423		239,634		371,315		1,294,611 134,611		2,399,983 134,611
Total Resources	<u>P</u>	712,630	<u>P</u>	289,592	<u>P</u>	546,343	<u>P</u>	1,917,441	<u>P</u>	3,466,006
Liabilities and Equity: Deposit liabilities Bills payable Other liabilities Total Liabilities Equity	_	538,429 17,687 37,139 593,255	_	175,500 89,068 2,806 267,374	_	595,264 52,305 2,543 650,112	_	1,442,522 37,114 52,168 1,531,804 423,461	_	2,751,715 196,174 94,656 3,042,545 423,461
Total Liabilities and Equity		593,255		267,374		650,112		1,955,265	_	3,466,006
On-book gap		119,375		22,218	(103,769)	(37,824)		
Cumulative on-book gap		119,375	-	141,593		37,824	_			<u> </u>
Contingent assets Contingent liabilities		259,638 322,537		63,697 64,872		2,998 10,972	_	3,022 3,021	_	329,355 401,402
Off-book gap	(<u>62,899</u>)	(<u>1,175</u>)	(<u>7,974</u>)		1	(72,047)
Net Periodic Gap		<u>56,476</u>		21,043	(<u>111,743</u>)	(37,823)	_	72,047
Cumulative Total Gap	P	56,476	P	77,519	(<u>P</u>	34,224)	(<u>P</u>	72,047)	P	

 $^{*\} Other\ resources\ includes\ Premises,\ Furniture,\ Fixtures\ and\ Equipment,\ Investment\ Properties\ and\ Other\ Resources.$

		2020								
	,	One to Three Months		More an Three onths to ne Year	On	ore Than e Year to ree Years	Т	More han Three Years		Total
Resources:										
Cash and other cash items Due from BSP and	P	72,301	P	-	P	-	P	-	P	72,301
other banks Trading and investment		173,187		602		3,137		191,434		368,360
securities Loans and other		63,707		14,954		87,606		233,189		399,456
receivables - net Other resources - net*		436,324		238,203		325,923	_	1,259,236 135,580		2,259,686 135,580
Total Resources	<u>P</u>	745,519	<u>P</u>	253,759	<u>P</u>	416,666	<u>P</u>	1,819,439	<u>P</u>	3,235,383
Liabilities and Equity:										
Deposit liabilities		569,949		19,984		29,793		1,928,565		2,548,291
Bills payable		25,974		32,629		110,932		33,332		202,867
Other liabilities		33,307		242				58,622	_	92,171
Total Liabilities		629,230		52,855		140,725		2,020,519		2,843,329
Equity	-							392 <u>,054</u>	_	392 <u>,</u> 054
Total Liabilities and Equity		629,230		52 <u>,855</u>		140,725	_	2,412,573		3,235,383
On-book gap		116,289		200,904		275,941	(<u>593,134</u>)		
Cumulative on-book gap		116,289		317,193		593,134				
Contingent assets		216,952		54,412		3,278		1,579		276,221
Contingent liabilities		270,656		56,271		3,322	_	1,605	_	331,854
Off-book gap	(53,704)	(1,859)	(44)	(<u>26</u>)	(55,633)
Net Periodic Gap		62,585		199,045		275,897	(593,160)	_	55,633
Cumulative Total Gap	Р	62,585	P	261,630	P	537,527	(<u>P</u>	55,633)	P	-

 $^{*\} Other\ resources\ includes\ Premises,\ Furniture,\ Fixtures\ and\ Equipment,\ Investment\ Properties\ and\ Other\ Resources.$

The negative liquidity gap in the MCO is due to the timing difference in the contractual maturities of resources and liabilities. The MCO measures the maximum funding requirement the BDO Unibank Group may need to support its maturing obligations. To ensure that the BDO Unibank Group maintains a prudent and manageable level of cumulative negative gap, the BDO Unibank Group maintains a pool of highly liquid assets in the form of tradable investment securities. Moreover, the BOD has approved the MCO Limits which reflect the BDO Unibank Group's overall appetite for liquidity risk exposure. This limit is reviewed every year. Compliance to MCO Limits is monitored and reported to the BOD and senior management.

In case of breach in the MCO Limit, the RMG elevates the concern to the BOD through the RMC for corrective action by senior management. Additional measures to mitigate liquidity risks include reporting of funding concentration, short-term liquidity reporting, available funding sources, and liquid assets analysis. More frequent analysis of projected funding source and requirements as well as pricing strategies is discussed thoroughly during the weekly ALCO meetings.

Pursuant to applicable BSP regulations, the BDO Unibank Group is required to maintain reserves against deposit liabilities which are based on certain percentages of deposits. The required reserves against deposit liabilities shall be kept in the form of deposits placed in the BDO Unibank Group demand deposit accounts with the BSP. The BSP also requires the BDO Unibank Group to maintain asset cover of 100% for foreign currency-denominated liabilities of its FCDU.

4.1.1 Liquidity Risk Stress

To augment the effectiveness of the BDO Unibank Group's gap analysis, the BDO Unibank Group regularly assesses liquidity risk based on behavioral and hypothetical assumptions under stress conditions. Survivability and resilience of the BDO Unibank Group are assessed for a minimum stress period of 30 days for all crisis scenarios enumerated in BSP Circular No. 981, *Guidelines on Liquidity Risk Management*. The results of these liquidity stress simulations are reported monthly to RMC.

4.1.2 Foreign Currency Liquidity Management

The liquidity risk management policies and objectives described in this section also apply to the management of any foreign currency to which the BDO Unibank Group maintains significant exposure. Specifically, the BDO Unibank Group ensures that its measurement, monitoring and control systems account for these exposures as well. The BDO Unibank Group sets and regularly reviews limits on the size of the cash flow mismatches for each significant individual currency and in aggregate over appropriate time horizons. The BDO Unibank Group also assesses its access to foreign exchange markets when setting up its risk limits.

4.2 Market Risk

BDO Unibank Group's exposure to market risk, the risk of future loss from changes in the price of a financial instrument, relates primarily to its holdings in foreign exchange instruments, debt securities, equity securities and derivatives. BDO Unibank Group manages its risk by identifying, analyzing and measuring relevant or likely market risks. The Market and Liquidity Risk Management Unit of the Parent Bank recommends market risk limits based on relevant activity indicators for approval by BDO Unibank Group's RMC and the BOD.

4.2.1 Foreign Exchange Risk

BDO Unibank Group manages its exposure to effects of fluctuations in the foreign currency exchange rates by maintaining foreign currency exposure within the existing regulatory guidelines and at a level that it believes to be relatively conservative for a financial institution engaged in that type of business.

BDO Unibank Group's net foreign exchange exposure is computed as its foreign currency resources less foreign currency liabilities. BSP regulations impose a cap of 25% of qualifying capital or US\$150 million, whichever is lower, on a bank's consolidated net open foreign exchange position. BDO Unibank Group's foreign exchange exposure is primarily limited to the day-to-day, over-the-counter buying and selling of foreign exchange in BDO Unibank Group's branches as well as foreign exchange trading with corporate accounts and other financial institutions. BDO Unibank Group, being a major market participant in the Philippine Dealing System, may engage in proprietary trading to take advantage of foreign exchange fluctuations.

BDO Unibank Group's foreign exchange exposure at end-of-day is guided by the limits set forth in BDO Unibank Group's Risk Management Manual. These limits are within the prescribed ceilings mandated by the BSP. At the end of each day, BDO Unibank Group reports to the BSP on its compliance with the mandated foreign currency exposure limits.

In addition, it also reports to the BSP on the respective foreign currency positions of its subsidiaries. The breakdown of the financial assets and financial liabilities as to foreign and peso-denominated balances as of December 31, 2021 and 2020 follows:

	Foreign Currencies	2021 Philippine Pesos	Total	Foreign Currencies	2020 Philippine Pesos	Total
Resources:						
Cash and other cash items						
and due from BSP	P 107	P 373,904	P 374,011	P 118	P 383,369	P 383,487
Due from other banks	68,401	1,691	70,092	64,877	412	65,289
Trading and investment						
securities:						
At FVTPL	6,622	41,312	47,934	5,701	31,409	37,110
At FVOCI	86,804	83,989	170,793	88,748	96,133	184,881
At amortized cost	164,529	233,005	397,534	153,492	133,327	286,819
Loans and other receivables	331,327	2,119,576	2,450,903	292,865	2,009,116	2,301,981
Other resources	6,214	1,246	7,460	8,824	438	9,262
	<u>P 664,004</u>	P 2,854,723	P 3,518,727	<u>P 614,625</u>	<u>P 2,654,204</u>	P 3,268,829
Liabilities:						
Deposit liabilities	P 463,368	P 2,357,528	P 2,820,896	P 418,262	P 2,191,889	P 2,610,151
Bills payable	120,920	83,511	204,431	126,894	82,850	209,744
Insurance contract liabilities	8,702	56,626	65,328	8,376	50,034	58,410
Other liabilities	16,951	80,666	97,617	6,850	86,890	93,740
	<u>P 609,941</u>	P 2,578,331	P 3,188,272	<u>P 560,382</u>	<u>P 2,411,663</u>	P 2,972,045
Parent Bank						
		2021			2020	
	Foreign Currencies	Philippine Pesos	Total	Foreign Currencies	Philippine Pesos	Total
Resources:						
Cash and other cash items						
and due from BSP	P 33	P 369,067	P 369,100	P 41	P 377,339	P 377,380
Due from other banks	64,188	161	64,349	63,015	266	63,281
Trading and investment						
securities:	2 ==0	4.0==	4 - 4 -	2.025	4.005	404
At FVTPL	2,759	1,857	4,616	3,037	1,825	4,862
At FVOCI	74,197	41,768	115,965	71,907	55,015	126,922
At amortized cost	159,235	218,147	377,382	146,757	120,915	267,672
Loans and other receivables	330,424	2,069,559	2,399,983	291,879	1,967,807	2,259,686
Other resources	5,784	968	6,752	8,756		8,834
	<u>P 636,620</u>	<u>P 2,701,527</u>	P 3,338,147	<u>P 585,392</u>	<u>P 2,523,245</u>	P 3,108,637
Liabilities:						
Deposit liabilities	P 450,484	P 2,301,231	P 2,751,715	P 401,030	P 2,147,261	P 2,548,291
Bills payable	119,738	76,436	196,174	126,711	76,156	202,867
Other liabilities	15,927	69,452	85,379	6,188	77,727	83,915
	<u>P 586,149</u>	<u>P 2,447,119</u>	P 3,033,268	<u>P 533,929</u>	<u>P 2,301,144</u>	P 2,835,073

4.2.2 Interest Rate Risk

BDO Unibank Group prepares an interest rate gap analysis in the Banking Book to measure the sensitivity of its resources, liabilities and off-book items to interest rate fluctuations. The Banking Book is a term for resources on a bank's statement of financial position that are expected to be held to maturity, usually consisting of customer loans to and deposits from retail and corporate customers. The Banking Book can also include those derivatives that are used to hedge exposures arising from the Banking Book activity, including interest rate risk. The focus of analysis is the impact of changes in interest rates on accrual or reported earnings. This analysis would give management a glimpse of the re-pricing profile of its interest sensitive resources and liabilities in the Banking Book.

An interest rate gap report is prepared by classifying all resources and liabilities into various time buckets according to contracted maturities if fixed or anticipated repricing dates if floating, or based on behavioral assumptions if more applicable. In the interest rate gap presented, loans and investments are profiled based on next repricing if floating or contracted maturity if fixed rate while non-maturity deposit liabilities are considered non-rate sensitive. The difference in the amount of resources and liabilities maturing or being repriced in any time period category would then give BDO Unibank Group an indication of the extent to which it is exposed to the risk of potential changes in net interest income. Interest rate financial instruments (e.g., interest rate derivatives) may be used to hedge the interest rate exposures in the Banking Book. There are however, no outstanding interest rate derivatives used as hedges in the Banking Book.

The analyses of the groupings of resources, liabilities and off-book items as of December 31, 2021 and 2020 based on the expected interest realization or recognition are shown below and in the succeeding pages.

				2	2021		2021							
	One to Three Months	M	More nan Three Ionths to One Year	More Than One Year to Five Years	More Than Five Years	Non-rate Sensitive	Total							
Resources:														
Cash and other														
cash items	Р -	P	-	Р -	P -	P 69,105	P 69,105							
Due from BSP and														
other banks	41,470		-	-	-	333,528	374,998							
Trading and														
investment securities	8,346		21 220	221 227	207.406	47,934	(1()(1							
Loans and other	8,340		31,238	231,337	297,406	47,934	616,261							
receivables - net	1,140,250		287,117	904,358	119,178		2,450,903							
Other resources - net*			207,117	-	-	112,482	112,482							
Street resources from				·		112,102								
Total Resources	1,190,066		318,355	1,135,695	416,584	563,049	3,623,749							
Liabilities and Equity:														
Deposit liabilities	328,737		48,785	48,092	13,868	2,381,414	2,820,896							
Bills payable	42,137		89,567	72,727	-	-	204,431							
Insurance contract liabilities**	(2(4)	,	1 222\	1 020	20.712	26.262	(F 220							
Other liabilities	(364)	(1,322) 33	1,038 438	39,713 4	26,263 108,071	65,328 108,546							
Total Liabilities	370,510		137,063	122,295	53,585	2,515,748	3,199,201							
Equity	370,310 -		-	-	-	424,548	424,548							
Equity	·					127,570	127,570							
Total Liabilities and Equity	у													
(Balance carrried forward)	P 370,510	P	137,063	P 122,295	P 53,585	P 2,940,296	P 3,623,749							

^{*} Other resources includes Premises, Furniture, Fixtures and Equipment, Investment Properties and Other Resources.

^{**} Insurance Contract Liabilities with maturities of one to three months and more than three months to one year have negative aging because the renewal premiums (inflow) are greater than the expected insurance benefit liability.

				2021		
	One to Three Months	More Than Three Months to One Year	More Than One Year to Five Years	More Than Five Years	Non-rate Sensitive	Total
Total Liabilities and Equity (Balance brought forward)	P 370,510	P 137,063	P 122,295	P 53,585	P 2,940,296	P 3,623,749
On-book gap	819,556	181,292	1,013,400	362,999	(2,377,247)	
Cumulative on-book gap	819,556	1,000,848	2,014,248	2,377,247		
Contingent assets	7,583	4,151	-	-	-	11,734
Contingent liabilities	2,523	4,164				6,687
Off-book gap	5,060	(13)				5,047
Net Periodic Gap	824,616	181,279	1,013,400	362,999	(2,377,247)	(5,047)
Cumulative Total Gap	P 824,616	<u>P 1,005,895</u>	<u>P 2,019,295</u>	<u>P 2,382,294</u>	<u>P 5,047</u>	<u>P</u> -
				2020		
	One to Three Months	More Than Three Months to One Year	More Than One Year to Five Years	More Than Five Years	Non-rate Sensitive	<u>Total</u>
Resources: Cash and other cash items Due from BSP and other banks	P - 76,419	Р -	Р -	Р -	P 74,851 297,506	P 74,851 373,925
Trading and investment securities	66,844	19,653	243,498	141,705	37,110	508,810
Loans and other			-	•	37,110	
receivables - net Other resources - net*	1,033,420	267,692 	821,195	179,674 	115,333	2,301,981 115,333
Total Resources	1,176,683	287,345	1,064,693	321,379	524,800	3,374,900
Liabilities and Equity: Deposit liabilities Bills payable	379,153 38,852	45,248 30,744	59,749 117,622	13,294 22,526	2,112,707	2,610,151 209,744
Insurance contract liabilities** Other liabilities Total Liabilities Equity	(180) 	21 17 76,030	605 112 178,088	39,976 3 75,799	17,988 103,442 2,234,137 393,021	58,410 103,574 2,981,879 393,021
Total Liabilities and Equity (Balance carried forward)	y P 417,825	<u>P 76,030</u>	<u>P 178,088</u>	<u>P 75,799</u>	P 2,627,158	P 3,374,900

^{*} Other resources includes Premises, Furniture, Fixtures and Equipment, Investment Properties and Other Resources.

^{**} Insurance Contract Liabilities with maturity of one to three months have negative aging because the renewal premiums (inflow) are greater than the expected insurance benefit liability.

BDO Unibank Group

•		2020										
		One to Than Three Three Months to Months One Year		Tł	More nan One Year to ve Years	n One More ar to Than Five		Non-rate Sensitive			Total	
Total Liabilities and Equity (Balance brought forward)	Р Р	417,825	<u>P</u>	76,030	<u>P</u>	178,088	<u>P</u>	75,799	<u>P</u>	2,627,158	<u>P</u>	3,374,900
On-book gap		758,858		211,315		886,605	_	245,580	(2,102,358)		
Cumulative on-book gap		758,858		970,173	_1	,856,778	:	<u>2,102,358</u>				
Contingent assets		3,434		1,637		-		-		-		5,071
Contingent liabilities	_	9,605		3,362			_					12,967
Off-book gap	(<u>6,171</u>)	(1,725)			_		_		(7,896)
Net Periodic Gap		752,687		209,590		886,605		245,580	(2,102,358)	_	7,896
Cumulative Total Gap	P	752,687	<u>P</u>	962,277	<u>P 1</u>	,848,882	<u>P</u> :	<u>2,094,462</u>	(<u>P</u>	7,896)	Р	

Parent Bank

			2	2021		
	One to Three Months	More Than Three Months to One Year	More Than One Year to Five Years	More Than Five Years	Non-rate Sensitive	<u>Total</u>
Resources:						
Cash and other cash items Due from BSP and	Р -	Р -	Р -	Р -	P 66,440	P 66,440
other banks Trading and	40,800	-	-	-	326,209	367,009
investment securities Loans and other	6,023	27,987	202,032	257,306	4,615	497,963
receivables - net Other resources - net*	1,133,066	279,191 	868,587	119,139	<u>-</u> 134,611	2,399,983 134,611
Total Resources	1,179,889	307,178	1,070,619	376,445	531,875	3,466,006
Liabilities and Equity: Deposit liabilities Bills payable Other liabilities Total Liabilities Equity	312,535 35,546 348,081	44,502 89,068 133,570	47,101 71,560 118,661	18,239 - - - 18,239	2,329,338 - 94,656 2,423,994 423,461	2,751,715 196,174 94,656 3,042,545 423,461
Total Liabilities and Equity	348,081	133,570	118,661	18,239	<u>2,847,45</u> 5	3,466,006
On-book gap	831,808	173,608	951,958	358,206	(2,315,580)	
Cumulative on-book gap	831,808	1,005,416	1,957,374	2,315,580		
Contingent assets	5,231	2,634	-	-	-	7,865
Contingent liabilities	<u>131</u>	2,634				2,765
Off-book gap	5,100					<u>5,100</u>
Net Periodic Gap	836,908	<u>173,608</u>	951,958	358,206	(2,315,580)	(5,100)
Cumulative Total Gap	P 836,908	<u>P 1,010,516</u>	<u>P 1,962,474</u>	P 2,320,680	<u>P 5,100</u>	<u>P - </u>

^{*} Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties and Other Resources.

	2020									
	One to Than Three Three Months to Months One Year		More Than One Year to Five Years	More Than Five Years	Non-rate Sensitive	Total				
Resources:										
Cash and other cash items	Р -	р -	Р -	Р -	P 72,301	P 72,301				
Due from BSP and	г -	г -	г -	г -	F /2,301	F /2,301				
other banks	76,050	-	-	-	292,310	368,360				
Trading and										
investment securities	60,618	14,954	213,307	105,715	4,862	399,456				
Loans and other	00,010	11,551	213,307	103,713	1,002	377,130				
receivables - net	1,025,361	261,052	792,783	180,490	-	2,259,686				
Other resources - net*					135,580	135,580				
Total Resources	1,162,029	276,006	1,006,090	286,205	505,053	3,235,383				
Liabilities and Equity:										
Deposit liabilities	363,719	40,255	59,014	17,297	2,068,006	2,548,291				
Bills payable	30,776	30,232	115,735	26,124	- 02 171	202,867				
Other liabilities Total Liabilities	394,495	70,487	174,749	43,421	92,171 2,160,177	92,171 2,843,329				
Equity					392,054	392,054				
Total Liabilities and Equity	394,495	70,487	<u>174,749</u>	43,421	2,552,231	3,235,383				
On-book gap	767,534	205,519	831,341	242,784	(2,047,178)					
Cumulative on-book gap	767,534	973,053	1,804,394	2,047,178	-	_				
Contingent assets	1	1,146		-		1,147				
	(011									
Contingent liabilities	6,244	2,881			-	9,125				
Off-book gap (6,243)	(1,735)				(7,978)				
Net Periodic Gap	761,291	203,784	831,341	242,784	(2,047,178)	<u>7,978</u>				
Cumulative Total Gap	P 761,291	<u>P 965,075</u>	<u>P 1,796,416</u>	P 2,039,200	(<u>P 7,978</u>)	<u>P</u> -				

^{*} Other resources include Premises, Furniture, Fixtures and Equipment, Investment Properties and Other Resources.

The BDO Unibank Group and the Parent Bank's market risk management limits are generally categorized as limits on:

- Value-at-risk (VaR) The RMG computes the VaR benchmarked at a level, which is a percentage of projected earnings. The BDO Unibank Group and the Parent Bank use the VaR model to estimate the daily potential loss that the BDO Unibank Group and the Parent Bank can incur from its trading book, based on a number of assumptions with a confidence level of 99%. The measurement is designed such that exceptions over limits should only arise in very exceptional circumstances.
- Stop loss The RMG sets the amount of each risk-bearing activity at a percentage of the budgeted annual income for such activity.
- Nominal position The RMG sets the nominal amount to prevent over-trading, excessive concentration, and to limit financial loss supplementing other established limits.

- Trading volume The RMG sets the volume of transactions that any employee may execute at various levels based on the rank of the personnel making the risk-bearing decision
- Earnings-at-risk (EAR) The RMG computes the EAR based on the repricing profile of the Banking Book and benchmarks against projected annual net interest income and capital.

VaR is one of the key measures in BDO Unibank Group and Parent Bank's management of market risk. VaR is defined as a statistical estimate of the maximum possible loss on a given position during a time horizon within a given confidence interval. The BDO Unibank Group and the Parent Bank use a 99% confidence level and a 260-day observation period in VaR calculation. The BDO Unibank Group and the Parent Bank's VaR limit is established as a percentage of projected earnings and is used to alert senior management whenever the potential losses in the BDO Unibank Group and the Parent Bank's portfolios exceed tolerable levels. Because the VaR measure is tied to market volatility, it therefore allows management to react quickly and adjust its portfolio strategies in different market conditions in accordance with its risk philosophy and appetite. The VaR model is validated through back-testing.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A one-day holding period assumes that it is possible to hedge or dispose of positions
 within that period. This is considered to be a realistic assumption in almost all cases but
 may not be the case in situations in which there is severe market illiquidity for a prolonged
 period;
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used, there is a one percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day;
- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature; and,
- The VaR measure is dependent upon the BDO Unibank Group and the Parent Bank's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice-versa.

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within each trading portfolio. In addition, the BDO Unibank Group and the Parent Bank use a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios on individual trading portfolios and the BDO Unibank Group and the Parent Bank's overall position. Stress VaR is also performed on all portfolios as a complementary measure of risk. While VaR deals with risk during times of normality, stress testing is used to measure the potential effect of a crisis or low probability event.

A summary of the VaR position of the trading portfolios at December 31 follows:

	2021			2020	
	V	aR Stre	ss VaR	VaR Stro	ess VaR
BDO Unibank Group					
Foreign currency risk	(P	8) (P	107) (P	30) (P	480)
Interest rate risk – Peso	(53) (888) (85) (1,083)
Interest rate risk – USD	(<u>13</u>) (<u>355</u>) (46) (<u>581</u>)
	(<u>P</u>	<u>74</u>) (<u>P</u>	1,350) (P	<u>161</u>) (<u>P</u>	2,144)
Parent Bank					
Foreign currency risk	(P	4) (P	56) (P	30) (P	471)
Interest rate risk – Peso	(15) (252) (33) (311)
Interest rate risk – USD	(<u>2</u>) (<u>36</u>) (27) (373)
	(<u>P</u>	<u>21</u>) (<u>P</u>	344) (<u>P</u>	<u>90</u>) (<u>P</u>	<u>1,155</u>)

For the BDO Unibank Group, the earnings perspective using an EAR approach is the more relevant measure for the interest rate risks in the Banking Book given a "going-concern" assumption and also because the component of earnings in focus is net interest income. EAR is a measure of likely earnings volatility for accrual portfolios. The appropriate yield curve used is the relevant benchmark rate and the volatilities of the relevant benchmark interest rate curve are calculated similar to the method employed for VaR. The volatility calculations make use of actual pre-defined time series data, using five-years' worth of yearly changes, at the 99% confidence level. The frequency of measurement for EAR is monthly. EAR Stress Test uses 300 basis points increase in USD interest rates and 400 basis points increase in Peso interest rates.

The EAR before tax in a rising and declining interest rate scenario for financial assets and liabilities repriced during 2021 and 2020 is shown below and in the succeeding pages.

	2021					
	Change in Interest Rates (in basis points)					
	<u>-100</u> <u>+100</u> <u>-50</u> <u>+50</u>					
Change on annualized net interest income As a percentage of the BDO Unibank Group's net	(<u>P 8,331</u>) <u>P 8,331</u> (<u>P 4,165</u>) <u>P 4,165</u>					
interest income for 2021	(<u>6.34%</u>) <u>6.34%</u> (<u>3.17%</u>) <u>3.17%</u>					
EAR	<u>P 24,347</u>					
As a percentage of the BDO Unibank Group's net interest income for 2021	18.54%					
Average (1yr) EAR	<u>P 24,391</u>					
Stress EAR	<u>P 31,984</u>					

DO Unibank Group	2020
	Change in Interest Rates (in basis points)
Change on annualized	
net interest income	(<u>P 7,933</u>) <u>P 7,933</u> (<u>P 3,966</u>) <u>P 3,966</u>
As a percentage of the BDO	
Unibank Group's net	
interest income for 2020	(<u>5.93%</u>) <u>5.93%</u> (<u>2.97%</u>) <u>2.97%</u>
EAR	<u>P 23,844</u>
As a percentage of the BDO	
Unibank Group's net	
interest income for 2020	<u> 17.83%</u>
Average (1yr) EAR	<u>P 18,468</u>
Stress EAR	<u>P 31,236</u>
rent Bank	
	2021
	Change in Interest Rates (in basis points)
Change on annualized	
net interest income	(<u>P 8,404</u>) <u>P 8,404</u> (<u>P 4,202</u>) <u>P 4,202</u>
As a percentage of the Parent	
Bank's net interest	
income for 2021	$(\underline{}6.79\%)$ $\underline{}6.79\%$ $(\underline{}3.39\%)$ $\underline{}3.39\%$
EAR	P 24,735
4 61 7	
As a percentage of the Parent	
Bank's net interest income for 2021	19.97%
Average (1yr) EAR	<u>P 24,627</u>
Stress EAR	<u>P 32,233</u>
	2020
	Change in Interest Rates (in basis points)
Change on annualized	
net interest income	(<u>P 8,089</u>) <u>P 8,089</u> (<u>P 4,044</u>) <u>P 4,044</u>
As a percentage of the Parent	, , , , , , , , , , , , , , , , , , , ,
Bank's net interest	
income for 2020	(<u>6.35%</u>) <u>6.35%</u> (<u>3.18%</u>) <u>3.18%</u>
EAR	<u>P 24,494</u>

	2020	
	Change in Interest Rates (in basis points)	
As a percentage of the Parent Bank's net interest income for 2020	19.24 ⁰ / ₀	
Average (1yr) EAR	<u>P 18,938</u>	
Stress EAR	P 31.466	

4.2.3 Price Risk

The BDO Unibank Group and the Parent Bank are exposed to equity securities price risk because of investments in equity securities held by BDO Unibank Group and Parent Bank classified on the statement of financial position either as financial assets at FVOCI or financial assets at FVTPL. The BDO Unibank Group and the Parent Bank are not exposed to commodity price risk. To manage its price risk arising from investments in listed equity securities, BDO Unibank Group maintains a diversified portfolio. Diversification of the portfolio is done in accordance with the limits set by BDO Unibank Group.

The table below summarizes the impact of equity prices on listed equity securities classified as financial assets at FVTPL and financial assets at FVOCI on BDO Unibank Group and Parent Bank's net profit after tax and equity as of December 31, 2021 and 2020. The results are based on the volatility assumption of the benchmark equity index, which was 3.52% and 9.71% in 2021 and 2020, respectively, for securities classified as financial assets at FVTPL and FVOCI securities with all other variables held constant and all the BDO Unibank Group and the Parent Bank's equity instruments moved according to the historical correlation with the index.

		Ne	t Pr	npact on ofit After ncrease	Tax	κ			oreh	ct on Oth ensive In ocrease		
		2021		2020		2019		2021		2020		2019
BDO Unibank Group												
Financial assets at FVTPL	P	806	P	1,554	P	335	P	-	P	-	P	-
Financial assets at FVOCI								148		350		203
	<u>P</u>	806	<u>P</u>	<u>1,554</u>	<u>P</u>	335	<u>P</u>	148	<u>P</u>	350	<u>P</u>	203
Parent Bank												
Financial assets at FVOCI	<u>P</u>		<u>P</u>		<u>P</u>	-	<u>P</u>	30	<u>P</u>	291	<u>P</u>	48
	P		P		Р		P	30	P	291	Р	48

4.3 Credit Risk

Credit risk is the risk that the counterparty in a transaction may default and arises from lending, trade finance, treasury, derivatives and other activities undertaken by the BDO Unibank Group. RMG undertakes several functions with respect to credit risk management including credit analysis, risk ratings for corporate accounts, and development and performance monitoring of credit risk rating and scoring models for both corporate and consumer loans. It also ensures that BDO Unibank Group's credit policies and procedures are adequate to meet the demands of the business.

RMG also subjects the loan portfolio to a regular portfolio quality review, credit portfolio stress testing and rapid portfolio reviews based on specific and potential events that may affect borrowers in particular geographic locations or industries.

BDO Unibank Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers. Such risks are monitored on a regular basis and subject to an annual or more frequent review. Approval for credit limits are secured from the Credit Committee. On the industry segments, set limits and exposures are monitored and reported to the RMC.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is also managed in part by obtaining collateral or corporate and personal guarantees.

4.3.1 Credit Risk Assessment

Loan classification and credit risk rating are an integral part of BDO Unibank Group's management of credit risk. On an annual basis, loans are reviewed, classified as necessary, and rated based on internal and external factors that affect its performance. On a monthly basis, loan classifications of impaired accounts are assessed and the results are used as basis for the review of loan loss provisions.

BDO Unibank Group's definition of its loan classification and corresponding credit risk ratings are as follows:

Current : Grades AAA to B

Watchlisted : Grade BEspecially Mentioned : Grade C
Substandard : Grade D
Doubtful : Grade E
Loss : Grade F

Once an account is Watchlisted or Adversely Classified, the resulting risk rating grade is aligned based on the above classification.

(a) Current

These are individual credits that do not have a greater-than-normal risk and do not possess the characteristics of adversely classified loans. These are credits that have the apparent ability to satisfy their obligations in full and therefore, no loss in ultimate collection is anticipated. These are adequately secured by readily marketable collateral or other forms of support security or are supported by sufficient credit and financial information of favorable nature to assure repayment as agreed.

(b) Watchlisted

Since early identification of troublesome or potential accounts is vital in portfolio management, a "Watchlisted" classification of credit accounts is maintained. These accounts are not adversely classified but they require more than normal attention to prevent these accounts from deteriorating to said category.

Past due or individually impaired financial assets comprise accounts under the following risk ratings:

(c) Adversely Classified

(i) Especially Mentioned (EM)

It is an adverse classification of loans/accounts that have potential weaknesses and deserves management's close attention. These potential weaknesses, if left uncorrected, may affect the repayment of the loan and thus increase credit risk to BDO Unibank Group.

(ii) Substandard

Accounts classified as "Substandard" are individual credits or portions thereof, that have well-defined weakness/(es) that may jeopardize repayment/liquidation in full, either in respect of the business, cash flow or financial position, which may include adverse trends or developments that affect willingness or repayment ability of the borrower.

(iii) Doubtful

Accounts classified as "Doubtful" are individual credits or portions thereof which exhibit more severe weaknesses than those classified as "Substandard" whose characteristics on the basis of currently known facts, conditions and values make collection or liquidation highly improbable, however, the exact amount remains undeterminable as yet. Classification as "Loss" is deferred because of specific pending factors, which may strengthen the assets.

(iv) Loss

Accounts classified as "Loss" are individual credits or portions thereof, which are considered uncollectible or worthless, and of such little value that their continuance as bankable assets are not warranted although the loans may have some recovery or salvage value.

This shall be viewed as a transitional category for loans and other credit accommodations, which have been identified as requiring write-off during the current reporting period even though partial recovery may be obtained in the future.

In addition to the above, credit portfolio review is another integral part of BDO Unibank Group's management of credit risk. This exercise involves the conduct of periodic post approval review of individual credits whose main objective is to help monitor and maintain sound and healthy risk asset portfolio. Parameters of the credit portfolio review are structured so as to reflect both sides of the risk management equation such as credit quality and process. This function actuates the philosophy that credit quality is derived from sound risk management process. The credit quality of financial assets is managed by BDO Unibank Group using internal credit ratings.

4.3.2 Credit Quality Analysis

The following table sets out information about the credit quality of loans and other receivables, financial assets measured at amortized cost, and FVOCI debt investments. Unless specifically indicated for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and other contingent accounts, the amounts in the table represent the amounts committed. As of December 31, 2021 and 2020, there are no POCI financial assets in both BDO Unibank Group and Parent Bank's financial statements.

The following table shows the exposure to credit risk as of December 31, 2021 and 2020 for each internal risk grade and the related allowance for ECL:

DD 0	TT	_
RDO	Unibank	Group

DO Ulibank Group					20)21			
		_	Stage 1		Stage 2		Stage 3	_	Total
Receivables from cu	stomers - co	rporate							
Grades AAA to B	: Current	P	1,733,845	P	-	P	-	P	1,733,845
Grade B-	: Watchlist	ed	106		30,835		502		31,443
Grade C	: EM		5		81,131		2,009		83,145
Grade D	: Substanda	ard	-		4,403		7,059		11,462
Grade E	: Doubtful		-		-		5,578		5,578
Grade F	: Loss		-		-		3,882		3,882
			1,733,956		116,369		19,030		1,869,355
ECL allowance		(7,513)	(17,205)	(13,237)	(37,955
Carrying amount		<u>P</u>	1,726,443	<u>P</u>	99,164	P	5,793	<u>P</u>	1,831,400
Receivables from cu	stomers - co	nsumer							
Grades AAA to B	: Current	P	473,747	P	-	P	160	P	473,907
Grade B-	: Watchlist	ed	9		181		62		252
Grade C	: EM		-		1,506		107		1,613
Grade D	: Substanda	ard	-		1,356		8,078		9,434
Grade E	: Doubtful		-		-		16,658		16,658
Grade F	: Loss						28,974		28,974
			473,756		3,043		54,039		530,838
ECL allowance		(<u>5,554</u>)	(504)	(21,246)	(27,304
Carrying amount		<u>P</u>	468,202	<u>P</u>	2,539	<u>P</u>	32,793	<u>P</u>	503,534
Other receivables									
Grades AAA to B	: Current	P	114,790	P	22	P	238	P	115,050
Grade C	: EM		-		41		-		41
Grade D	: Substanda	ard	503		407		258		1,168
Grade E	: Doubtful		16		-		249		265
Grade F	: Loss		_				1,929		1,929
			115,309		470		2,674		118,453
ECL allowance		(79)	(77)	(2,328)	(2,484
Carrying amount		<u>P</u>	115,230	P	393	P	346	<u>P</u>	115,969

Stage 1 Stage 2 Stage 3 Total)21	20						
amortized cost Grades AAA to B : Current P 397,595 P - P - P 397,5 Grade E : Doubtful 1,146 1,1 Grade F : Loss 264 22 397,595 - 1,410 399,0 ECL allowance (61) - (1,410) (1,4 Carrying amount P 397,534 P - P - P - P 397,5 Debt investment securities at FVOCI Grades AAA to B : Current P 165,461 P - P - P - P 165,4 Loan commitments and other contingent accounts Grades AAA to B : Current P 112,403 P - P - P - P 112,4 Grade B : Watchlisted - 461 - 4 Grade C : EM - 42 ECL allowance 289) (2 Carrying amount P 112,114 P 503 P - P 112,6 Carrying amount P 112,114 P 503 P - P 112,6		Total		3	Stage			Stage		Stage 1			
Grades AAA to B : Current P 397,595 P - P - P 397,595 Grade E : Doubtful - - 1,146 1,146 1,146 1,141 Grade F : Loss - - 264 2 2 264 2 2 2 264 2 2 2 264 2 2 2 264 2 2 2 264 2 <												ities at	ebt investment securi
Grade E : Doubtful - - 1,146 1,1 Grade F : Loss - - 264 2 397,595 - 1,410 399,0 ECL allowance (61) - (1,410) (1,4 Carrying amount P 397,534 P - P - P 397,5 Debt investment securities at FVOCI Grades AAA to B : Current Current P 165,461 P - P - P 165,4 Loan commitments and other contingent accounts Grades AAA to B : Current P 112,403 P - P - P 112,4 Grade B : Watchlisted - 461 - 4 Grade C : EM - 42 - - ECL allowance (289) - - (2 Carrying amount P 112,114 P 503 P - P 112,6 Car													amortized cost
Grade F Content P 112,403 P P P P P 112,403 P P P P P P P P P	7,595	397	P		-	P		-	P	397,595	P	Current	Grades AAA to B :
ECL allowance (61) - (1,410 399,0 (1,410	1,146							-		-		Doubtful	
ECL allowance (<u>264</u>					_		-				Loss	Grade F :
Carrying amount P 397,534 P - P - P 397,5 Debt investment securities at FVOCI Grades AAA to B: Current P 165,461 P - P - P 165,4 Loan commitments and other contingent accounts Grades AAA to B: Current P 112,403 P - P - P 112,4 Grade B: : Watchlisted - 461 - 4 - 4 - - 4 - - 112,40 503 - 112,99 - - - 112,99 -			,			,					,		ECI allamana
Debt investment securities at FVOCI Grades AAA to B: Current P 165,461 P - P - P 165,4 Loan commitments and other contingent accounts Current P 112,403 P - P - P 112,4 Grades AAA to B: Current Grade B: Watchlisted Grade C: EM - 461 - 4 Grade C: EM - 42 - 112,403 ECL allowance (289) (2 Carrying amount P 112,114 P 503 P - P 112,60	<u>1,471</u>)		(1,410)		(-		01)	(ECL allowance
Grades AAA to B : Current P 165,461 P - P - P 165,4 Loan commitments and other contingent accounts Grades AAA to B : Current P 112,403 P - P - P 112,4 Grade B : Watchlisted - 461 - 4 Grade C : EM - 42 - ECL allowance (289) - - (2 Carrying amount P 112,114 P 503 P - P 112,6	7 <u>,534</u>	397	<u>P</u>	 -		P			<u>P</u>	397,534	<u>P</u>		Carrying amount
Loan commitments and other contingent accounts P 112,403 P -												ities at FVOCI	ebt investment securi
contingent accounts Grades AAA to B : Current P 112,403 P - P - P 112,4 Grade B : Watchlisted - 461 - 4 Grade C : EM - 42 - 112,403 503 - 112,9 ECL allowance 289) (2 Carrying amount P 112,114 P 503 P - P 112,6	<u>5,461</u>	16.	<u>P</u>			<u>P</u>			<u>P</u>	165,461	<u>P</u>	Current	Grades AAA to B $:$
Grades AAA to B : Current P 112,403 P - P - P 112,44 Grade B : Watchlisted - 461 - 4 Grade C : EM - 42 - 112,403 503 - 112,9 ECL allowance (289) - - (2 Carrying amount P 112,114 P 503 P - P 112,6												d other	oan commitments an
Grade B- : Watchlisted - 461 - 4 Grade C : EM - 42 - 112,403 503 - 112,9 ECL allowance (289) - - (2 Carrying amount P 112,114 P 503 P - P 112,6												;	contingent accounts
Grade C : EM - 42 - - 112,403 503 - 112,99 ECL allowance - - - - - 2 2 Carrying amount P 112,114 P 503 P - P 112,60	2,403	112	P		-	P		-	P	112,403	P		Grades AAA to B :
ECL allowance (289) (2 Carrying amount P 112,114 P 503 P - P 112,6	461				-					-			
ECL allowance (<u>289</u>) (<u>2</u> Carrying amount <u>P 112,114</u> <u>P 503</u> <u>P - P 112,6</u>	42 2 006	11′			-					112 403		EM	Grade C :
2020	289)	114	(303	-		,	(ECL allowance
	2 <u>,617</u>	11:	<u>P</u>		_	P	503		<u>P</u>	112,114	<u>P</u>		Carrying amount
						20	20						
Stage 1 Stage 2 Stage 3 Total		Total		3	Stage)20		Stage		Stage 1	_		
								- curge					
Receivables from customers - corporate												*	
Grades AAA to B : Current P 1,557,559 P - P - P 1,557,5			Р	1 120	-	Р	2 000	-	Р		Р		
	4,546 8,420												
	5,420 5,849									-			
	4,769						1,111	_		_			
, ,	4 , 795							-					
1,557,696 163,212 15,030 1,735,9	5,938	1,73		15,030			53,212	16		1,557,696			
ECL allowance (6,254) (11,699) (10,056) (28,0	8 <u>,009</u>)	28	(10,056)		(1,699)	1	(6,254)	(ECL allowance
Carrying amount <u>P 1,551,442</u> <u>P 151,513</u> <u>P 4,974</u> <u>P 1,707,9</u>	<u>7,929</u>	1,70	<u>P</u>	4, 974		P	51,513	15	<u>P</u>	1,551,442	<u>P</u>		Carrying amount
Receivables from customers - consumer												ners - consumer	eceivables from custom
Grades AAA to B : Current P 475,080 P - P 475,0	5,080	475	P		-	P		-	P	475,080	P	Current	Grades AAA to B :
Grade B· : Watchlisted 9 406 118 5	533			118			406			9		Watchlisted	Grade B- :
	3,810						,			1			
	9,146						3,062			-			
, ,	2,699 6,496							-		-			
475,090 7,149 45,525 527,7						_	7 149			475 090		LOSS	Grade I
	8 <u>,411</u>)		((((ECL allowance
Carrying amount <u>P 467,295</u> <u>P 6,152</u> <u>P 25,906</u> <u>P 499,3</u>	<u>),353</u>	499	<u>P</u>	<u>25,906</u>	:	<u>P</u>	6,152		<u>P</u>	467,295	<u>P</u>		Carrying amount
Other receivables													ther receivables
	3,490	9:	P		_	P	37		P	93,453	P	Current	
, , , , , , , , , , , , , , , , , , , ,	78			78				-		- ,			
Grade C : EM 1	1				-			-					
	1,270						414						
	320							-					
	1.074									51		Loss	
	1,971 7 130						<u>/</u> [1		-		-	1000	Grade F :
Carrying amount <u>P 93,872</u> <u>P 433</u> <u>P 394</u> <u>P 94,6</u>	1 <u>,971</u> 7,130 2 <u>,431</u>)	9	(2,656		(451 18)		(94,023	(1033	

BDO Unibank Group

					2020			
		Stage 1		Stage 2		Stage 3		Total
Debt investment securities at amortized cost								
Grades AAA to B : Current Grade E : Doubtful Grade F : Loss	P	287,067	P	- - -	P	- 1,07 26 1,34	3	287,067 1,079 263
ECL allowance	(287,067		-	_ (1,34.		288,409 1,590)
Carrying amount	<u>P</u>	286,819	P		<u>P</u>	_	<u>P</u>	286,819
Debt investment securities at FVOCI								
Grades AAA to B : Current	<u>P</u>	174,559	<u>P</u>	-	P	-	<u>P</u>	174,559
Loan commitments and other contingent accounts								
Grades AAA to B : Current Grade B : Watchlisted Grade E : Doubtful	P	96,509	Р	- 145	P	- - 1	Р	96,509 145 16
ECL allowance	(96,509 314)	(145	<u> </u>	1		96,670 317)
Carrying amount	<u>P</u>	96,195	P	142	<u>P</u>	1	<u>6</u> <u>P</u>	96,353

The table below sets out the credit quality of trading debt securities of the BDO Unibank Group measured at FVTPL (see Note 10.1).

		2021		2020
Grade:				
AAA	P	4,449	P	4,030
AA+ to AA		330		107
A+ to A-		371		706
BBB+ to BBB-		4,440		4,152
BB+ to BB-		516		185
	<u>P</u>	10,106	<u>P</u>	9,180

The table below shows an analysis of counterparty credit exposures arising from derivative transactions of the BDO Unibank Group. Outstanding derivative exposures to counterparties are generally to investment grade counterparty banks. Derivative transactions with non-bank counterparties are on a fully secured basis.

1			•										Over-the	e-cou	ınter		
											Cer	ıtral			Other I	3ilate	eral
		To	tal			Exchang	e-tr	aded			Counte	rpart	ies		Collate	raliz	ed
	N	Votional		Fair	No	otional		Fair		N	lotional		Fair	N	otional		Fair
		mount	_	Value	Ar	nount	_	Value			mount		/alue	Α	mount		/alue
2021 Derivative assets Derivative liabilities	P	190,129 201,482	P	6,232 5,742	P	131 1,792	P	-	1	P	163,556 171,809	P	2,468 2,462	P	26,442 27,881	P	3,763 3,280
2020 Derivative assets Derivative liabilities	P	169,313 177,735	P	4,468 4,129	P	186 186	P	-		P	143,909 154,158	P	1,769 2,001	Р	25,218 23,391	P	2,699 2,128

As of December 31, 2021 and 2020, the BDO Unibank Group held Cash and Other Cash Items, Due from Other Banks and Due from BSP totaling to P444,103 and P448,776, respectively. The financial assets are held with the BSP and financial institution counterparties that are rated at least BBB to AAA+, based on external rating agencies.

					20	021			
			Stage 1	_	Stage 2		Stage 3		Total
Receivables from cus	stomers - corporate								
Grades AAA to B	-	P	1,728,038	P	_	P	_	P	1,728,038
Grade B	: Watchlisted	•	-	-	30,830	-	502	-	31,332
	: EM		_		81,131		2,009		83,140
	: Substandard		_		4,403		7,059		11,462
	: Doubtful		_		-,103		5,578		5,578
	: Loss		_		_		3,878		3,878
Grade 1	. 1.055		1,728,038	_	116,364		19,026	_	1,863,428
ECL allowance		(7,477)	(17,204)	(13,233)	(37,914)
Carrying amount		<u>P</u>	1,720,561	<u>P</u>	99,160	<u>P</u>	5,793	<u>P</u>	1,825,514
Receivables from cus	stomers - consumer								
Grades AAA to B	: Current	P	438,721	P	_	P	_	P	438,721
Grade B-	: Watchlisted	_	-	_	181	_	62	_	243
Grade C	: EM		_		1,468		47		1,515
Grade D	: Substandard		_		1,094		8,013		9,107
Grade E	: Doubtful		_		-		11,677		11,677
Grade F	: Loss		_		_		26,860		26,860
Grade 1	. 1033		438,721	_	2,743		46,659	_	488,123
ECL allowance		(5,194)	(414)	(19,752)	(25,360)
Carrying amount		<u>P</u>	433,527	<u>P</u>	2,329	<u>P</u>	26,907	<u>P</u>	462,763
Other receivables									
Grades AAA to B	: Current	P	110,798	P	_	P	_	P	110,798
Grade D	: Substandard		502		406		251		1,159
Grade E	: Doubtful		_		-		211		211
Grade F	: Loss		_		_		1,856		1,856
			111,300		406		2,318		114,024
ECL allowance		(31)	(<u>77</u>)	(2,210)	(2,318)
Carrying amount		<u>P</u>	111,269	P	329	P	108	<u>P</u>	111,706
Debt investment secu	urities at								
amortized cost									
Grades AAA to B	: Current	P	377,427	P		P		P	377,427
Grade E	: Doubtful	r	377,427	1	-	r	1,146	r	1,146
Grade F	: Loss		_		-		264		264
Grade 1	. 1.055		377,427				1,410		378,837
ECL allowance		(45)			(1,410)	(1,455)
Carrying amount		<u>P</u>	377,382	P		P		<u>P</u>	377,382
Debt investment secu	urities at FVOCI								
Grades AAA to B	: Current	<u>P</u>	114,095	P		<u>P</u>		<u>P</u>	114,095
Loan commitments a	and other								
contingent accoun	its								
Grades AAA to B	: Current	P	112,403	P	_	P	_	P	112,403
Grade B-	: Watchlisted	-	-,	-	461	-	_		461
	: EM		_		42		_		42
			112,403	_	503		-	-	112,906
ECL allowance		(289)	_		_		(289)
Carrying amount		<u>P</u>	112,114	P	503	P		<u>P</u>	112,617

Parent Bank					2	020			
		_	Stage 1		Stage 2	020	Stage 3		Total
Receivables from custon	mers - corporate								
Grades AAA to B :		P	1,554,068	P	-	P	-	P	1,554,068
Grade B- :			-		62,906		1,419		64,325
Grade C :			-		95,710		2,611		98,321
	Substandard		-		4,414		1,435		5,849
Grade E :	Doubtful		-		-		4,769		4,769
Grade F :	Loss						4,793		4,793
			1,554,068		163,030		15,027		1,732,125
ECL allowance		(6,200)	(11,699)	(10,053)	(27,952)
Carrying amount		<u>P</u>	1,547,868	<u>P</u>	151,331	<u>P</u>	4,974	<u>P</u>	1,704,173
Receivables from custon	mers - consumer								
Grades AAA to B :	Current	P	446,247	P	-	P	-	P	446,247
Grade B- :	Watchlisted		-		406		4		410
Grade C :	EM		-		3,063		58		3,121
Grade D :	Substandard		-		1,121		5,714		6,835
Grade E :	Doubtful		_		-		21,525		21,525
Grade F :	Loss		_		_		14,232		14,232
Grade 1	2000	-	446,247	-	4,590	_	41,533		492,370
ECL allowance		(7,558)	(671)	(17,808)	()	26,037)
Carrying amount		<u>P</u>	438,689	P	3,919	Р	23,725	P	466,333
Otherwarinshler		· <u> </u>							
Other receivables									
Grades AAA to B :	Current	P	88,062	P	-	P	-	P	88,062
Grade D :	Substandard		494		413		352		1,259
Grade E :	Doubtful		-		-		291		291
Grade F :	Loss		-		-		1,853		1,853
		-	88,556		413		2,496		91,465
ECL allowance		(<u>62</u>)	(19)	(2,204)	(2,285)
Carrying amount		Р	88,494	P	394	Р	292	Р	89,180
, ,		=		_		_		_	
Debt investment securit	ties at								
amortized cost									
Grades AAA to B :	Current	P	267,901	P	_	P	_	Р	267,901
	Doubtful		_		_		1,079		1,079
	Loss		_		_		263		263
			267,901		_		1,342		269,243
ECL allowance		(229)		_	(1,342)	(1,571)
		D		D		Р	1,512	D	,
Carrying amount		<u>r</u>	<u>267,672</u>	<u>P</u>		P		F	267,672
Debt investment securit	ties at FVOCI								
Grades AAA to B :	Current	<u>P</u>	121,848	P		P		<u>P</u>	121,848
Loan commitments and contingent accounts	other								
· ·		D	07.500	D		D		D	07.500
Grades AAA to B :		P	96,509	Р	- 4.75	Р	-	Р	96,509
Grade B- :			-		145		-		145
Grade E :	Doubtful	_	- 04 500		- 4.75		<u>16</u>	-	16
ECL allowance		(96,509 314)	(145 3)		- 16	(96,670 317)
		,	,	D	,		1.0	D.	,
Carrying amount		<u>P</u>	96,195	ľ	142	P	16	Р	96,353

The table below sets out the credit quality of trading debt securities of the Parent Bank measured at FVTPL (see Note 10.1).

		2021		2020
Grade:	n	1.756	D	1 707
AAA	P	1,756	Р	1,707
AA+ to AA		5		2
BBB+ to BBB-		169		1,327
BB+ to BB-		216		56
	<u>P</u>	2,146	<u>P</u>	3,092

The table below shows an analysis of counterparty credit exposures arising from derivative transactions. Derivative transactions of the Parent Bank are generally fully collateralized by cash.

										Over-the-counter							
										Cer	ıtral		Other Bilatera			eral	
		To	tal		E	Exchang	e-tr	aded		Counterparties			Collate			eralized	
	N	otional		Fair		Notional		Fair		Notional		Fair		Notional		Fair	
	A	mount		Value	Am	ount		Value		mount	Value		Amount			Value	
<u>2021</u>																	
Derivative assets	P	163,687	P	2,469	P	131	P	-	P	163,556	P	2,469	P	-	P	-	
Derivative liabilities		171,940		2,462		131		-		171,809		2,462		-		-	
2020																	
Derivative assets	P	144,095	P	1,769	P	186	P	-	P	143,909	P	1,769	P	-	P	-	
Derivative liabilities		154,345		2,001		186		-		154,159		2,001		-		-	

As of December 31, 2021 and 2020, the Parent Bank held Cash and Other Cash Items, Due from Other Banks and Due from BSP totaling to P433,449 and P440,661, respectively. The financial assets are held with the BSP and financial institution counterparties that are rated at least BBB to AAA+, based on external rating agencies.

4.3.3 Concentrations of Credit Risk

The BDO Unibank Group and the Parent Bank monitor concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk (gross of allowance) at the reporting date is shown below and in the succeeding page.

	2021						2020							
		h and Cash quivalents*	Receivables from Customers**		In	ading and vestment ecurities		and Cash puivalents*	Receivables from		Trading and Investment Securities			
Concentration by sector:														
Financial and														
insurance activities Activities of private household as employers and undifferentiated goods	P	547,827	P	397,823	P	438,014	P	531,246	P	335,487	P	355,937		
and services and producing activities of households														
				257 120						215 727				
for own use		-		356,129		- 21.656		-		315,727		20.056		
Real estate activities		-		307,048		21,656		9		308,681		20,856		
Wholesale and retail				202 446		052				071 405		072		
trade Electricity, gas, steam		-		282,446		953		-		271,485		863		
and air-conditioning				202.026		22 245		4		265 210		24.105		
supply Manager transition		-		282,036		23,345		4		265,210		24,195		
Manufacturing		-		206,445		14,198		-		195,586		12,482		
Transportation and				00.042		4.400		4		00.570		4 44 4		
storage		-		88,043		4,190		1		92,578		4,411		
Arts, entertainment and														
recreation		-		77,010		715		-		77,734		-		
Construction		-		68,951		102		-		69,067		1,050		
Information and														
communication		-		42,845		5,962		-		34,477		2,306		
Accommodation and														
food service activities		-		39,937		-		-		39,699		4,097		
Education		-		37,199		-		-		32,296		-		
Human health and social														
work activities		-		30,653		901		-		29,859		853		
Water supply, sewerage				,										
waste management and	d													
remediation activities		_		26,912		148		_		24,017		_		
Agriculture, forestry and				-0,>1-		1.0				21,017				
fishing		_		15,266		_		_		15,011		_		
Mining and quarrying		_		10,175		1,279				16,172		1,089		
Professional, scientific		-		10,175		1,277		-		10,172		1,002		
and technical services				9,642		975				10,255		946		
		-		9,042		973		-		10,233		940		
Administrative and				7 500		1 2/2				0.227				
support services		-		7,592		1,262		-		8,237		-		
Public administrative and														
defense; compulsory				(02		2 (20				700		2.524		
social security		-		693		2,629		-		723		2,524		
Activities of extra-territor and organizations and										_				
bodies		-		-		-		-		5		-		
Other service activities		54		113,348		64,475		122		121,396		44,843		
	<u>P</u>	547,881	<u>P</u>	2,400,193	P	580,804	<u>P</u>	531,382	<u>P</u>	2,263,702	P	476,452		
Concentration by location:	_		_		_		-				-			
Philippines	P		P	2,261,065	P	486,987	P	409,805	P	2,137,037	P	381,831		
Foreign countries		147,300		139,128		93,817		121,577		126,665		94,621		
	P	547 , 881	P	2,400,193	P	580,804	P	531,382	Р	2,263,702	P	476,452		

^{*} Cash and cash equivalents include cash and other cash items, due from BSP and other banks, reverse repurchase agreements, FCNC, certain interbank loans receivables and investment securities at amortized cost (see Note 2.5).

^{**}Receivables from customers are reported as gross of allowance but net of unearned interests or discounts.

	2021						2020						
	-		D	eceivables	Т	ading and	Receivable				Trading and		
	•	1 10 1	K			U	C 1	1.6.1	K			0	
		sh and Cash	_	from	Investment			and Cash	_	from		vestment	
	_E	quivalents*	Cu	stomers**	s	ecurities	_Eq	uivalents*	_Cı	istomers**	Securities		
Concentration by sector:													
Financial and													
insurance activities	P	535,932	D	397,733	P	414,478	P	F20 662	P	334,720	P	220.200	
		555,952	P	397,733	P	414,478	P	520,663	P	334,720	P	320,309	
Electricity, gas, steam and				204.000		24 =24				245.045		22.012	
air-conditioning suppl	y	-		281,990		21,731		4		265,067		22,842	
Real estate activities		-		308,053		16,953		4		310,133		15,245	
Transportation and													
storage		-		88,607		3,630		1		93,701		3,694	
Wholesale and retail													
traded		-		278,173		953		-		268,590		863	
Activities of private													
household as													
employers and													
undifferentiated goods	,												
and services and	,												
producing activities													
of households													
for own use		-		347,713		-		-		307,500		-	
Manufacturing		-		205,679		12,891		-		195,035		10,855	
Arts, entertainment and													
recreation		-		76,004		715		-		76,699		-	
Construction		-		68,108		102		-		68,752		1,050	
Accommodation and													
food service activities		_		39,688		_		_		39,484		4,097	
Information and				,						,		.,	
communication		_		42,634		3,802		_		34,276		324	
Human health and social				42,054		3,002				54,270		324	
work activities				30,392		901				20.602		853	
		-		30,392		901		-		29,693		633	
Water supply, sewerage	,												
waste management and	d			240-0		440				21011			
remediation activities		-		26,870		148		-		24,014		-	
Mining and quarrying		-		10,122		1,279		-		16,150		1,089	
Agriculture, forestry and													
fishing		-		14,600		-		-		14,368		-	
Professional, scientific													
and technical services		-		9,601		975		-		10,241		946	
Administrative and													
support services		_		7,430		1,262		_		8,182		_	
Education		_		4,373				_		5,043		_	
Public administrative and				.,						-,			
defense; compulsory													
social security		_		693		2,629				723		2,524	
Activities of		-		073		2,027		-		123		2,324	
extra-territorial and													
organizations										_			
bodies		-		-		-		-		5		-	
Other service activities				113,088		15,098			-	122,119		11,097	
	ъ	E2E 022	ъ	0.251.551	D	407 5 47	D	520,772	D	2 224 405	D	205 700	
	<u>P</u>	535,932	P	2,351,551	<u>P</u>	497,547	<u>P</u>	520,672	<u>P</u>	2,224,495	<u>P</u>	395,788	
Concentration by least													
Concentration by location	ъ	201 001	ъ	2 212 422	D	410.207	D	400.01.4	D	2 000 414	D	210.200	
Philippines	P	391,881	ľ	2,212,423	P	410,296	Р	400,914	Р	2,098,414	Р	310,300	
Foreign countries	-	144,051		139,128	-	87,251	-	119,758	-	126,081	-	85,488	
	_	#A= AA=				105 - 15	ъ	500 ·=	ъ	0.00::::=	ъ	205 -00	
	P	535,932	<u>h</u>	2,351,551	P	497,547	P	520,672	P	2,224,495	<u>P</u>	395,788	

^{*} Cash and cash equivalents include cash and other cash items, due from BSP and other banks, reverse repurchase agreements, FCNC, certain interbank loans receivables and investment securities at amortized cost (see Note 2.5).

**Receivables from customers are reported as gross of allowance but net of unearned interests or discounts.

4.3.4 Collateral Held as Security and Other Credit Enhancements

BDO Unibank Group and the Parent Bank hold collateral against credit exposures from customers in the form of mortgage interests over property, other registered securities over assets, financial collateral including deposits, debt and equity securities, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing and are updated periodically. Collateral generally is not held over from due from other banks, interbank loans and investment securities, except when securities are held as part of reverse repurchase and securities borrowing activity.

There is no significant change on the quality of the collateral and other security enhancements held against the credit exposures except for the fair value of the collaterals driven by the change in market conditions.

Estimate of the fair value of collateral and other security enhancements held against the following credit exposures as of December 31 follows:

	BDO Unil	oank Group	Parent Bank				
	2021	2020	2021	2020			
Receivable from customers – corporate:							
Property	P 643,403	P 575,492	P 632,969	P 571,158			
Equity securities	119,361	115,910	117,459	115,741			
Hold-out deposits	31,257	104,036	30,986	103,941			
Debt securities	2,298	2,559	1,252	2,474			
Others	105,236	237,625	105,024	229,483			
	901,555	1,035,622	887,690	1,022,797			
Receivable from customers – consumer:							
Property	558,874	515,491	545,335	515,491			
Hold-out deposits	52	2,864	52	2,844			
Debt securities	989	423	989	128			
Equity securities	146	805	146	100			
Others	212,603	<u>218,756</u>	202,216	<u>218,590</u>			
	772,664	738,339	748,738	737,153			
Other receivables:							
Property	1,832	1,696	1,668	1,696			
Others	17,095	16,729	15,800	14,135			
	18,927	18,425	17,468	15,831			
	<u>P 1,693,146</u>	<u>P 1,792,386</u>	<u>P 1,653,896</u>	<u>P 1,775,781</u>			

As of December 31, 2021 and 2020, no collateral is held for due from other banks and trading and investment securities.

The BDO Unibank Group and the Parent Bank have recognized certain properties arising from foreclosures in settlement of loan account amounting to P13,523 and P13,479, respectively, in 2021 and P13,757 and P13,743, respectively, in 2020 (see Note 14 and 15.5).

BDO Unibank Group's manner of disposing the collateral for impaired loans and receivables is normally through sale of these assets after foreclosure proceedings have taken place.

The general creditworthiness of a corporate and individual customer tends to be the most relevant indicator of credit quality of a loan extended to it (see Note 4.3.2). However, collateral provides additional security and the BDO Unibank Group generally requests that corporate and individual borrowers provide it. The BDO Unibank Group may take collateral in the form of a first charge over real estate, floating charges over all corporate and individual assets and other liens and guarantees.

While the BDO Unibank Group is focused on corporate and individual customers' creditworthiness, it continuously and regularly updates the valuation of collateral held against all loans to corporate and individual customers. Most frequent updating, however, is required when the loan is put on a watch list and the loan is monitored more closely. The same applies to credit-impaired loans, as the BDO Unibank Group obtains appraisals or valuation of collateral to provide input into determining the management credit risk actions.

(a) Receivable from Customers and Other Receivables

The net carrying amount of credit-impaired (loans under Stages 2 and 3) receivables and the value of identifiable collateral held against those loans and advances as of December 31, 2021 and 2020 are as follows:

BDO Unibank Group

BDO Unibank Group								
	2021				2020			
	Net Carrying		Identifiable		Net Carrying		Ide	entifiable
	Amount		Collateral		Amount		Collateral	
Receivable from customers:								
Corporate	P	104,957	P	63,098	P	156,487	P	103,993
Consumer		35,332		74,986		32,058		65,409
Other receivables		739		2,895		827		3,106
Parent Bank								
		202	21			2020		
	Net	Carrying	Ide	ntifiable	Net	Carrying	Ide	entifiable
	A	mount	_Cc	ollateral	Amount			ollateral
Receivable from customers:								
Corporate	P	104,953	P	63,083	P	156,305	P	103,810
Consumer		29,236		69,602		27,644		64,668
Other receivables		437	2,438			686		2,910

For each loan, the value of disclosed collateral (mainly collateral properties) is capped at the nominal amount of the loan that it is held against.

(b) Debt Investment Securities

The BDO Unibank Group and the Parent Bank invest in non-collateralized debt securities issued by various government and corporate entities. The maximum exposure to credit risk of debt investment securities is equivalent to their carrying amount as of December 31, 2021 and December 31, 2020 as shown below:

	<u>B</u>	BDO Uniba 2021		2020		Paren: 2021	2020	
Debt securities: At amortized cost At FVOCI At FVTPL	P	397,534 165,461 10,106	P	286,819 174,559 9,180	P	377,382 114,095 2,146	P	267,672 121,848 3,092
	<u>P</u>	573,101	P	470,558	P	493,623	<u>P</u>	392,612

4.3.5 Amounts Arising from Expected Credit Losses

At each reporting date, BDO Unibank Group assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired (referred to as Stages 2 and 3 financial assets). A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The BDO Unibank Group measures credit risk using PD, LGD and EAD.

(a) Significant Increase in Credit Risk (SICR)

As outlined in PFRS 9, a '3-stage' impairment model was adopted by the BDO Unibank Group based on changes in credit quality since initial recognition of the financial asset. A financial asset that is not credit-impaired on initial recognition is classified as 'Stage 1', with credit risk continuously monitored by the BDO Unibank Group as its ECL is measured at an amount equal to the portion of lifetime ECL that results from possible default events within the next 12 months. If an SICR since initial recognition is identified, the classification will be moved to 'Stage 2' but is not yet deemed to be credit-impaired. Such assessment is based on the following criteria in determining whether there has been a significant increase in credit risk: (i) qualitative indicators, such as net losses, intermittent delays in payment or restructuring; and (ii) quantitative test based on movement in risk rating and PD. The borrowers can be moved to Stage 1 upon completion of the seasoning period which shall be 6 months of continuous payment with no incident of past due.

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the BDO Unibank Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the BDO Unibank Group's historical experience and expert credit assessment and including forward-looking information (FLI).

The objective of the assessment is to identify whether an SICR has occurred for an exposure by comparing:

- the remaining lifetime PD as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

(i) Credit risk grading

The BDO Unibank Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

The credit grades are defined and calibrated such that the risk of default increases exponentially at each higher risk grade so, for example, the difference PD between an AAA and AA rating grade is lower than the difference in the PD between a B and B- rating grade.

(ii) Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The BDO Unibank Group collects performance and default information about its credit risk exposures analyzed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios, information from external credit reference agencies is also used.

The BDO Unibank Group employs statistical models to analyze the data collected and generates the term structure of PD estimates.

(iii) Determining whether credit risk has significantly increased

The BDO Unibank Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower. What is considered significant varies across financial assets of the BDO Unibank Group.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the BDO Unibank Group's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as net loss, significant drop in risk ratings and intermittent delays in payments.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

In 2021 and 2020, the assumptions and estimation technique have been reviewed to consider the continuing impact of the COVID-19 pandemic. In this regard, the BDO Unibank Group and the Parent Bank performed comprehensive review of the financial assets, particularly for loan accounts to assess vulnerability arising from current economic condition, which resulted in the transfer of the classification of some loans from Stage 1 to either Stage 2 or 3 (see Note 35).

(b) Definition of Default

The BDO Unibank Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the BDO Unibank Group in full, without recourse by the BDO Unibank Group to actions such as realizing security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the BDO Unibank Group; or,
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the BDO Unibank Group considers indicators that are qualitative (e.g., breaches of covenant) and, quantitative (overdue or non-payment).

Inputs into the assessment of whether a financial instrument is in default as well as their significance may vary over time to reflect changes in circumstances.

These criteria have been applied to all financial instruments held by the BDO Unibank Group and are consistent with the definition of default used for internal credit risk management purposes. Such definition has been consistently applied in determining PD, EAD, and LGD throughout the ECL calculations of the BDO Unibank Group.

An instrument is considered to have cured when it no longer meets any of the default criteria for a consecutive period of six months. The cure period sets the tolerance period wherein the borrowers are allowed to update the payments in compliance with the regulatory requirements on transfer between stages.

(c) Measurement of ECL

The key inputs into the measurement of ECL are the term structure of PD, LGD and EAD.

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The BDO Unibank Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, loan-to-value (LTV) ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The BDO Unibank Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortization. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described in the previous page, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the BDO Unibank Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the BDO Unibank Group considers a longer period. The maximum contractual period extends to the date at which the BDO Unibank Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

For portfolios in respect of which the BDO Unibank Group has limited historical data, external benchmark information (e.g., PD from external credit rating agencies, Basel LGD) issued are used to supplement the internally available data. The portfolios for which external benchmark information represents a significant input into measurement of ECL include exposures to foreign borrowers and low default borrower segments.

There have been no significant changes in the estimation techniques or significant assumptions made by the BDO Unibank Group in 2021.

(d) Collective Basis of Measurement of ECL

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics such as:

- instrument type;
- credit risk gradings;
- collateral type;
- LTV ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and,
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

The groupings are subject to the regular review by the BDO Unibank Group's RMG in order to ensure that credit exposures within a particular group remain appropriately homogenous.

(e) Forward-looking Information (FLI)

The BDO Unibank Group incorporates FLI into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The BDO Unibank Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The relevant macro-economic variables for selection generally include, but are not limited to, Gross Domestic Product (GDP) growth rate, unemployment rate, inflation rate, foreign exchange rates, stock market index, oil prices and interest rates.

Predicted relationships between the key macro-economic indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 10 to 15 years.

The significance of the selected macro-economic variables as predictors of default may change over time as historical information is added. As such, the generated macro-economic models are updated at least on an annual basis.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore, the actual outcomes may be significantly different from the projections. The BDO Unibank Group considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the BDO Unibank Group different product types to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Management has also considered other FLIs not incorporated within the above economic scenarios, such as any regulatory, legislative, or political changes, but are not deemed to have a significant impact on the calculation of ECL. Management reviews and monitors the appropriateness of FLIs at least annually.

(f) Modified Financial Assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognized and allocated to Stage 1 (assuming it is not credit-impaired at that time).

The BDO Unibank Group renegotiates loans of customers in financial difficulties (referred to as 'restructuring') to maximize collection opportunities and minimize the risk of default. Under the BDO Unibank Group's restructuring policy, loan restructuring is granted on a selective basis if the debtor is currently in default on its debt but the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, deferment of principal payment, changing the timing of interest payments and amending the terms of loan covenants for such loans as consumer and corporate loans and credit card receivables. All proposals for loan restructuring are for approval by the BDO Unibank Group's Executive Committee.

For financial assets modified as part of the BDO Unibank Group's restructuring policy, the estimate of credit loss will reflect the probability to collect interest and principal. As part of this process, the BDO Unibank Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioral indicators.

Generally, restructuring is a qualitative indicator of an SICR and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 4.3.2). A customer needs to demonstrate consistently good payment behavior over a period of time (in accordance with the new terms for six consecutive months or more) before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

In response to the unprecedented impact of the COVID-19 pandemic, the BDO Unibank Group and the Parent Bank granted to its customers the mandatory reliefs provided by the government through *Bayanihan to Heal as One Act (Bayanihan I)* and *Bayanihan to Recover as Once Act (Bayanihan II)*. In addition, it entered into voluntary renegotiations of terms of loans of some other customers with a view of maximizing recovery of the contractual amount of obligation. These relief measures were granted to eligible borrowers to allow them to get back into the habit of paying loans which includes payment relief including extension of contractual terms, principal and interest relief, as well as extension of balloon payment terms (see Note 35).

Financial reliefs provided by the BDO Unibank Group and the Parent Bank and mandated by the government were assessed to be non-substantial modification and has not resulted in material modification loss as the present value of the original cash flows and the present value of the revised cash flows using the original effective interest rate were substantially the same.

The following tables provide a summary of the outstanding principal balance net of allowance for impairment of modified loans provided by the BDO Unibank Group and the Parent Bank as of December 31, 2021 and 2020:

BDO Unibank Group		2021	2020			
Start 1 (Dark market)						
Stage 1 (Performing) Corporate	P	68,893	P	187,822		
Consumer	Г	121,081	Г	144,598		
Consumer		189,974	-	332,420		
Allowance for impairment	(1,404)	(2,080)		
Allowance for impairment	(1,404)	(<u> </u>		
	<u>P</u>	188,570	<u>P</u>	330,340		
Stage 2 (Underperforming)						
Corporate	P	98,434	P	83,289		
Consumer		1,075		1,448		
		99,509		84,737		
Allowance for impairment	(<u>15,798</u>)	(<u>8,645</u>)		
	<u>P</u>	83,711	<u>P</u>	76,092		
Stage 3 (Non-performing)						
Corporate	P	5,673	P	877		
Consumer		7,542		7,933		
		13,215		8,810		
Allowance for impairment	(4,709)	(2,740)		
	<u>P</u>	<u>8,506</u>	<u>P</u>	6, 070		
Parent Bank		2021		2020		
Stage 1 (Performing)						
Corporate	P	68,893	P	187,822		
Consumer	1	120,081	1	143,057		
Consumer		188,974		330,879		
Allowance for impairment	(1,367)	(2,057)		
	p	187,607	P	328,822		
	*************************************	107,007	-			
Stage 2 (Underperforming)	ъ	00 424	D	92 290		
Corporate	P	98,434	Р	83,289		
Consumer		1,054		1,348		
A 11	,	99,488	,	84,637		
Allowance for impairment	(15,793)	(<u>8,635</u>)		
	<u>P</u>	83,695	<u>P</u>	76,002		
Stage 3 (Non-performing)						
Corporate	P	5,673	P	877		
Consumer		7,006		7,389		
		12,679		8,266		
Allowance for impairment	(<u>4,521</u>)	(<u>2,545</u>)		
	P	8,158	Р	5,721		

(g) Write-offs

The BDO Unibank Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery of the financial asset. Indicators that there is no reasonable expectation of recovery include cessation of enforcement activity and, where the BDO Unibank Group's recovery method is through foreclosure of collateral and the value of the collateral is less than the outstanding contractual amounts of the financial assets to be written-off. The BDO Unibank Group and the Parent Bank have still, however, enforceable right to receive payment even if the financial assets have been written off except in certain cases.

The BDO Unibank Group and the Parent Bank had written off certain accounts from which it no longer have an enforceable right to receive payment amounting to P1,054 and P1,015 respectively, in 2021, and P654 and P533, respectively, in 2020.

(h) Credit risk exposure

The BDO Unibank Group and the Parent Bank's maximum exposure to credit risk is equal to the carrying value of its financial assets as shown below and in the succeeding page.

	Gross Maximum Exposure		(Fair Value of Collaterals		Net Exposure		Financial Effect of Collaterals
<u>2021</u>								
Loans and discounts: Corporate Consumer Reverse repurchase	P	1,869,355 530,838	P	901,555 772,664	P	967 , 800 -	P	901,555 530,838
agreements Sales contracts receivables		17,095 1,283		17,095 1,832		-		- 1,283
	<u>P</u>	2,418,571	<u>P</u>	1,693,146	<u>P</u>	967,800	<u>P</u>	1,433,676
<u>2020</u>								
Loans and discounts: Corporate Consumer Reverse repurchase	P	1,735,938 527,764	P	1,035,622 738,339	Р	700,316 -	P	1,035,622 527,764
agreements Sales contracts receivables		16,729 1,016		16,729 1,696		- -		- 1,016
	<u>P</u>	2,281,447	P	1,792,386	<u>P</u>	700,316	P	1,564.402

		Gross Maximum Exposure	Fair Value of Net Collaterals Exposure				Financial Effect of Collaterals	
<u>2021</u>								
Loans and discounts: Corporate Consumer Reverse repurchase	P	1,863,428 488,123	P	887,690 748,738	P	975 , 738 -	P	887,690 488,123
agreements Sales contracts receivables		15,800 1,226		15,800 1,668	_	-		- 1,226
	<u>P</u>	2,368,577	<u>P</u>	1,653,896	<u>P</u>	975,738	<u>P</u>	1,377,039
<u>2020</u>								
Loans and discounts: Corporate Consumer	Р	1,732,125 492,370	P	1,022,797 737,153	Р	709 , 328	Р	1,022,797 492,370
Reverse Repurchase Agreements Sales contracts receivables		14,135 977		14,135 1,696	_	-		- 977
	<u>P</u>	2,239,607	P	1,775,781	P	709,328	Р	1,516,144

An analysis of the maximum credit risk exposure relating to Stage 3 financial assets as of December 31, 2021 and 2020 is shown below and in the succeeding page.

		Gross Maximum Exposure	Fair Value of Collaterals		Net Exposure			Financial Effect of Collaterals
<u>2021</u>								
Loans and discounts: Corporate Consumer Sales contracts receivables	P	19,030 54,039 214	P	6,455 68,085 304	P	12,575 - -	P	6,455 54,039 <u>214</u>
	<u>P</u>	73,283	<u>P</u>	74,844	<u>P</u>	12,575	<u>P</u>	60,708
<u>2020</u>								
Loans and discounts: Corporate Consumer Sales contracts receivables	P	15,030 45,525 233	P	6,050 60,572 375	P	8,980 - -	P	6,050 45,525 233
	<u>P</u>	60,788	<u>P</u>	66,997	<u>P</u>	8,980	<u>P</u>	51,808

		Gross Maximum Exposure	Fair Value of Collaterals		Net Exposure		Financial Effect of Collaterals	
<u>2021</u>								
Loans and discounts: Corporate Consumer Sales contracts receivables	P	19,026 46,659 212	P	6,455 66,296 302	P	12,571 - -	P	6,455 46,659 212
	<u>P</u>	65,897	<u>P</u>	73,053	<u>P</u>	12,571	<u>P</u>	53,326
<u>2020</u>								
Loans and discounts: Corporate Consumer Sales contracts receivables	P	15,027 41,533 206	P	6,049 58,390 347	P	8,978 - -	P	6,049 41,533 206
	<u>P</u>	56,766	<u>P</u>	64,786	<u>P</u>	8,978	<u>P</u>	47,788

The following table sets out the gross carrying amounts of the exposures to credit risk on financial assets with low credit risk measured at amortized cost and debt securities at FVOCI as of December 31:

		BDO Unib	ank Group	<u>Paren</u>	t Bank
	Notes	2021	2020	2021	2020
Cash equivalents Debt securities:	8, 9	<u>P 444,103</u>	<u>P 448,776</u>	<u>P 433,449</u>	<u>P 440,661</u>
At FVOCI At amortized cost	10.2 10.3	165,461 <u>399,005</u>	174,559 288,409	114,095 378,837	121,848 269,243
		P 564,466	P 462,968	P 492,932	<u>P 391,091</u>

Cash equivalents includes loans and amounts due from BSP and from other banks. Debt securities includes government and corporate bonds. These are held by the BSP, financial institutions and other counterparties that are reputable and with low credit risk; hence, ECL is negligible.

(i) Loss allowance

In 2021 and 2020, the BDO Unibank Group and the Parent Bank performed recalibration of its existing ECL model to incorporate in the most-recent default and recovery experience of the BDO Unibank Group and the Parent Bank and developments in the macroeconomic environment. Independent macroeconomic variables used to forecast the PD could either be dictated by their statistical significance in the model or economic significance. Inputs are updated to ensure that models are robust, predictive and reliable.

The following tables show the reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument.

				20	021			
		Stage 1		Stage 2	140	Stage 3		Total
Receivables from customers –								
corporate								
Balance at January 1	P	6,254	P	11,699	P	10,056	P	28,009
Transfers to:		-,		,		,,,,,,		,,,,,,,
Stage 1		414	(414)		-		-
Stage 2		218	(217)	(1)		-
Stage 3	(7)	(17)		24		-
Net remeasurement of loss allowance	(743)		6,206		1,645		7,108
New financial assets originated		3,529		877		3,960		9 366
or purchased Derecognition of financial assets	(2,227)	(1,151)	(1,352)	(8,366 4,730)
Write-offs	(- 2,221)	(- 1,131)	(1,256)	•	1,256)
Foreign exchange		75		222	(161	`	458
ŭ ŭ	_		_		_		_	
Balance at December 31	<u>P</u>	7,513	<u>P</u>	17,205	<u>P</u>	13,237	<u>P</u>	37,955
Receivables from customers -								
consumer								
Balance at January 1	P	7,795	P	997	P	19,619	P	28,411
Transfers to:								
Stage 1		3,290	(630)		2,660)		-
Stage 2	(210)		379	•	169)		-
Stage 3	(2,692)	(393)		3,085		-
Net remeasurement of loss allowance	(3,099)		160		10,152		7,213
New financial assets originated		1,273		109		1,015		2 307
or purchased Derecognition of financial assets	(805)	(118)	(2,234)	(2,397 3,157)
Write-offs	(-	•	-	(7,575)	•	7,575)
Foreign exchange		2		-	_	13	_	15
Balance at December 31	P	5,554	P	504	P	21,246	P	27,304
Datanee at December 51	-	<u> </u>	-	301	-	21,210	-	27,501
Other receivables								
Balance at January 1	P	151	P	18	P	2,262	P	2,431
Transfers to								
Stage 1		13	(1)	(12)		-
Stage 2	,	0		1	(1)		-
Stage 3	(6)		52		6 154		126
Net remeasurement of loss allowance New financial assets originated	(80)		52		134		120
or purchased		22		18		527		567
Derecognition of financial assets	(22)	(11)	(474)	(507)
Write-offs	•	,	`	-	(135)	•	135)
Foreign exchange		1		-	`	<u> </u>		<u>2</u>
Balance at December 31	<u>P</u>	79	P	77	<u>P</u>	2,328	<u>P</u>	2,484
Debt investment securities at								
amortized cost								
Balance at January 1	P	248	P	_	P	1,342	P	1,590
Net remeasurement of loss allowance	(180)		-		-	(180)
New financial assets originated	`	,					`	,
or purchased		10		-		-		10
Foreign exchange		5		-		68		73
Derecognition of financial assets	(<u>22</u>)					(<u>22</u>)
Balance at December 31	P	61	P	_	P	1,410	P	<u> 1,471</u>
Balance at December 31	-		-		-	1,710	-	19771
Debt investment securities at FVOCI								
Balance at January 1	P	137	P	-	P	-	P	137
Net remeasurement of loss allowance	(75)		-		-	(75)
New financial assets originated	`	-,					`	,
or purchased		12		-		-		12
Derecognition of financial assets	(24)					(24)
Ralanco at Dagambar 24	D	EO	D		D		n	FO
Balance at December 31	<u>P</u>	50	P	-	P	-	P	50

		Stage 1		Stage 2	021	Stage 3		Total
I								
Loan commitments and other contingent accounts								
в	ъ	21.4	ъ	2	ъ		ъ	217
Balance at January 1	P	314	P	3	P	-	P	317
Net remeasurement of loss allowance New financial assets originated	(29)		-		-	(29)
or purchased		66		_				66
Derecognition of financial assets	(65)	(3)		-	(68)
Foreign exchange	_	3	_		_		_	3
Balance at December 31	P	289	<u>P</u>		<u>P</u>		<u>P</u>	289
				2	020			
	=	Stage 1	_	Stage 2		Stage 3		Total
Receivables from customers – corporate								
Balance at January 1	P	6,609	P	549	P	8,412	P	15,570
Transfers to:						*		*
Stage 1		65	(65))	-		-
Stage 2	(1,639)	,	1,639		-		-
Stage 3	(32)	(121))	153		-
Net remeasurement of loss allowance		220		8,429		1,212		9,861
New financial assets originated								
or purchased		3,226		1,333		1,493		6,052
Derecognition of financial assets	(2,166)	(65)) (999)		3,230)
Foreign exchange	(29)	_		(<u>215</u>)	(244)
Balance at December 31	<u>P</u>	6,254	<u>P</u>	11,699	P	10,056	<u>P</u>	28,009
Receivables from customers – consumer								
Balance at January 1	P	5,050	Р	681	P	8,767	P	14,498
Transfers to:		,				,		,
Stage 1		462	(120) (342)		-
Stage 2	(201)		249	(48)		-
Stage 3	(1,407)	(1,249))	2,656		-
Net remeasurement of loss allowance New financial assets originated		3,060		1,446		10,616		15,122
or purchased		1,609		276		1,675		3,560
Derecognition of financial assets	(774)	(284) (1,199)	(2,257)
Write-offs		-			(2,497)	(2,497)
Foreign exchange	(4)	((<u>9</u>)	(<u>15</u>)
Balance at December 31	<u>P</u>	7,795	P	997	P	19,619	P	28,411
Other receivables								
Balance at January 1	P	116	P	269	P	2,213	P	2,598
Transfers to								
Stage 1		41		-	(41)		-
Stage 2		1		2))	1		-
Stage 3	(21)		-		21		-
Net remeasurement of loss allowance	(3)	(249))	674		422
New financial assets originated								
or purchased		37	,	10		523	,	570
Derecognition of financial assets	(19)	(10)) (675)		704)
Write-offs Foreign exchange	(- 1)		-	(452) 2)		452) 3)
	(<u> </u>	,	D	10	(<u> </u>	ŕ	(<u> </u>	•
Balance at December 31	<u>1'</u>	<u>151</u>	<u>P</u>	18	<u>P</u>	2,262	<u>P'</u>	2,431
Debt investment securities at								
amortized cost								
Balance at January 1	P	151	P	-	P	1,402	P	1,553
Net remeasurement of loss allowance New financial assets originated		90		-		-		90
or purchased		42		-		-		42
Foreign exchange	(8)		-	(60)	(68)
Derecognition of financial assets	(27)	_	-	_		<u>`</u>	27)
n.l	т.	2.12	P		-		Б	4.500
Balance at December 31	P	248	Р		P	1,342	Р	1,590

BDO Unibank Group									
					20	020			
		Stage 1		Stage 2			Stage 3		Total
Debt investment securities at FVOCI		Ü					Ü		
Balance at January 1	P	100	P	-		P	-	P	100
Net remeasurement of loss allowance		41		-			-		41
New financial assets originated									
or purchased	,	27		-			-	,	27
Foreign exchange	(1)		-			-	(1)
Derecognition of financial assets	(30)	_	-	_	_	-	_ (30)
Balance at December 31	<u>P</u>	137	P	-	_	<u>P</u>	-	<u>P</u>	137
Loan commitments and other									
contingent accounts									
Balance at January 1	P	114	Р	_		Р	_	P	114
Net remeasurement of loss allowance		21			1		-		22
New financial assets originated									
or purchased		220			2		-		222
Derecognition of financial assets	(39)		-			-	(39)
Foreign exchange	(<u>2</u>)		-	_		-	_ (<u>2</u>)
Balance at December 31	<u>P</u>	314	<u>P</u>		3	P		<u>P</u>	317
Parent Bank									
Tarcin Dank									
					20	021			
		Stage 1		Stage 2	_		Stage 3		Total
Descivables from quaternare									

Parent Bank								
				20)21			
	_	Stage 1	_	Stage 2		Stage 3	Total	_
Receivables from customers –								
corporate								
Balance at January 1	P	6,200	P	11,699	P	10,053	P 27,	952
Transfers to:	r	0,200	r	11,099	r	10,055	Ľ 2/,	932
Stage 1		398	,	398)				
Stage 2		218	(217)	(1)		
Stage 3	(7)	•	15)	(22		
Net remeasurement of loss allowance	(709)	(6,187		1,646	7	124
New financial assets originated	(707)		0,107		1,040	,	127
or purchased		3,515		877		3,959	8	351
Derecognition of financial assets	(2,213)	(1,151)	(1,351) (,715)
Write-offs	(2,213)	(- 1,131)	}	1,256) (,715) ,256)
Foreign exchange		75		222	(161		458
1 oreign exertainge	-	13	-	222	_	101		130
Balance at December 31	<u>P</u>	7,477	<u>P</u>	17,204	P	13,233	P 37,	914
Receivables from customers -								
consumer								
Balance at January 1	P	7,558	P	671	P	17,808 P	26,	037
Transfers to:		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				-,	-,	
Stage 1		2,832	(409)	(2,423)	_	
Stage 2	(206)	`	370	•	164)	_	
Stage 3	ì	2,663)	(349)	`	3,012	_	
Net remeasurement of loss allowance	ì	2,599)	`	159		9,508	7.5	068
New financial assets originated	•	_,=,,				-,	-,	
or purchased		1,033		58		797	1.	888
Derecognition of financial assets	(763)	(86)	(1,832) (681)
Write-offs	`	-	`	-	ì	6,967) (967)
Foreign exchange		2		_	`	13	-,	15
Balance at December 31	P	5,194	P	414	P	19,752	P 25,	360
Other receivables								
Balance at January 1	P	62	P	19	P	2,204	P 2,	285
Transfers to:								
Stage 1		13	(1)	(12)	-	
Stage 3	(1)		-		1	-	
Net remeasurement of loss allowance	(44)		55		89		100
New financial assets originated								
or purchased		21		15		520		556
Derecognition of financial assets	(21)	(11)	(465) (497)
Write-offs		-		-	(128) (128)
Foreign exchange		1			_	1		2
Balance at December 31	<u>P</u>	31	P	77	<u>P</u>	2,210	P 2,	318

	S	tage 1		Stage 2	021	Stage 3		Total
Dobt investment asiti		_		_		_		
Debt investment securities at amortized cost								
	P	229	P		P	1 242	P	1
Balance at January 1 Net remeasurement of loss allowance		175)	P	-	r	1,342		1,
New financial assets originated	(173)		-		-	(
or purchased		5		_		_		
Foreign exchange		5		-		68		
Derecognition of financial assets	(19)					(
Balance at December 31	<u>P</u>	45	P		<u>P</u>	1,410	P	1,
Debt investment securities at FVOCI								
Balance at January 1	P	108	P	_	P	_	P	
Net remeasurement of loss allowance	(63)		_		-	(
New financial assets originated	•	/					`	
or purchased		8		-		-		
Derecognition of financial assets	(<u>16</u>)					(
	·	·					•	
Balance at December 31	<u>P</u>	37	<u>P</u>		<u>P</u>		<u>P</u>	
Loan commitments and other								
contingent accounts								
Balance at January 1	P	314	P	3	P	-	P	
Net remeasurement of loss allowance	(29)		-		-	(
New financial assets originated				-				
or purchased		66		-		-		
Derecognition of financial assets	(65)	(3)		-	(
Foreign exchange		3		-		-	_	
Balance at December 31	<u>P</u>	289	<u>P</u>		P		P	
				20	020			
	S	tage 1		Stage 2	J <u>20</u>	Stage 3		Total
Receivables from customers –								
corporate	D	<i>(</i> 52 0	D	F20	D	7.001	D	1.5
Balance at January 1 Transfers to:	Р	6,520	Р	538	Р	7,991	Р	15,
Stage 1		46	,	46)				
Stage 2	(1,638)	(1,638		_		_
Stage 3		26)	(108)		134		_
Net remeasurement of loss allowance	(219	(8,405		961		9,
New financial assets originated				0,.00		, , , ,		-,
or purchased		3,212		1,331		1,485		6,
Derecognition of financial assets	(2,104)	(59)	(303)	(2,
Write-offs	`	- '	`	- ′	`	-	`	-
Foreign exchange	(29)			(215)	(
Balance at December 31	<u>P</u>	6,200	<u>P</u>	11,699	P	10,053	<u>P</u>	27,
Receivables from customers –								
consumer								
	P	4,549	P	541	Р	7,243	D	12,
	1	7,349	1	J+1	Г	1,243	1	14,
Balance at January 1 Transfers to:		141	(61)	(80)		_
Transfers to:			(174		35)		-
Transfers to: Stage 1	(139\		1 / T		,		_
Transfers to: Stage 1 Stage 2	(139) 1.279)	(335)		1014		
Transfers to: Stage 1 Stage 2 Stage 3	(1,279)	(335) 375		1,614 11,009		14
Transfers to: Stage 1 Stage 2 Stage 3 Net remeasurement of loss allowance	((335) 375		11,009		14,
Transfers to: Stage 1 Stage 2 Stage 3 Net remeasurement of loss allowance New financial assets originated	(1,279)	(
Transfers to: Stage 1 Stage 2 Stage 3 Net remeasurement of loss allowance	(1,279) 3,302		375		11,009	(2,
Transfers to: Stage 1 Stage 2 Stage 3 Net remeasurement of loss allowance New financial assets originated or purchased		1,279) 3,302 1,410		375 [°] 116		11,009 1,172		2,
Transfers to: Stage 1 Stage 2 Stage 3 Net remeasurement of loss allowance New financial assets originated or purchased Derecognition of financial assets		1,279) 3,302 1,410		375 [°] 116		11,009 1,172 731)	(14, 2, 1, 2,
Transfers to: Stage 1 Stage 2 Stage 3 Net remeasurement of loss allowance New financial assets originated or purchased Derecognition of financial assets Write-offs		1,279) 3,302 1,410 422)		375 116 137)		11,009 1,172 731) 2,375)	(2, 1,

Parent	

Parent Bank					20	20			
	Stage	e 1		Stage		020	Stage 3		Total
Other receivables									
Balance at January 1	P	46	P		269	P	2,136	P	2,451
Transfers to:									
Stage 1	(2)		-			2		-
Stage 2		1	(2)		1		-
Stage 3		5			1	(6)		-
Net remeasurement of loss allowance	(3)	(249)		647		395
New financial assets originated									
or purchased		36			10		523		569
Derecognition of financial assets	(20)	(10)	(645)	(675)
Write-offs	-			-		(452)	(452
Foreign exchange	(<u> </u>		-		(2)	(3
Balance at December 31	<u>P</u>	62	<u>P</u>		19	<u>P</u>	2,204	<u>P</u>	2,285
Debt investment securities at									
amortized cost									
	D	1.11	D			D	1 402	D	1 5 42
Balance at January 1	P	141 85	Р	-		P	1,402	Р	1,543
Net remeasurement of loss allowance		83		-			-		85
New financial assets originated		35							35
or purchased	(-		,	-	,	
Foreign exchange Derecognition of financial assets	(8) 24)		_		(60)	(68) 24
Defeeogration of infancial assets		<u>24</u>)	_			_		(27,
Balance at December 31	<u>P</u>	229	<u>P</u>			P	1,342	<u>P</u>	1,571
Debt investment securities at FVOCI									
Balance at January 1	P	72	P	_		P	-	P	72
Net remeasurement of loss allowance		34		_			-		34
New financial assets originated									
or purchased		20		-			-		20
Derecognition of financial assets	(<u>18</u>)		-			_	(18)
Balance at December 31	P	108	<u>P</u>	_		P		<u>P</u>	108
Loan commitments and other									
contingent accounts									
Balance at January 1	P	114	Р	_		Р	_	Р	114
Net remeasurement of loss allowance	1	21	1	_	1	1	-	1	22
New financial assets originated		41			1		_		22
or purchased		220			2		_		222
Derecognition of financial assets	(39)		_	4		_	(39
Foreign exchange		<u>2</u>)		_			_	(2
1 oreign exchange	(<u>~</u>)	-			-		\ <u> </u>	<u>~</u> ,
Balance at December 31	р	314	D		3	Р		Р	317
Darance at December 31	<u>r</u>	J14	Ľ)	Ľ	-	<u>r</u>	31/

The following table sets out a reconciliation of changes in the total loss allowance.

	В	DO Unibanl	K Group	Parent Ba	nk
		2021	2020	2021	2020
Balance at January 1	P	60,895 P	34,433 P	58,270 P	31,562
Net remeasurement of loss allowance		14,163	25,558	14,025	24,807
New financial assets originated or purchased		11,418	10,473	10,874	9,572
Derecognition of financial assets	(8,508) (6 , 287) (7,996) (4,512)
Write-offs Foreign exchange	(8,966) (2,949) (333)	8,351) (2,827) 332)
Balance at December 31	P	69,553 P	60 , 895 P	67,373 P	58,270

(j) Significant Changes in Gross Carrying Amount Affecting Allowance for ECL

The tables below and in the succeeding pages provide information how the significant changes in the gross carrying amount of financial instruments in 2021 and 2020 contributed to the changes in the allowance for ECL.

				20)21		
		Stage 1		Stage 2		Stage 3	Total
Receivables from customers –							
corporate							
-	P	1 557 606	D	163,212	P	15 020 D	1 725 029
Balance at January 1 Transfers to:	P	1,557,696	P	103,212	P	15,030 P	1,735,938
Stage 1		13,931	(13,930)	(1)	_
Stage 2	(1,875)	(1,930	•	55)	-
Stage 3	(471)	(552)	(1,023	_
New financial assets originated	(171)	•	332)		1,023	
or purchased		1,306,861		5,575		5,714	1,318,150
Derecognition of financial assets	(1,142,186)	(39,866)	(1,425) (1,183,477)
Write-offs	_		_		(_	1,256) (1,256)
Balance at December 31	<u>P</u>	1,733,956	P	116,369	P	19,030 P	1,869,355
Receivables from customers –							
consumer	_		_		_		
Balance at January 1	P	475,090	P	7,149	P	45,525 P	527,764
Transfers to:		10.022	,	3,144)	,	6 979)	
Stage 1 Stage 2	,	10,022 2,097)	(2,465	•	6,878) 368)	-
Stage 2 Stage 3	(22,686)	(2,403	(24,893	-
New financial assets originated	(22,000)	(2,207)		24,073	-
or purchased		131,086		293		3,877	135,256
Derecognition of financial assets	(117,659)	(1,513)	(5,435) (124,607)
Write-offs	(-	(-	(7,575) (7,575
	_	450.55	_	2.042	,	. , ,	
Balance at December 31	<u>P</u>	473,756	P	3,043	P	54,039 P	530,838
Other receivables							
Balance at January 1	P	94,023	P	451	P	2,656 P	97,130
Transfers to		ŕ				•	ŕ
Stage 1		71	(14)	(57)	-
Stage 2	(10)		13	(3)	-
Stage 3	(85)	(3)		88	-
New financial assets originated							
or purchased		25,808		168		1,076	27,052
Derecognition of financial assets	(4,498)	(145)	(951) (5,594)
Write-offs	_		_		(135) (135)
Balance at December 31	<u>P</u>	115,309	<u>P</u>	470	<u>P</u>	2,674 P	118,453
Debt investment securities at							
amortized cost							
Balance at January 1	P	287,067	P	_	P	1,342 P	288,409
Amortization	(1,202)		_		- (1,202
New financial assets originated	`	, ,				`	
or purchased		166,073		-		_	166,073
Foreign exchange		9,068		-		68	9,136
Derecognition of financial assets	(63,411)				(_	63,411)
Balance at December 31	<u>P</u>	397,595	P	-	P	<u>1,410</u> P	399,005
Debt investment securities at FVOCI							
Balance at January 1	P	174,559	P	-	P	- P	174,559
Amortization	(483)		-		- (483)
Fair value gain	(5,576)		-		- (5,576)
New financial assets originated	,	ŕ				`	ĺ
or purchased		474,062		-		-	474,062
Foreign Exchange		4,986		-		-	4,986
Derecognition of financial assets	(482,087)	_			- (_	482,087)
Deleges at Descrit 24	n	165 464	ъ		ъ	70	165 464
Balance at December 31	<u>P</u>	165,461	P		P	<u> </u>	165,461

	2021					I				
	_	Stage 1		Stage 2		Stage 3	Total			
Loan commitments and other										
contingent accounts										
Balance at January 1	P	96,509	P	145	P	16 P	96,670			
Transfers to		40	,	40)						
Stage 1 New financial assets originated		48	(48)		-	-			
or purchased		54,277		451		-	54,728			
Derecognition of financial assets	(38,431)	(<u>45</u>)	(<u>16</u>) (38,492)			
Balance at December 31	<u>P</u>	112,403	P	503	P	<u>-</u> Р	112,906			
				20	020					
	_	Stage 1		Stage 2		Stage 3	Total			
Receivables from customers –										
corporate										
Balance at January 1	P	1,675,381	P	7,980	P	10,647 P	1,694,008			
Transfers to:			,							
Stage 1	(2,363 133,928)	(2,363) 133,932	(- 4)	-			
Stage 2 Stage 3	(3,221)	(784)	•	4) 4,005	-			
New financial assets originated	(J,221)	(, , ,		1,000				
or purchased		793,998		25,413		4,004	823,415			
Derecognition of financial assets	(<u>776,897</u>)	(966)	(3,622) (781,485)			
Balance at December 31	<u>P</u>	1,557,696	<u>P</u>	163,212	P	<u>15,030</u> <u>P</u>	1,735,938			
Receivables from customers –										
consumer										
Balance at January 1	P	496,344	P	3,029	P	14,669 P	514,042			
Transfers to: Stage 1		8,845	(10,117)		1,272	_			
Stage 2	(3,695)	(3,890	(195)	-			
Stage 3	Ì	25,136)	(2,764)	`	27,900	-			
New financial assets originated		455.000		4.4.400		0.540	470.704			
or purchased Derecognition of financial assets	(455,090 456,358)	(14,188	,	9,518 5 142) (478,796 462,577)			
Write-offs	(_	1,077)	(5,142) (462,577) 2,497)			
Balance at December 31	<u>P</u>	475,090	P	7,149	P	45,525 <u>P</u>	527,764			
Other receivables										
Balance at January 1	P	47,185	Р	325	Р	2,883 P	50,393			
Transfers to						,	,			
Stage 1	(28)		16		12	-			
Stage 2	(2) 18	,	-		2 4	-			
Stage 3 New financial assets originated		10	(22)		4	-			
or purchased		103,346		300		820	104,466			
Derecognition of financial assets	(56,496)	(168)	(613) (57,277)			
Write-offs		-	_	-	(452) (452)			
Balance at December 31	<u>P</u>	94,023	P	451	P	<u>2,656</u> P	97,130			
Debt investment securities at										
amortized cost										
Balance at January 1	P	263,736	P	-	P	1,402 P	265,138			
Amortization		2,605		-		-	2,605			
New financial assets originated		102.272					102.272			
or purchased Foreign exchange	(102,273 7,576)		-	(- 60) (102,273 7,636)			
Derecognition of financial assets	(73,971)	_		_	(73,971			
	_	,	_		_		•			
Balance at December 31	<u>P</u>	287,067	Р		Р	<u>1,342</u> P	288,409			

				20	020			
		Stage 1		Stage 2		Stage 3		Total
Debt investment securities at FVOCI	D	121122	ъ		ъ		ъ	121122
Balance at January 1 Amortization	Р	134,123 336	Р	-	Р	-	Р	134,123 336
Fair value gain		4,069		-		-		4,069
New financial assets originated		1,002						1,002
or purchased		193,217		-		-		193,217
Foreign Exchange	(4,362)					(4,362)
Derecognition of financial assets	(152,824)					(152,824)
Balance at December 31	<u>P</u>	174 , 559	P		P		<u>P</u>	174,559
Loan commitments and other								
contingent accounts								
Balance at January 1	P	457,736	P	1	P	44	P	457,781
Transfers to								
Stage 2	(25)		25		-		-
New financial assets originated		45.505		110				65 644
or purchased Derecognition of financial assets	(65,525 426,727)		119	(- 28)	,	65,644 426,755)
Defectogrittion of infancial assets	(420,727)			(<u>28</u>)	(420,733)
Balance at December 31	<u>P</u>	96,509	P	145	<u>P</u>	<u>16</u>	<u>P</u>	96,670
Parent Bank								
				20)21			
		Stage 1		Stage 2	,	Stage 3		Total
D 111.6								
Receivables from customers –								
corporate		4 4 0 < 0		4.62.020	_	4.5.00	_	4 = 22 42 =
Balance at January 1 Transfers to:	P	1,554,068	P	163,030	P	15,027	P	1,732,125
Stage 1		13,707	(13,707)		_		_
Stage 2	(1,868)	`	1,922	(54)		-
Stage 3	Ì	470)	(550)	`	1,020		-
New financial assets originated								
or purchased		1,301,391		5,535		5,713		1,312,639
Derecognition of financial assets	(1,138,790)	(39,866)	(1,424)		1,180,080)
Write-offs			-		(<u>1,256</u>)	(1,256)
Balance at December 31	<u>P</u>	1,728,038	<u>P</u>	116,364	P	19,026	P	1,863,428
Receivables from customers -								
consumer								
Balance at January 1	P	446,247	P	4,590	P	41,533	P	492,370
Transfers to:		,		,,,,,,,		,		,
Stage 1		7,056	(1,318)	(5,738)		-
Stage 2	(1,887)		2,227	(340)		-
Stage 3	(21,190)	(1,908)		23,098		-
New financial assets originated or purchased		99,753		145		482		100,380
Derecognition of financial assets	(91,258)	(993)	(5,409)	(97,660)
Write-offs			_		(6,967)	•	6,967)
Balance at December 31	P	438,721	P	2,743	P	46,659	<u>P</u>	488,123
				<u> </u>				·
Other receivables	ъ	00.554	ъ	44.2	ъ	2.406	ъ	04.465
Balance at January 1	P	88,556	P	413	P	2,496	P	91,465
Transfers to Stage 1		71	(14)	(57)		_
Stage 2	(10)	(13		37)		_
Stage 3	(73)	(2)	`	75		-
New financial assets originated	`	-,	`	,				
or purchased		23,597		135		843		24,575
Derecognition of financial assets	(841)	(139)	(908)	•	1,888)
Write-offs			_	-	(128)	(128)
Balance at December 31	_		_	100	n	2,318	ъ	114,024
Dalance at December 31	P	111,300	P	406	P		<u>P</u>	114.07.4

Parent Bank									
	_	Stage 1	_	Stage 2	21	Stage 3		Total	
Debt investment securities at									
amortized cost									
Balance at January 1	P	267,901	P	-	P	1,342	P	269,243	
Amortization	(1,186)		-		-	(1,186)	
New financial assets originated or purchased		157,763		_		_		157,763	
Foreign exchange		8,746		-		68		8,814	
Derecognition of financial assets	(55,797)			_		(55,797)	
Balance at December 31	<u>P</u>	377,427	<u>P</u>		<u>P</u>	1,410	<u>P</u>	378,837	
Debt investment securities at FVOCI									
Balance at January 1	P	121,848	P	-	P	-	P	121,848	
Amortization Fair value gain	(334) 2,861)		-		-	(334) 2,861)	
New financial assets originated	(2,001)		-		-	(2,001)	
or purchased		445,300		-		-		445,300	
Foreign exchange	,	4,249		-		-	,	4,249	
Derecognition of financial assets	(<u>454,107</u>)					(454,107)	
Balance at December 31	P	114,095	<u>P</u>		P		P	114,095	
Loan commitments and other									
contingent accounts	_	0	_		_		_	0.4	
Balance at January 1 Transfers to Stage 2	P	96,509 48	P	145	P	16	P	96,670	
New financial assets originated		40	(48)		-		-	
or purchased		54,277		451		-		54,728	
Derecognition of financial assets	(38,431)	(45)	(<u>16</u>)	(38,492)	
Balance at December 31	<u>P</u>	112,403	P	503	P		P	112,906	
				20	20				
		Stage 1		Stage 2		Stage 3		Total	
Receivables from customers – corporate									
Balance at January 1	P	1,660,571	P	7,433	P	9,536	P	1,677,540	
Transfers to:		1.010	,	1.010)					
Stage 1 Stage 2	(1,919 133,669)	(1,919) 133,669		-		-	
Stage 3	(1,444)	(524)		1,968		-	
New financial assets originated	,	ŕ		ŕ					
or purchased	,	791,337	,	25,150	,	4,057	,	820,544	
Derecognition of financial assets	(764,646)	(<u>779</u>)	(534)	(765,959)	
Balance at December 31	P	1,554,068	P	163,030	P	15,027	P	1,732,125	
Receivables from customers – consumer									
Balance at January 1 Transfers to:	Р	465,938	Р	2,262	Р	12,126	Р	480,326	
Stage 1	(5,608)	(354)		5,962		-	
Stage 2	(3,159)	,	3,208	(49)		-	
Stage 3 New financial assets originated	(24,457)	(1,464)		25,921		-	
or purchased		456,539		1,308		3,875		461,722	
Derecognition of financial assets	(443,006)	(370)	(3,927)	(447,303)	
Write-offs	_		_		(2,375)	(2,375)	
Balance at December 31	<u>P</u>	446,247	<u>P</u>	4,590	<u>P</u>	41,533	<u>P</u>	492,370	
Other receivables									
Balance at January 1	P	45,128	P	324	P	2,170	P	47,622	
Transfers to	,	4.45		4.7		400			
Stage 1 Stage 2	(147) 9	(17 17)		130 8		-	
Stage 3		19	(,	(19)		-	
New financial assets originated					`	/			
or purchased	,	89,424	,	300	,	1,227	,	90,951	
Derecognition of financial assets Write-offs	(45,877)	(211)	(568) 452)		46,656) 452)	
		 _			(ŕ	`	,	
Balance at December 31	P	88,556	<u>P</u>	413	P	2,496	<u>P</u>	91,465	

Parent	Ranl
Parem	Dan

	2020							
		Stage 1		Stage 2		Stage 3	3	Total
Debt investment securities at								
amortized cost								
Balance at January 1	P	247,449	Р	_	P	1	,402 P	248,851
Amortization		2,608		-		-	,	2,608
New financial assets originated or purchased		96,702		_		_		96,702
Foreign exchange	(7,254)		_	(60) (7,314)
Derecognition of financial assets	(71,604)		-	_ `_	-	(71,604)
Balance at December 31	<u>P</u>	267,901	P	_	<u>P</u>	1	<u>,342</u> <u>P</u>	269,243
Debt investment securities at FVOCI								
Balance at January 1	P	89,431	P	-	P	-	P	89,431
Amortization	(27)		-		-	(27)
Fair value gain		2,381		-		-		2,381
New financial assets originated or purchased		160,325		_		_		160,325
Foreign exchange	(3,414)		_		_	(3,414)
Derecognition of financial assets	(126,848)		-		-	(126,848)
Balance at December 31	<u>P</u>	121,848	P	_	<u>P</u> _		<u>P</u>	121,848
Loan commitments and other								
contingent accounts								
Balance at January 1	P	457,736	P		1 P		44 P	457,781
Transfers to Stage 2	(25)			25	-		-
New financial assets originated	`	,						
or purchased		65,525		1	.19	-		65,644
Derecognition of financial assets	(426,727)	_	-	(426,755)
Balance at December 31	<u>P</u>	96,509	P	1	<u>45</u> P		<u> 16 P</u>	96,670

(k) Sensitivity Analysis on ECL Measurement

Set out below are the changes to the BDO Unibank Group's 12-month ECL as of December 31, 2021 and 2020 that would result from reasonably possible changes in these parameters from the actual assumptions used in the BDO Unibank Group's economic variable assumptions.

	Change	in MEVs	Impact	on ECL
	Increase	Decrease	Increase in MEV	Decrease in MEV
<u>2021</u>				
Corporate or				
Commercial Loans:				
GDP growth rate	+1%	-1%	-6.8%	6.8%
Inflation rate	+1%	-1%	2.1%	-2.6%
Credit Card Receivables				
or Personal Loans:				
GDP growth rate	+1%	-1%	-1.4%	1.4%
Unemployment rate	+1%	-1%	1.1%	-1.1%
Home/Housing Loans:				
GDP growth rate	+1%	-1%	-0.6%	0.6%
Inflation rate	+1%	-1%	0.1%	-0.1%
Auto Loans:				
GDP growth rate	+1%	-1%	-0.5%	0.5%
Unemployment rate	+1%	-1%	3.7%	-3.7%

	Change	in MEVs	Impact	on ECL
	Increase	Decrease	Increase in MEV	Decrease in MEV
<u>2020</u>				
Corporate or				
Commercial Loans:				
GDP growth rate	+1%	-1%	-1.7%	1.7%
Inflation rate	+1%	-1%	0.1%	-0.1%
Credit Card Receivables or Personal Loans:				
GDP growth rate	+1%	-1%	-5.0%	5.0%
Unemployment rate	+1%	-1%	0.2%	-0.2%
Home/Housing Loans:				
GDP growth rate	+1%	-1%	-3.0%	3.0%
Unemployment rate	+1%	-1%	2.0%	-2.0%
Inflation rate	+1%	-1%	0.2%	-0.2%
Auto Loans:				
GDP growth rate	+1%	-1%	-0.5%	0.5%
Unemployment rate	+1%	-1%	3.0%	-3.0%

4.4 Operational Risk

Operational risk is the risk of loss due to BDO Unibank Group's:

- failure to comply with defined operational procedures;
- inability to address fraud committed internally or externally;
- inability to handle system failures; and,
- inability to cope with the impact of external events.

BDO Unibank Group manages its operational risks by instituting policies to minimize its expected losses, allocating capital for the unexpected losses and having insurance and/or a business continuity plan to prepare for catastrophic losses.

Framework

True to its commitment to sound management and corporate governance, BDO Unibank Group considers operational risk management as a critical element in the conduct of its business. Under BDO Unibank Group's Operational Risk Management (ORM) framework, the BOD has the ultimate responsibility for providing leadership in the management of operational risk in BDO Unibank Group.

The RMG provides the common risk language and management tools across BDO Unibank Group as well as monitors the implementation of the ORM framework and policies. The business process owners, as risk owners, are responsible for identifying, assessing and limiting the impact of risk in their businesses/operations.

The BDO Unibank Group continues to conduct periodic Risk and Control Self-Assessment (RCSA) so that business process owners could document both their operational risks and control mechanisms they have put in place to manage those risks. This ORM tool allows the BDO Unibank Group to identify risks the business/operation faces, assess the severity of those risks, evaluate the adequacy of key controls associated to the identified risks, and take proactive action to address any deficiencies identified.

The BDO Unibank Group also continues to use Key Risk Indicators (KRI) as alerts for operational risk vulnerabilities. Reporting of top KRIs to the BOD through the RMC is done quarterly.

The BDO Unibank Group likewise uses Loss Data Collection, Analysis and Reporting that allows the BDO Unibank Group to gather data per Basel loss event category across business lines. The collected data are processed for information and appropriate escalation, root cause analysis, control effectiveness and enables action plans to prevent recurrence.

These ORM tools are continually being reviewed and enhanced to proactively manage operational risks. The Operational Risk Management Solution (ORMS) was implemented to automate the reporting of BDO Unibank Group's RCSAs, KRIs and operational losses. The bank-wide information asset inventory is regularly reviewed to address operational risks arising from information security concerns. The inventory identified critical applications and sensitive data based on the BDO Unibank Group's classification standards, information risks, as well as protection measures in place to mitigate these risks. Under the purview of information security is data privacy. The BDO Unibank Group's data privacy framework is in accordance with the R.A. No. 10173, *Data Privacy Act of 2012*.

Information technology risks which include current and prospective negative impact to earnings arising from failure of IT systems and realization of cyber security threats are appropriately managed through policies and measures that are integrated into BDO Unibank Group's day-to-day operations.

Operational risks arising from health, safety and environmental issues are appropriately managed through policies and measures that are integrated into BDO Unibank Group's Day-to-day operations. These include Environmental Consciousness, Occupational Health and Safety, and Community Health and Safety.

The BDO Unibank Group continues to review its preparedness for major disaster scenarios and implements required changes in its Business Continuity Plan.

4.5 Anti-Money Laundering Controls

The Anti-Money Laundering (AML) Program of the BDO Unibank Group and the Parent Bank is articulated in the Board-approved Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual. The MTPP encapsulates the policies and procedures covering the: (i) on-boarding of clients, Know Your Client and required due diligence; (ii) customer risk assessment; (iii) on-going monitoring of transactions; (iv) regulatory reporting; (v) record-keeping; (vi) training of all officers and staff including BOD; (vii) Independent Compliance Testing (ICT); and (viii) Institutional Risk Assessment.

The MTPP provides the framework for the BDO Unibank Group and the Parent Bank to adhere with the AML and Counter-Terrorism Financing Laws and Regulations:

- R.A. No. 9160: The Anti-Money Laundering Act of 2001 (AMLA) as amended by R.A. No 9194 (2003); R.A. 10167 (2012); R.A. 10365 (2013); R.A. No. 10927 (2017) and R.A. No. 11521 (2021); together with applicable Implementing Rules and Regulations (IRR)
- 2. BSP Circular No. 706 (2011), as amended by BSP Circular No. 950 (2017); and BSP Circular No. 1022 (2018)
- R.A. 10168: The Terrorism Financing Prevention and Suppression Act of 2012 and its IRR;
 R.A. 10697 Strategic Trade Management Act (2015) and its IRR; and the
 R.A. 11479 Anti-Terrorism Act (2020)

The Chief Compliance Officer directly reports to the BOD through the Board Audit Committee and is also a member of the AML Committee of the Parent Bank. The AML Committee, composed of senior officers from various units, is tasked to oversee the operational implementation of BDO's AML/CTF Program.

4.6 Impact of LIBOR Reform

As disclosed in Note 2.2(a), the BDO Unibank Group currently has exposure to contracts which reference LIBOR and extend beyond 2021, including swaps which will transition under the ISDA protocols.

In 2020, the Parent Bank established a steering committee, consisting of key finance, risk, information technology, treasury, legal and compliance personnel and external advisors, to oversee the BDO Unibank Group LIBOR transition plan. This steering committee put in place a transition project for those contracts which reference USD LIBOR to transition them to SOFR, with the aim of minimizing the potential disruption to business and mitigating operational and conduct risks and possible financial losses. This transition project is considering changes to systems, processes, risk management and valuation models, as well as managing related tax and accounting implications. As at December 31, 2021, changes required to systems, processes and models have been identified and have been partially implemented. There have been general communications with counterparties, but specific changes to contracts required by LIBOR reform have not yet been proposed or agreed. The BDO Unibank Group has identified that the areas of most significant risk arising from the replacement of LIBOR are: (i) updating systems and processes which capture LIBOR referenced contracts; (ii) amending affected contracts, or existing fallback/transition clauses not operating as anticipated; and, (iii) reviewing mismatches in timing of derivatives and loans transitioning from LIBOR and the resulting impact on economic risk management.

The BDO Unibank Group continues to engage with industry participants and the BSP to ensure an orderly transition to SOFR and minimize the risks arising from the transition. The BDO Unibank Group continues to identify and assess risks associated with USD LIBOR replacement.

The following table contains details of all of the financial instruments that the BDO Unibank Group and the Parent Bank hold at December 31, 2021 for each LIBOR rate that have not yet transitioned to SOFR or an alternative interest rate benchmark as of December 31, 2021:

		Carrying value	N	otional amount
BDO Unibank Group				
USD LIBOR GBP LIBOR EUR LIBOR JPY LIBOR	Р	353,525 2,959 1,218 135	P	366,610 3,226 460 47
	<u>P</u>	357,837	<u>P</u>	370,343
Parent Bank				
USD LIBOR GBP LIBOR EUR LIBOR JPY LIBOR	P	352,347 2,959 1,218 135	P	309,088 3,226 460 46
	<u>P</u>	356,659	<u>P</u>	312,820

The breakdown of the financial instruments between non-derivative financial assets and liabilities and derivative instruments are as follows:

	<u>Carrying value</u>			Notional amount
BDO Unibank Group				
Non-derivative financial assets – Loans and other receivables	Р	158,669	Р	-
Non-derivative financial liabilities – Bills payable Other liabilities		41,534 9,282		- -
Derivatives: With positive fair values With negative fair values	(6,223 5,629)		183,012 187,331
	P	210,079	P	370,343

	<u>Carrying value</u>			Notional amount
Parent Bank				
Non-derivative financial assets – Loans and other receivables	Р	157,976	Р	-
Non-derivative financial liabilities – Bills payable Other liabilities		41,534 9,282		- -
Derivatives: With positive fair values With negative fair values	(2,430 2,321)		154,973 157,847
	<u>P</u>	208,901	<u>P</u>	312,820

The following are the key risks for the BDO Unibank Group arising from the transition.

- Liquidity risk: There are fundamental differences between LIBOR and the various alternative benchmark rates which the BDO Unibank Group will be adopting. LIBOR are forward-looking term rates published for a period (e.g., three months) at the beginning of that period and include an inter-bank credit spread, whereas alternative benchmark rates are typically risk-free overnight rates published at the end of the overnight period with no embedded credit spread. These differences will result in additional uncertainty regarding floating rate interest payments which will require additional liquidity management. The BDO Unibank Group's liquidity risk management policy has been updated to ensure sufficient liquid resources to accommodate unexpected increases in overnight rates.
- Litigation risk: If no agreement is reached to implement the interest rate benchmark reform
 on existing contracts (e.g., arising from differing interpretation of existing fallback terms),
 there is a risk of prolonged disputes with counterparties which could give rise to additional
 legal and other costs. The BDO Unibank Group is working closely with all counterparties
 to avoid this from occurring.
- Operational risk: The BDO Unibank Group's current treasury management system is
 undergoing upgrades to fully manage the transition to alternative benchmark rates and there
 is a risk that such upgrades are not fully functional in time, resulting in additional manual
 procedures which give rise to operational risks. The BDO Unibank Group is working
 closely with its system provider to ensure the relevant updates are made in good time and
 the BDO Unibank Group has alternative manual procedures in place with relevant controls
 to address any potential delay.

5. CAPITAL MANAGEMENT

5.1 Capital Management and Regulatory Capital

On January 15, 2009, the BSP issued Circular No. 639 articulating the need for banks to adopt and document an Internal Capital 2021 Adequacy Assessment Process (ICAAP). All universal and commercial banks are expected to perform a thorough assessment of all their material risks and maintain adequate capital to support these risks. This is intended to complement the current regulatory capital requirement of at least 10% of risk assets, which covered only credit, market and operational risks. On December 29, 2009, the BSP issued Circular No. 677 effectively extending the implementation of ICAAP from January 1, 2010 to January 1, 2011.

In October 2009, BDO Unibank Group presented its ICAAP and submitted the initial draft of its ICAAP document to the BSP. Based on comments from the BSP, BDO Unibank Group subsequently revised its ICAAP document and secured approval from its BOD on January 8, 2011. Annually as required, BDO Unibank Group submits its updated ICAAP to the BSP.

The ICAAP document articulates BDO Unibank Group's capital planning strategy and discusses governance, risk assessment, capital assessment and planning, capital adequacy monitoring and reporting, as well as internal control reviews.

The lead regulator of the banking industry, the BSP, sets and monitors capital requirements for BDO Unibank Group. In implementing current capital requirements, the BSP requires BDO Unibank Group to maintain a prescribed ratio of qualifying capital to risk-weighted assets.

The BSP has adopted the Basel 3 risk-based capital adequacy framework effective January 1, 2014, which was amended on January 1, 2019, which requires BDO Unibank Group to maintain:

- (a) Common Equity Tier 1 (CET 1) of at least 6.0% of risk-weighted assets;
- (b) Tier 1 Capital of at least 7.5% of risk-weighted assets;
- (c) Qualifying Capital (Tier 1 plus Tier 2 Capital) of at least 10.0% of risk-weighted assets;
- (d) Capital Conservation Buffer of 2.5% of risk-weighted assets, comprised of CET 1 Capital; and,
- (e) Countercyclical Capital Buffer (CCyB) of 0% subject to upward adjustment to a rate determined by the Monetary Board when systemic conditions warrant but not to exceed 2.5%.

The regulatory capital is analyzed as CET 1 Capital, Additional Tier 1 Capital and Tier 2 Capital, each adjusted for prescribed regulatory deductions.

Risk assets consist of total assets after exclusion of cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits, and other non-risk items as determined by the Monetary Board of the BSP.

BDO Unibank Group's policy is to maintain a strong capital base to promote investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholder's return is also recognized and BDO Unibank Group recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Under BSP Circular No. 781, universal banks with more than 100 branches are required to comply with the minimum capital requirement of P20 billion. As of December 31, 2021 and 2020, the Parent Bank has complied with the above capitalization requirement.

BSP issued Circular No. 856 on the guidelines on the framework for dealing with domestic systemically important banks (DSIB) that is consistent with the Basel principles, as amended by BSP Circular No. 1051 dated September 27, 2019. Banks, which are identified as DSIB, shall be required to have a higher loss absorbency (HLA) depending on their computed systemic importance. The HLA requirement is aimed at ensuring that DSIBs have a higher share of their statements of financial position funded by instruments, which increase their resilience as a going concern. The HLA requirement is to be met with CET 1 capital.

Under BSP Circular No. 1051, banks identified by the BSP as DSIB are required to put up lower HLA to be met CET 1 capital ranging from 1.50% to 2.50%, effective October 12, 2019.

BSP Circular No. 1024 requires banks to put up a CCyB, which is set initially at 0%, composed of CET 1. CCyB may be subject to upward adjustment to a rate determined by the Monetary Board when systemic conditions warrant but not to exceed 2.5%. This took effect on December 21, 2018.

BDO Unibank Group and the Parent Bank's regulatory capital position (computed using balances prepared under PFRS) based on the Basel 3 risk-based capital adequacy framework as of December 31, 2021 and 2020 as follows:

	BDO <u>Unibank Grou</u>	p Parent Bank
<u>December 31, 20</u> 21		
Tier 1 Capital CET 1 Additional Tier 1	P 403,38 5,15 408,53	0 5,150
Tier 2 Capital Total Regulatory Capital Deductions	25,20 433,74 (35,09	9 24,265 7 433,549
Total Qualifying Capital	P 398,65	<u>0</u> <u>P 371,780</u>
Total Risk-Weighted Assets	P 2,714,82	<u>0 P 2,617,747</u>
Capital ratios: Total qualifying capital expressed as a percentage of total risk weighted assets Tier 1 Capital Ratio Total CET 1 Ratio	14.7% 13.8% 13.6%	14.2% 13.3% 13.1%

	<u>Unib</u>	BDO ank Group	Parent Bank
December 31, 2020			
Tier 1 Capital			
CET 1	P	373,342	P 374,032
Additional Tier 1		5,150	<u>5,150</u>
		378,492	379,182
Tier 2 Capital		23,947	23,248
Total Regulatory Capital		402,439	402,430
Deductions	(31,803)	(58,626)
Total Qualifying Capital	<u>P</u>	370,636	<u>P 343,804</u>
Total Risk-Weighted Assets	<u>P</u>	2,579,533	<u>P 2,492,540</u>
Capital ratios:			
Total qualifying capital expressed as a			
percentage of total risk weighted assets		14.4%	13.8%
Tier 1 Capital Ratio		13.4%	12.9%
Total CET 1 Ratio		13.2%	12.7%

At the end of each reporting period, the BDO Unibank Group and the Parent Bank have complied with the prescribed ratio of qualifying capital to risk-weighted assets.

5.2 Leverage Ratio

On June 9, 2015, the BSP issued Circular No. 881, *Implementing Guidelines on the Basel III Leverage Ratio Framework*, which provides the implementing guidelines on the leverage ratio framework designed to act as a supplementary measure to the risk-based capital requirements. It sets out a minimum leverage ratio of 5.00% and shall be complied with at all times.

The Basel III leverage ratio is defined as the ratio of capital measure (Tier 1 Capital) and the exposure measure which include on-balance sheet, derivatives and securities financing transactions exposures and off-balance sheet items.

The BDO Unibank Group and the Parent Bank's Basel III leverage ratio as reported to the BSP are as follows:

	2021	2020	2019
BDO Unibank Group			
<u>Capital Measure</u> Exposure Measure	_ 10.3%	10.2%	10.0%
Parent Bank			
<u>Capital Measure</u> Exposure Measure	9.9%	9.8%	9.6%

5.3 Liquidity Coverage Ratio and Net Stable Funding Ratio

On March 10, 2016, the BSP issued Circular No. 905, *Implementation of Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio and Disclosure Standards*, which provides the implementing guidelines on liquidity coverage ratio (LCR) and disclosure standards that are consistent with the Basel III framework. Circular No. 905 requires the BDO Unibank Group to maintain available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflows for a 30-day period under stress conditions. The BDO Unibank Group has fully complied with the LCR minimum requirement of 100% coverage effective January 1, 2019.

To strengthen the BDO Unibank Group's short-term liquidity position and as a defense against potential onset of liquidity stress, it maintains adequate stock of unencumbered HQLAs that consists of cash or assets that can be freely converted into cash at little or no loss of value in private markets.

The BDO Unibank Group's and the Parent Bank's LCR as of December 31, 2021, 2020, and 2019 is analyzed below.

	2021	2020	2019
BDO Unibank Group			
Total Stock of High – Quality Liquid Assets Total Net Cash Outflows	145.4%	127.1%	108.4%
Parent Bank			
Total Stock of High – Quality Liquid Assets Total Net Cash Outflows	145.9%	129.0%	109.2%

Net Stable Funding Ratio (NSFR), as detailed in BSP Circular No. 1007, *Implementing Guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio*, is an assessment of the level of sustainable funding required to reduce funding risk over a one-year time horizon. The NSFR complements the LCR, which promotes short-term resilience of the BDO Unibank Group's liquidity profile.

The BDO Unibank Group has fully complied with the NSFR minimum requirement of 100% coverage effective January 1, 2019.

To promote long-term resilience against liquidity risk, the BDO Unibank Group maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities and seeks to meet this objective by limiting overreliance on short-term wholesale funding and promoting enhanced assessment of funding risk across all on- and off-balance sheet accounts.

The BDO Unibank Group and the Parent Bank's Basel III NSFR as of December 31, 2021, 2020 and 2019 are summarized below.

		2021	2020	2019
BDO Unibanl	<u>k Group</u>			
	Available Stable Funding Required Stable Funding	123.5%	122.0%	116.7%
Parent Bank				
	Available Stable Funding Required Stable Funding	123.1%	122.0%	117.4%

6. SEGMENT REPORTING

6.1 Business Segments

BDO Unibank Group's main operating businesses are organized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit. These are also the basis of BDO Unibank Group in reporting to its chief operating decision-maker for its strategic decision-making activities.

Management currently identifies BDO Unibank Group's five service lines as primary operating segments. In addition, minor operating segments, for which quantitative thresholds have not been met, as described in PFRS 8 are combined as Others.

- (a) **Commercial banking** handles the entire lending (corporate and consumer), trade financing and cash management services for corporate and retail customers;
- (b) **Investment banking** provides services to corporate clients outside the traditional loan and deposit products. These services include loan syndications, underwriting and placing of debt and equity securities, financial advisory services, and securities brokerage;
- (c) **Private banking** provides traditional and non-traditional investment and structured products to high net worth individuals and institutional accounts;
- (d) **Leasing and financing** provides direct leases, sale and leaseback arrangements and real estate leases;
- (e) Insurance engages in insurance brokerage and life insurance business by providing protection, education, savings, retirement and estate planning solutions to individual and corporate clients through life insurance products and services; and,
- (f) **Others** includes remittance and realty management, none of which individually constitutes a separate reportable segment.

These segments are the basis on which BDO Unibank Group reports its segment information. Transactions between the segments are on normal commercial terms and conditions. Inter-segment transactions are eliminated in consolidation.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on BDO Unibank Group's cost of capital. There are no other material items of income or expense between the segments.

Segment assets and liabilities comprise operating assets and liabilities including items such as taxation and borrowings.

Segment revenues and expenses that are directly attributable to primary operating segment and the relevant portions of BDO Unibank Group's revenues and expenses that can be allocated to that operating segment are accordingly reflected as revenues and expenses of that operating segment. Revenue sharing agreements are used to allocate external customer revenues to a segment on a reasonable basis.

6.2 Analysis of Segment Information

Segment information (by service lines) as of and for the years ended December 31, 2021, 2020 and 2019 are as follows:

	Commercial Banking	Investment Banking	Private Banking	Leasing and Financing	Insurance	Others	Total
<u>December 31, 2021</u>							
Revenues							
From external customer Interest income Interest expense Net interest income	P 140,997 (13,166) (127,831	P 7 (1) 6	P 1,108 (70 1,038	P 632 (<u>229</u>) 403	P 2,133 (<u>66)</u> 2,067	P 2 (1)	P 144,879 (<u>13,533</u>) <u>131,346</u>
Intersegment revenue Interest income Interest expense Net interest income	119 (16) (103 (2 (<u>45</u>) (<u>43</u>)		- (<u>28)</u> (<u>28)</u>	3 (<u>11)</u> (<u>8</u>)	1 (<u>65</u>) (<u>64</u>)	
Other operating income Investment banking fees Others	- 42,725 42,725	2,268 277 2,545	- 1,451 1,451	- 809 809	- 20,412 20,412	- <u>543</u> 543	2,268 66,217 68,485
Total net revenues	170,659	2,508	2,485	1,184	22,471	480	199,787
Expenses							
Other operating expenses Depreciation and amortization Impairment losses Others	8,424 17,066 90,521 116,011	85 55 772 912	72 (20) 1,204 1,256 1,229	531 (20) 385 896	137 (18) 19,005 19,124 3,347	85 - 291 376	9,334 17,063 112,178 138,575
Segment operating income Tax expense	54,648 11,584	1,596 375	264	43	623	104 18	61,212 12,907
Segment net income	<u>P 43,064</u>	P 1,221	<u>P 965</u>	<u>P 245</u>	<u>P 2,724</u>	<u>P 86</u>	P 48,305
Statement of Financial Position Total resources							
Segment assets Deferred tax assets (liabilities) - net	P 3,506,708	P 6,736	P 37,937	P 15,208	P 82,976	P 4,320 (5)	P 3,653,885
Intangible assets	7,194	76	21		44	1	7,336
	P 3,520,745	P 6,658	<u>P 37,973</u>	P 15,224	P 83,073	<u>P 4,316</u>	P 3,667,989
Total liabilities	P 3,091,065	P 2,455	P 31,905	P 8,072	<u>P 71,798</u>	P 2,212	P 3,207,507
Other segment information							
Capital expenditures Investment in associates under	<u>P 5,020</u>	<u>P 26</u>	<u>P 23</u>	<u>P 239</u>	<u>P 3,564</u>	<u>P 2</u>	<u>P 8,874</u>
equity method Share in the profit of associates	<u>P - </u>	<u>P - </u>	<u>P - </u>	<u>P - </u>	<u>P - </u>	P 5,347 P 814	P 5,347 P 814

	Commercial Banking	Investment Banking	Private Banking	Leasing and Financing	Insurance	Others	Total
December 31, 2020							
Revenues							
From external customer Interest income Interest expense Net interest income	P 152,691 (22,536) (130,155	P 18 (3) (15	P 1,196 196 1,000	P 1,237 (502) 735	P 1,883 (86) 1,797	P 6 (8) (2)	P 157,031 (<u>23,331</u>) 133,700
Intersegment revenue Interest income Interest expense Net interest income	238 (35) (203) (9 (6)	2 (<u>95</u>) (<u>93</u>)	13 ((263 (<u>297</u>) (<u>34</u>)
Other operating income Investment banking fees Others	- 38,683 38,683	1,410 285 1,695	1,552 1,552		16,440 16,440	- 551 551	1,410 58,989 60,399
Total net revenues	169,041	1,646	2,546	2,120	18,242	470	194,065
Expenses							
Other operating expenses Depreciation and amortization Impairment losses Others Segment operating income Tax expense	8,289 29,714 85,849 123,852 45,189 16,462	105 19 817 941 705 262	71 9 1,168 1,248 1,298 291	677 444 549 1,670 450	101 54 16,059 16,214 2,028 571	91 - 290 381 - 89 - 19	9,334 30,240 104,732 144,306 49,759 17,776
Segment net income	P 28,727	<u>P 443</u>	P 1,007	<u>P 279</u>	<u>P 1,457</u>	<u>P 70</u>	P 31,983
Statement of Financial Position Total resources Segment assets Deferred tax assets (liabilities) - net Intangible assets	P 3,262,339 8,023 (P 6,522 166) 114	P 41,408 8 17	P 16,223	P 70,354 42 47	P 4,388	P 3,401,234 7,911 5,857
	P 3,276,039	<u>P 6,470</u>	P 41,433	<u>P 16,231</u>	<u>P 70,443</u>	<u>P 4,386</u>	<u>P 3,415,002</u>
Total liabilities	P 2,877,836	P 2,579	P 35,288	<u>P 9,268</u>	<u>P 64,499</u>	<u>P 2,191</u>	P 2,991,661
Other segment information							
Capital expenditures Investment in associates under equity method Share in the profit of associates	<u>P 4,019</u> <u>P -</u> <u>P -</u>	<u>P</u> 12 <u>P</u> -	<u>P</u> 10 <u>P</u> -	<u>P</u> 314 <u>P</u> -	<u>P 24</u> <u>P </u>	P 4P 5,015P 470	P 4,383P 5,015P 470

	Commercial Banking	Investment Banking	Private Banking	Leasing and Financing	Insurance	Others	Total
December 31, 2019							
Revenues							
From external customer Interest income Interest expense Net interest income	P 155,463 (<u>38,659</u>) <u>116,804</u>	P 26 1 27	P 1,466 (643) 823	P 1,976 (1,289) 687	P 1,632 (89) 1,543	P 9 (P 160,572 40,681) 119,891
Intersegment revenues Interest income Interest expense Net interest income	231 (91) 140	41 (<u>73</u>) (<u>32</u>)	(<u>27</u>) (<u>27</u>)	(<u>101</u>) (<u>101</u>)	38 (6) 32	43 (<u>84</u>) ((<u>41</u>) (353 382) 29)
Other operating income Investment banking fees Others Total net revenues	44,684 44,684 161,628	1,371 405 1,776	1,662 1,662 2,458	1,054 1,054 1,640	17,079 17,079 18,654	- 587 587 553	1,371 65,471 66,842 186,704
Expenses	101,020	1,771	2,150	1,010	10,031		100,701
Other operating expenses Depreciation and amortization Impairment losses Others	7,841 6,003 89,885 103,729	107 68 833 1,008	66 28 	794 63 702 1,559	87 5 13,908 14,000	85 - 349 - 434	8,980 6,167 106,936 122,083
Segment operating income Tax expense	57,899 13,496	763 256	1,105 226	81 34	4,654 967	119 40	64,621 15,019
Segment net income	<u>P 44,403</u>	<u>P 507</u>	<u>P 879</u>	<u>P 47</u>	P 3,687	<u>P 79</u>	P 49,602
Statement of Financial Position							
Total resources Segment assets Deferred tax assets (liabilities) - net Intangible assets	P 3,081,358 8,878 5,400 P 3,095,636	P 7,175 (154)	P 34,857 24 18 P 34,899	P 30,806 133 2 P 30,941	P 58,302 48 55 P 58,405	P 5,329 (2)	8,927 5,615 P 3,232,369
Total liabilities	P 2,720,385	P 2,963	P 29,083	P 25,327	P 48,549	P 2,184	P 2,828,491
Other segment information							
Capital expenditures Investment in associates under equity method Share in the profit	<u>P 6,332</u> <u>P -</u>	<u>P 22</u> <u>P -</u>	<u>P 18</u> <u>P - </u>	<u>P 533</u> <u>P - </u>	<u>P 76</u> <u>P - </u>	<u>P 14</u> <u>P 5,048</u>	<u>P 6,995</u> <u>P 5,048</u>
of associates	<u>P - </u>	<u>P - </u>	<u>P - </u>	(<u>P 42</u>)	<u>P - </u>	<u>P 738</u>	<u>P 696</u>

6.3 Reconciliation

Presented below is a reconciliation of the BDO Unibank Group's segment information to the key financial information presented in its consolidated financial statements.

	2021			2020	2019		
Revenue							
Total segment net revenues	P	199,787	P	194,065	P	186,704	
Elimination of intersegment							
revenues	(7,087)	(<u>5,155</u>)	(6,702)	
Net revenues as reported in profit or loss	<u>P</u>	192,700	<u>P</u>	188,910	<u>P</u>	180,002	
Profit or loss							
Total segment net income	P	48,305	P	31,983	P	49,602	
Elimination of intersegment							
profit	(5,450)	(3,729)	(5,434)	
Net profit as reported							
in profit or loss	<u>P</u>	42,855	<u>P</u>	28,254	<u>P</u>	44,168	
Resources							
Total segment resources	P	3,667,989	P	3,415,002	P	3,232,369	
Elimination of intersegment							
assets	(44,240)	(40,102)	(43,511)	
Total resources	<u>P</u>	3,623,749	<u>P</u>	3,374,900	<u>P</u>	3,188,858	
Liabilities							
Total segment liabilities	P	3,207,507	P	2,991,661	P	2,828,491	
Elimination of intersegment							
liabilities	(<u>8,306</u>)	(9,782)	(10,220)	
Total liabilities	P	3,199,201	P	2,981,879	P	2,818,271	

7. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

7.1 Comparison of Carrying Amounts and Fair Values

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below and in the succeeding pages.

	2021								
		Cla	sses						
	At Amortized		At Fair			Carrying	Fair		
		Cost		Value	Amount		Value		
Financial assets									
At amortized cost:									
Cash and other cash items	P	69,105	P	-	P	69,105	P	69,105	
Due from BSP		304,906		-		304,906		304,907	
Due from other banks		70,092		-		70,092		70,092	
Loans and other receivables		2,450,903		-		2,450,903		2,460,214	
Other resources		7,460		-		7,460		7,460	
Investment securities		397,534		-		397,534		399,761	
Financial assets at FVTPL		-		47,934		47,934		47,934	
Financial assets at FVOCI				170,793	_	170,793		170,793	
	<u>P</u>	3,300,000	<u>P</u>	218,727	<u>P</u>	3,518,727	<u>P</u>	3,530,266	
Financial liabilities									
At amortized cost:									
Deposit liabilities	P	2,820,896	P	_	P	2,820,896	P	2,861,596	
Bills payable		204,431		_		204,431		206,988	
Insurance contract liabilities		65,328		_		65,328		65,328	
Other liabilities		91,875		_		91,875		91,875	
At fair value –									
Other liabilities				5,742	_	5,742		5,742	
	<u>P</u>	3,182,530	<u>P</u>	5,742	<u>P</u>	3,188,272	<u>P</u>	3,231,529	

BDO Umbank Group				20	20			
		Cla		120				
	At	Amortized		At Fair		Carrying	Fair	
		Cost		Value	Amount			Value
Financial assets								
At amortized cost:								
Cash and other cash items	P	74,851	P	-	P	74,851	P	74,851
Due from BSP		308,636		-		308,636		308,627
Due from other banks		65,289		-		65,289		65,289
Loans and other receivables		2,301,981		-		2,301,981		2,306,593
Other resources		9,262		-		9,262		9,262
Investment securities at		286,819		-		286,819		300,168
Financial assets at FVTPL		-		37,110		37,110		37,110
Financial assets at FVOCI				184,881		184,881		184,881
	<u>P</u>	3,046,838	<u>P</u>	221,991	<u>P</u>	3,268,829	<u>P</u>	3,286,781
Financial liabilities								
At amortized cost:								
Deposit liabilities	P	2,610,151	P	-	P	2,610,151	P	2,653,290
Bills payable		209,744		-		209,744		213,381
Insurance contract liabilities		58,410		-		58,410		58,410
Other liabilities		89,611		-		89,611		89,611
At fair value -								
Other liabilities			-	4,129		4,129		4,129
	<u>P</u>	2,967,916	<u>P</u>	4,129	<u>P</u>	<u>2,972,045</u>	<u>P</u>	3,018,821
Parent Bank								
		Cla	sses	20)21			
	At	Amortized		At Fair		Carrying		Fair
		Cost		Value		Amount		Value
Financial assets								
At amortized cost:	_		_		_		_	
Cash and other cash items	P	66,440	P	-	P	66,440	P	66,440
Due from BSP		302,660		-		302,660		302,661
Due from other banks		64,349		-		64,349		64,349
Loans and other receivables		2,399,983		-		2,399,983		2,412,229
Other resources		6,752		-		6,752		6,752
Investment securities		377,382		-		377,382		379,266
Financial assets at FVTPL		-		4,616		4,616		4,616
Financial assets at FVOCI		-		115,965		115,965		<u>115,965</u>
	<u>P</u>	3,217,566	<u>P</u>	120,581	<u>P</u>	3,338,147	<u>P</u>	3,352,278

				20)21				
		Cla	sses						
		At Amortized Cost		At Fair Value		Carrying Amount		Fair <u>Value</u>	
Financial liabilities									
At amortized cost:									
Deposit liabilities	P	2,751,715	P	-	P	2,751,715	P	2,787,683	
Bills payable		196,174		-		196,174		198,750	
Other liabilities		82,917		-		82,917		82,917	
At fair value – Other liabilities				2,462		2,462		2,462	
	<u>P</u>	3,030,806	<u>P</u>	2,462	<u>P</u>	3,033,268	<u>P</u>	3,071,818	
				20	020				
		Cla	sses		120				
	At	Amortized		At Fair		Carrying		Fair	
		Cost		Value		Amount		Value	
Financial assets									
At amortized cost:									
Cash and other cash items	P	72,301	P	-	P	72,301	P	72,301	
Due from BSP		305,079		-		305,079		305,069	
Due from other banks		63,281		-		63,281		63,281	
Loans and other receivables		2,259,686		-		2,259,686		2,266,579	
Other resources		8,834		-		8,834		8,834	
Investment securities		267,672		-		267,672		283,067	
Financial assets at FVTPL		-		4,862		4,862		4,862	
Financial assets at FVOCI				126,922		126,922		126,922	
	<u>P</u>	2,976,853	<u>P</u>	131,784	<u>P</u>	3,108,637	<u>P</u>	3,130,915	
Financial liabilities									
At amortized cost:									
Deposit liabilities	P	2,548,291	P	-	P	2,548,291	P	2,587,223	
Bills payable		202,867		-		202,867		208,284	
Other liabilities		81,914		-		81,914		81,914	
At fair value -									
Other liabilities		-		2,001		2,001		2,001	
	Р	2,833,072	Р	2,001	Р	2,835,073	Р	2,879,422	

7.2 Fair Value Hierarchy

In accordance with PFRS 13, Fair Value Measurement, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When BDO Unibank Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

7.3 Financial Instruments Measured at Fair Value

The financial assets and financial liabilities as of December 31, 2021 and 2020 are grouped into the fair value hierarchy as presented in the tables below and in the succeeding pages.

Unquoted equity securities consist of preferred and common shares of various unlisted local companies.

	Notes	Level 1	Level 2	Level 3	<u>Total</u>
<u>December 31, 2021</u>					
Resources: Financial assets at FVTPL: Equity securities - quoted Government debt securities Corporate debt securities Derivative financial assets	10.1	P 28,752 5,427 1,086 - 35,265	P 2,844 - 3,593 - 6,232 - 12,669	P	P 31,596 5,427 4,679 6,232 47,934
Financial assets at FVOCI: Government debt securities Corporate debt securities Equity securities - quoted Equity securities - not quoted	10.2	110,182 55,279 4,722 - 170,183 P 205,448	288 - 288 - 288 P 12,957	- - 322 322 P 322	110,182 55,279 5,010 322 170,793 P 218,727
Liabilities – Derivatives with negative fair values	21	<u>P 91</u>	<u>P 5,651</u>	<u>P - </u>	<u>P 5,742</u>
December 31, 2020 Resources: Financial assets at FVTPL: Equity securities - quoted Government debt securities Corporate debt securities Derivative financial assets	10.1	P 21,641 5,401 834 	P 1,821 - 2,945 4,468 9,234	P	P 23,462 5,401 3,779 4,468 37,110
Financial assets at FVOCI: Government debt securities Corporate debt securities Equity securities - quoted Equity securities - not quoted	10.2	117,663 56,896 9,829 - 184,388 P 212,264	234 	259 259 259 P 259	117,663 56,896 10,063 259 184,881 P 221,991
Liabilities – Derivatives with negative fair values	21	<u>P 82</u>	<u>P 4,047</u>	<u>P - </u>	<u>P 4,129</u>

	Notes	_]	Level 1	_L	evel 2	_L	evel 3		Total
<u>December 31, 2021</u>									
Resources: Financial assets at FVTPL: Government debt securities Derivative financial assets Corporate debt securities Equity securities - quoted	10.1	P	1,919 - 227 1 2,147	P	2,469 - - 2,469	P	- - - -	P	1,919 2,469 227 1 4,616
Financial assets at FVOCI: Government debt securities Corporate debt securities Equity securities - quoted Equity securities - not quoted	10.2	<u>Р</u>	71,798 42,297 1,306 - 115,401 117,548	 	- 282 - 282 2,751	 <u>P</u>	- - 282 282 282		71,798 42,297 1,588 282 115,965
Liabilities – Derivatives with negative fair values	21	<u>P</u>	91	<u>P</u>	2,371	<u>P</u>		<u>P</u>	2,462
<u>December 31, 2020</u>									
Resources: Financial assets at FVTPL: Government debt securities Derivative financial assets Corporate debt securities Equity securities - quoted	10.1	P	2,793 - 299 1 3,093	P	- 1,769 - - 1,769	P	- - - -	P	2,793 1,769 299 1 4,862
Financial assets at FVOCI: Government debt securities Corporate debt securities Equity securities - quoted Equity securities - not quoted	10.2	 <u>Р</u>	80,464 41,384 4,626 - 126,474 129,567	 	- - 229 - 229 1,998	<u> </u>	- - 219 219		80,464 41,384 4,855 219 126,922
Liabilities – Derivatives with negative fair values	21	<u>P</u>	82			<u>P</u>	-	<u>P</u>	2,001

There have been no significant transfers among Levels 1 and 2 in the reporting periods.

Discussed below and in the succeeding page is the information about how fair values of the BDO Unibank Group and the Parent Bank's classes of financial assets are determined.

(a) Equity securities

(i) Quoted equity securities classified as financial assets at FVTPL or financial assets at FVOCI have fair values that were determined based on their closing prices on the PSE. These instruments are included in Level 1.

Financial assets at FVTPL included in Level 2 pertain to investments in Unit Investment Trust Funds (UITFs). The fair value of these financial assets were derived using the net asset value per unit (computed by dividing the net asset value of the fund by the number of outstanding units at the end of the reporting period), as published by banks and the Investment Company Association of the Philippines.

Golf club shares classified as financial assets at FVOCI are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

(ii) Unquoted equity securities consist of preferred shares and common shares of various unlisted local companies. For unquoted preferred shares, the fair value is determined based on their discounted amount of estimated future cash flows expected to be received or paid, or based on their cost which management estimates to approximate their fair values. Further, unlisted common share which are classified as financial assets at FVOCI securities, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument. These instruments are included in Level 3.

(b) Debt securities

The fair value of the debt securities of BDO Unibank Group and the Parent Bank, which are categorized within Level 1 and Level 2, is discussed below.

- (i) Fair values of peso-denominated government debt securities issued by the Philippine government, are determined based on the reference price per Bloomberg which used BVAL. These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparables.
- (ii) For corporate and other quoted debt securities, fair value is determined to be the current mid-price, which is computed as the average of ask and bid prices as appearing on Bloomberg.

(c) Derivatives

The fair values of Republic of the Philippines (ROP) warrants which are categorized within Level 1, is determined to be the current mid-price based on the last trading transaction as defined by third-party market makers. The fair value of other derivative financial instruments, which are categorized within Level 2, is determined through valuation techniques using the net present value computation [see Note 3.2(c)].

7.4 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below and in the succeeding pages summarizes the fair value hierarchy of BDO Unibank Group and Parent Bank's financial assets and financial liabilities, which are measured at amortized cost in the statements of financial position but for which fair value is disclosed.

•	Level 1	Level 2	Level 3	Total	
<u>December 31, 2021</u>					
Resources: Cash and other cash items Due from BSP Due from other banks Investment securities at amortized cost Loans and other receivables Other resources	P 69,105 304,907 70,092 399,761 271 6,180 P 850,316	- - - -	P 2,459,943 1,280 P2,461,223	P 69,105 304,907 70,092 399,761 2,460,214 7,460 P 3,311,539	
Liabilities: Deposit liabilities Bills payable Insurance contract liabilities Other liabilities	P	P - 152,235 P 152,235	P2,861,596 54,753 65,328 91,875 P3,073,552	P 2,861,596 206,988 65,328 91,875 P3,225,787	
<u>December 31, 2020</u>					
Resources: Cash and other cash items Due from BSP Due from other banks Investment securities at amortized cost Loans and other receivable Other resources	P 74,851 308,627 65,289 300,168 239 8,795 P 757,969	P	P	P 74,851 308,627 65,289 300,168 2,306,593 9,262 P 3,064,790	
Liabilities: Deposit liabilities Bills payable Insurance contract liabilities Other liabilities	P	P - 164,748	P 2,653,290 48,633 58,410 89,611 P 2,849,944	P 2,653,290 213,381 58,410 89,611 P 3,014,692	

	Level 1	Level 2	Level 3	<u>Total</u>
<u>December 31, 2021</u>				
Resources: Cash and other cash items Due from BSP Due from other banks Investment securities at amortized cost Loans and other receivables Other resources	P 66,44 302,66 64,34 379,26 - 5,78 P 818,56	19 - 56 - - 34 <u>-</u>	P 2,412,229 968 P 2,413,197	P 66,440 302,661 64,349 379,266 2,412,229 6,752 P 3,231,697
Liabilities: Deposit liabilities Bills payable Other liabilities	P P -	P - 152,235 - P 152,235	P2,787,683 46,521 82,917 P 2,917,121	P2,787,683 198,756 82,917 P3,069,356
<u>December 31, 2020</u>				
Resources: Cash and other cash items Due from BSP Due from other banks Investment securities at amortized cost Loans and other receivables Other resources	P 72,30 305,00 63,28 283,00	81 - 57 -	P 2,266,579 - 78	P 72,301 305,069 63,281 283,067 2,266,579 8,834
	P 732,47	<u> 74 P - </u>	<u>P 2,266,657</u>	<u>P 2,999,131</u>
Liabilities: Deposit liabilities Bills payable Other liabilities	P	P - 164,748 P 164,748	P 2,587,223 43,536 81,914 P 2,712,673	208,284 81,914

For financial assets and financial liabilities, management considers that the carrying amounts of those short-term financial instruments approximate their fair values. The following are the methods used to determine the fair value of financial assets and financial liabilities presented in the statements of financial position at their amortized cost.

(a) Cash and Other Cash Items

Cash consists primarily of funds in the form of Philippine currency notes and coins in the BDO Unibank Group and the Parent Bank's vault and those in the possession of tellers, including automated teller machines (see Note 8).

Other cash items includes cash items other than currency and coins on hand (see Note 15) such as checks drawn on the other banks or other branches that were received after the BDO Unibank Group and the Parent Bank's clearing cut-off time until the close of the regular banking hours. Carrying amounts approximate fair values in view of the relatively short-term maturities of these instruments.

(b) Due from BSP and Other Banks

Due from BSP pertains to deposits made by BDO Unibank Group to the BSP for clearing and reserve requirements. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

(c) Investment Securities at Amortized Cost

The fair value of investment securities at amortized cost is determined by direct reference to published price quoted in an active market for traded debt securities.

(d) Loans and Other Receivables

Loans and other receivables are net of provisions for impairment. The estimated fair value of loans and receivables represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(e) Deposits and Borrowings

The estimated fair value of demand deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of long-term fixed interest-bearing deposits is based on discounted cash flows using interest rates for new debts with similar remaining maturity. The fair value of Bills Payable under Level 2 is computed based on the average of ask and bid prices as appearing on Bloomberg. For Bills Payable categorized within Level 3, the BDO Unibank Group and the Parent Bank classify financial instruments that have no quoted prices or observable market data where reference of fair value can be derived; hence, fair value is determined based on their discounted amount of estimated future cash flows expected to be received or paid, or based on their cost which management estimates to approximate their fair values.

(f) Other Resources and Liabilities

Due to their short duration, the carrying amounts of other resources and liabilities in the statements of financial position are considered to be reasonable approximation of their fair values.

7.5 Fair Value Measurement for Non-financial Assets

Details of BDO Unibank Group and Parent Bank's investment properties and the information about the fair value hierarchy as of December 31, 2021 and 2020 are shown below.

BDO Unibank Group

	L	evel 1	I	Level 2	L	evel 3		Total
<u>December 31, 2021</u>								
Investment properties Land Building and improvements Non-current assets held for sale	P	- -	P	- -	P	27,349 12,786 1,825	P	27,349 12,786 1,825
	<u>P</u>	_	<u>P</u>		<u>P</u>	41,960	<u>P</u>	41,960
December 31, 2020								
Investment properties Land Building and improvements Non-current assets held for sale	P	- -	P	- - -	Р	20,482 12,674 1,039	P	20,482 12,674 1,039
	<u>P</u>	_	<u>P</u>	_	<u>P</u>	34,195	<u>P</u>	34,195
Parent Bank								
	_L	evel 1	I	Level 2	L	evel 3		Total
December 31, 2021								
Investment properties Land Building and improvements Non-current assets held for sale	P	-	P	- - -	P	20,819 11,917 1,824		20,819 11,917 1,824
Investment properties Land Building and improvements Non-current assets held for sale	P	- - -	P	- - -	P	11,917	P	11,917
Investment properties Land Building and improvements		- - -		- - -		11,917 1,824		11,917 1,824
Investment properties Land Building and improvements Non-current assets held for sale		- - -		- - -		11,917 1,824		11,917 1,824

The fair value of the investment properties of the BDO Unibank Group and the Parent Bank as of December 31, 2021 and 2020 (see Note 14) was determined on the basis of a valuation carried out on the respective dates by either an independent or internal appraiser having appropriate qualifications and recent experience in the valuation of properties in the relevant locations. To some extent, the valuation process was conducted by the appraisers in discussion with the management of the BDO Unibank Group and the Parent Bank with respect to determination of the inputs such as size, age and condition of the land and buildings and the comparable prices in the corresponding property location.

In estimating the fair value of the properties, management takes into account the market participant's ability to generate economic benefits by using the assets in its highest and best use. Based on management's assessment, the best use of the investment properties of the BDO Unibank Group and the Parent Bank indicated above is their current use. The fair value discussed above as determined by the appraisers were used by the BDO Unibank Group and the Parent Bank in determining the fair value of investment properties and non-current assets held for sale.

The fair value of these investment properties and assets held for sale was determined based on the following approaches:

(a) Fair Value Measurement for Land

The Level 3 fair value of land was derived using the observable recent prices of the reference properties, which were adjusted for differences in key attributes such as property size, zoning and accessibility. The most significant input into this valuation approach is the price per square foot; hence, the higher the price the higher the fair value. On the other hand, if fair value of the land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations, fair value is included in Level 2. Under this approach, when sales prices of comparable land in close proximity are used in the valuation of the subject property, minor adjustments on the price is made to consider peculiarities of the property with that of the benchmark property.

(b) Fair Value Measurement for Buildings and Improvements

The Level 3 fair value of the buildings and improvements was determined using the replacement cost approach that reflects the cost to a market participant to construct an asset of comparable usage, constructions standards, design and lay-out, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change to the valuation techniques used by the BDO Unibank Group during the year for its non-financial assets. Also, there were no transfers into or out of Level 3 fair value hierarchy in 2021 and 2020.

(c) Fair Value Measurement for Assets Held for Sale

The fair value of assets held for sale is determined based on the recent experience in the valuation of similar properties. The fair value, determined under Level 3 measurement, was derived using the market data approach that reflects that recent transaction prices for similar properties, adjusted for differences in property age and condition.

There has been no change to the valuation techniques used by BDO Unibank Group during the year for its non-financial assets. Further, there were no transfers into or out of Level 3 fair value hierarchy in 2021 and 2020.

7.6 Offsetting Financial Assets and Financial Liabilities

The following financial assets of the BDO Unibank Group and the Parent Bank with amounts presented in the statements of financial position as of December 31, 2021 and 2020 are subject to offsetting, enforceable master netting arrangements and similar agreements.

BDO Unibank Group

		nancial Assets	L A	inancial iabilities vailable or Set-off	_	Collateral Received	<u>Ne</u>	t Amount
<u>December 31, 2021</u>								
Financial assets at FVTPL: Currency swaps Interest rate swaps	P	617 64	P	572 59	P	- -	P	45 5
Loans and receivables – Receivables from customers		29,497				26,216		3,281
	<u>P</u>	30,178	<u>P</u>	631	<u>P</u>	26,216	<u>P</u>	3,331
December 31, 2020								
Financial assets at FVTPL: Currency swaps Interest rate swaps	P	396 116	P	371 102	P	- -	P	25 14
Loans and receivables – Receivables from customers		43,976				40,904		3,072
	<u>P</u>	44,488	<u>P</u>	473	<u>P</u>	40,904	<u>P</u>	3,111
Parent Bank								
<u>December 31, 2021</u>								
Financial assets at FVTPL: Currency swaps Interest rate swaps	P	5 54	P	5 53	P	- -	P	- 1
Loans and receivables – Receivables from customers		26,045				26,045		
	<u>P</u>	26,104	<u>P</u>	58	<u>P</u>	26,045	<u>P</u>	1

Parent Bank

		nancial Assets	Lia Av	nancial bilities ailable Set-off	_	Collateral Received	Net A	<u>amount</u>
<u>December 31, 2020</u>								
Financial assets at FVTPL:								
Currency swaps	P	1	P	1	P	-	P	-
Interest rate swaps		104		95		-		9
Loans and receivables –								
Receivables from customers		40,744				40,744		
	Р	40,849	P	96	P	40,744	P	9

The currency forwards and interest rate swaps relate to accrued interest receivable and accrued interest payable subject to enforceable master netting arrangements but were not set-off and presented at gross in the statements of financial position.

The following financial liabilities with net amounts presented in the statements of financial position of the BDO Unibank Group and the Parent Bank are subject to offsetting, enforceable master netting arrangements and similar agreements.

BDO Unibank Group

		nancial abilities	A	inancial Assets vailable r Set-off		ollateral Given	<u>Ne</u>	et Amount
<u>December 31, 2021</u>								
Deposit liabilities	P	32,393	P	26,216	P	-	P	6,177
Bills payable		1,088		-		1,088		-
Derivatives with negative fair values: Currency swaps Interest rate swaps	<u>Р</u>	629 72 34,182	<u>Р</u>	572 59 26,847	<u>Р</u>	- - - 1,088	<u>Р</u>	57 13 6,247
<u>December 31, 2020</u>								
Deposit liabilities	P	85,836	P	40,904	Р	-	P	44,932
Derivatives with negative fair values: Currency swaps		648		371		_		277
Interest rate swaps	p	102	P	102	<u>—</u>		D	- 44 775
	<u>P</u>	88,257	ľ	43,482	ľ		ľ	44,775

Parent Bank

		nancial abilities	A	inancial Assets vailable r Set-off	_	Collateral Given	<u>Ne</u>	t Amount
<u>December 31, 2021</u>								
Deposit liabilities	P	32,222	P	26,045	P	-	P	6,177
Derivatives with negative fair values:		(2)		-				
Currency swaps Interest rate swaps		62 66		5 53		-		57 13
	<u>P</u>	32,350	<u>P</u>	26,103	<u>P</u>		<u>P</u>	6,247
<u>December 31, 2020</u>								
Deposit liabilities	P	85,676	P	40,744	P	-	P	44,932
Derivatives with negative fair values:								
Currency swaps		278		1		-		277
Interest rate swaps		95		95				
	<u>P</u>	86,049	<u>P</u>	40,840	P		<u>P</u>	45,209

For the financial assets and financial liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the BDO Unibank Group and counterparties allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

8. CASH AND BALANCES WITH THE BSP

These accounts are composed of the following:

	BDO U	<u>Unibanl</u>	k Group	Parent Bank			
	2021		2020		2021		2020
	D (0	405 D	74.054	n	CC 440	D	70.204
Cash and other cash items	P 69,	<u>105</u> P	74,851	<u>P</u>	66,440	<u>P</u>	72,301
Due from BSP: Mandatory reserves Other than mandatory	271,	953	254,527		269,707		252,440
reserves	32,	953	54,109		32,953		52,639
			,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		, , , , , , , , , , , , , , , , , , , ,
	304,	906	308,636		302,660		305,079
	P 374	,011 P	383,487	<u>P</u>	369,100	<u>P</u>	377,380

Mandatory reserves represent the balance of the deposit accounts maintained with the BSP to meet reserve requirements and to serve as clearing accounts for interbank claims (see Note 17).

The Parent Bank opened a Special Savings Account (SSA) with the BSP to comply with InstaPay facility requirement.

As of December 31, 2021 and 2020, the balance of this account amounted to P770 and P461 and is presented as part of Due from BSP.

Due from BSP, excluding mandatory reserves which has no interest, bears annual interest rate as follows:

The total interest income earned amounted to P1,487, P1,892 and P422 in 2021, 2020 and 2019, respectively, in BDO Unibank Group's statements of income, and P1,483, P1,886 and P417 in 2021, 2020 and 2019, respectively, in the Parent Bank's statements of income (see Note 23).

Cash and other cash items and balances with the BSP are included in cash and cash equivalents for statements of cash flows purposes.

9. DUE FROM OTHER BANKS

The balance of this account represents deposits with the following:

	<u>B1</u>	BDO Unibank Group				ınk		
		2021		2020		2021		2020
Foreign banks Local banks	P	66,185 3,907	P	64,156 1,133	P 	63,193 1,156	P 	62,615 666
	<u>P</u>	70,092	P	65,289	<u>P</u>	64,349	<u>P</u>	63,281

The breakdown of this account as to currency follows:

	BDO Unibank Group				nk			
		2021		2020		2021		2020
U.S. dollars Other foreign currencies Philippine pesos	P 	57,669 10,732 1,691	P	56,867 8,010 412	P	54,480 9,708 161	P	55,707 7,308 266
	<u>P</u>	70,092	P	65,289	P	64,349	P	63,281

Annual interest rates on these deposits range from:

	2021	2020	2019
BDO Unibank Group	0.00% - 1.50%	0.00% - 3.38%	0.00% - 5.75%
Parent Bank	0.00% - 1.00%	0.00% - 1.00%	0.00% - 2.00%

There are deposits such as current accounts, which do not earn interest. The total interest income earned amounted to P67, P266 and P959 in 2021, 2020, and 2019, respectively, in the BDO Unibank Group's statements of income, and P50, P234 and P817, in 2021, 2020, and 2019, respectively, in the Parent Bank's statements of income (see Note 23). Due from other banks are included in cash and cash equivalents for statements of cash flows purposes.

10. TRADING AND INVESTMENT SECURITIES

The components of this account are shown below.

		В	DO Unib	anl	ank Group Parent Bank		ank		
	Note		2021		2020		2021		2020
Financial assets		_	4-004	-		_			
at FVTPL	10.1	P	47,934	Р	37,110	P	4,616	Р	4,862
Financial assets at FVOCI Investment securities	10.2		170,793		184,881		115,965		126,922
at amortized cost - net	10.3		397,534		286,819		377,382	_	267,672
		<u>P</u>	616,261	P	508,810	P	497,963	P	399,456

10.1 Financial Assets at FVTPL

This account is composed of the following:

	BDO Unibank Group			k Group	Parent Bank				
		2021		2020		2021		2020	
Derivative financial assets	P	6,232	P	4,468	P	2,469	P	1,769	
Government debt securities		5,427		5,401		1,919		2,793	
Corporate debt securities		4,679		3,779		227		299	
-		16,338		13,648		4,615		4,861	
Equity securities - quoted		31,596		23,462		1		1	
	P	47,934	P	37,110	P	4,616	P	4,862	

All financial assets at FVTPL are held for trading. The following table shows net income (loss) contributed by financial assets at FVTPL to the BDO Unibank Group and the Parent Bank.

		BDO Unibank Group						
	Notes	2021	2020	2019				
Interest income	23	<u>P 92</u>	<u>P 122</u>	<u>P 197</u>				
Trading gain (loss) - net Dividend income Foreign exchange gain (loss) Total other income (loss)	25 25 25	(214 118 	71 (<u>214</u>)	72				
Total other expenses		1	2	7				
Net income		<u>P 66</u>	<u>P 1,238</u>	<u>P 1,419</u>				
			Parent Bank	<u> </u>				
	Notes	2021	2020	2019				
Interest income Trading gain (loss) - net	23 25	P 59 (648		P 87 267				
Net income (loss)		(<u>P 589</u>	<u>P 1,506</u>	<u>P 354</u>				

Effective interest rates of debt securities at FVTPL of both the BDO Unibank Group and the Parent Bank range from:

	2021	2020	2019
Government debt securities	0.88% - 10.63%	0.63% - 10.63%	0.88% - 12.13%
Corporate debt securities	0.09% - 8.51%	0.09% - 8.51%	0.09% - 8.51%

Foreign currency-denominated securities amounted to P6,622 and P5,701 as of December 31, 2021 and 2020, respectively, in the BDO Unibank Group's statements of financial position, and P2,759 and P3,037 as of December 31, 2021 and 2020, respectively, in the Parent Bank's statements of financial position.

Derivative instruments used by BDO Unibank Group include foreign currency and interest rate forwards/futures, foreign currency and interest rate swaps. Foreign currency and interest rate forwards/futures represent commitments to purchase or sell or contractual obligations to receive or pay a new amount based on changes in currency rates or interest rates on a future date at a specified price. Foreign currency and interest rate swaps are commitments to exchange one set of cash flows for another. Income derived from these derivative instruments are part of trading gains/(losses) (see Note 25).

The aggregate contractual or notional amount of derivative financial instruments and the total fair values of derivative financial assets and financial liabilities are shown below [see Notes 21 and 27(d)(i)(4)].

				2021					2020					
	N	Votional		Fair V	alues		N	Notional		Fair V	Jalues	3		
	1	Amount		Assets	Lia	bilities		Amount		Assets	Lia	bilities		
BDO Unibank Group														
Currency forwards/futures Cross currency swaps Interest rate swaps Interest rate future sold trading ROP warrants	P	313,246 54,243 13,986 1,661 8,475	P	2,091 4,041 99 1	P	2,118 3,440 93 - 91	P	277,684 44,738 15,912 240 8,475	P	1,377 2,882 209	P	1,517 2,395 135 1 81		
	<u>P</u>	<u>391,611</u>	<u>P</u>	6,232	<u>P</u>	5,742	P	347,049	<u>P</u>	4,468	<u>P</u>	4,129		
Parent Bank														
Currency forwards/futures Cross currency swaps Interest rate swaps ROP warrants	P	309,373 8,792 8,986 8,475	P	2,086 329 54	P	2,045 259 66 92	P	272,794 8,663 8,508 8,475	P	1,216 449 104	P	1,437 388 95 81		
	P	335,626	P	2,469	P	2,462	Р	298,440	P	1,769	<u>P</u>	2,001		

Certain financial assets at FVTPL of the BDO Unibank Group and the Parent Bank amounting to P681 and P59, respectively, in 2021 and P513 and P105, respectively, in 2020, are subject to offsetting against the related derivatives with negative fair values of the BDO Unibank Group and the Parent Bank amounting to P702 and P129, respectively, in 2021 and P750 and P373, respectively, in 2020. This indicates an enforceable master netting arrangements and similar agreements with an intention to settle on a net basis (see Note 7.6).

10.2 Financial Assets at FVOCI

The details of the carrying amounts of these financial assets are as follows:

	BDO Unibank Group					Parent Bank				
		2021		2020		2021	_	2020		
Government debt securities Corporate debt securities	P	110,182 55,279	P	117,663 56,896	P	71,798 42,297	P	80,464 41,384		
Equity securities: Quoted		5,010		10,063		1,588		4,855		
Not quoted		322		259		282		219		
	P	170,793	<u>P</u>	184,881	<u>P</u>	115,965	<u>P</u>	126,922		

As to currency, this account is composed of the following:

	<u>B1</u>	DO Unib	ank	Group		Parent Bank			
		2021		2020		2021		2020	
Foreign currencies Philippine peso	P	86,804 83,989	P	88,748 96,133	P	74,197 41,768	P	71,907 55,015	
	<u>P</u>	170,793	<u>P</u>	184,881	<u>P</u>	115,965	<u>P</u>	126,922	

The maturity profile of this account is presented below.

	<u>B</u> 1	BDO Unibank Group				Parent Bank			
		2021	_	2020		2021		2020	
Within one year	P	17,781	P	61,715	P	13,743	P	48,069	
One to five years Beyond five years		64,349 88,663		69,895 53,271		46,361 55,861		49,716 29,137	
	<u>P</u>	170,793	<u>P</u>	184,881	P	115,965	<u>P</u>	126,922	

Effective interest rates of financial assets at FVOCI range from:

	2021	2020	2019
BDO Unibank Group			
Government debt securities Corporate debt securities	1.65% - 12.13% 2.13% - 8.25%	0.00% - 12.13% 2.13% - 8.50%	1.75% - 12.13% 2.38% - 9.00%
Parent Bank			
Government debt securities Corporate debt securities	1.65% - 10.63% 2.13% - 7.38%	2.63% - 10.63% 2.13% - 8.50%	2.63% - 10.63% 2.38% - 9.00%

The fair values of government debt, quoted equity and corporate debt securities have been determined directly by reference to published prices generated in an active market except for unquoted equity securities (see Note 7.3).

The reconciliation of the carrying amounts of financial assets at FVOCI is as follows:

	BDO Unibank Group					Parent Bank				
	2021			2020		2021		2020		
Balance at beginning of year Additions	P	184,881 476,166	P	145,239 197,175	P	126,922 446,867	P	93,800 162,827		
Disposals	(489,677)	(158,897)	(459,326)	(129,554)		
Unrealized fair value gains (losses) Foreign currency revaluation	(5,230) 4,945	(4,647 4,349)	(2,524) 4,210	(3,250 3,402)		
Realized of fair value gains (losses) on FVOCI	(309)		1,062	(201)		1		
Reclassification		28		-		28		-		
Deferred tax liability	(<u>11</u>)		4	(11)				
Balance at end of year	<u>P</u>	170,793	P	184,881	<u>P</u>	115,965	<u>P</u>	126,922		

The reconciliation of unrealized fair value losses on financial assets at FVOCI reported under equity is shown below.

		BDO Unib	ank Gr	oup		Parent	Bank	
		2021		2020	2	021	20)20
Balance at beginning of year	P	4,008	(P	1,741)	P	2,459	(P	828)
Changes on unrealized fair value gains (losses) during the year: Fair value gains (losses)								
during the year Expected credit losses	(5,230)		4,647	(2,524)		3,250
on FVOCI securities	(88)		37	(71)		36
Deferred tax liability	<u>(</u>			3	<u>(</u>			
·	<u>(</u>	1,321)	-	2,946	<u>(</u>	147)		2,458
Realized fair value (gains) loss on securities disposed								
during the year - net	(309)		1,062	(201)	-	1
Balance at end of year	(<u>P</u>	1,630)	<u>P</u>	4,008	(<u>P</u>	348)	<u>P</u>	2,459

The Parent Bank disposed FVOCI securities under equity amounting to P3,222 and P323 in 2021 and 2020, respectively, while the BDO Unibank Group disposed a total of FVOCI equity securities amounting to P5,454 and P3,877 in 2021 and 2020, respectively.

Unrealized fair value gains and losses recognized in the NUGL account is not reclassified to profit or loss but is reclassified directly to Surplus Free account except for those debt securities classified as FVOCI wherein fair value changes are recycled back to profit or loss.

Impairment losses (recovery) recognized for FVOCI debt securities presented in NUGL for BDO Unibank Group and the Parent Bank amounted to (P88) and (P71), respectively, in 2021, P37 and P36, respectively, in 2020 and P13 and P5, respectively, in 2019. Total accumulated impairment losses presented in NUGL for the BDO Unibank Group and the Parent Bank amounted to P50 and P37, respectively, as of December 31, 2021, and P137 and P108, respectively, as of December 31, 2020 (see Note 4.3.5).

10.3 Investment Securities at Amortized Cost

This account consists of:

		В	DO Unib	c Group	Parent Bank				
	Note		2021	_	2020		2021		2020
Government debt securities Corporate debt		P	334,935	Р	228,134	P	320,925	Р	214,471
securities: Quoted Not quoted			59,255 4,815		55,982 4,293		56,523 1,389		53,430 1,342
•			399,005		288,409		378,837		269,243
Allowance for impairment	16	(<u>1,471</u>)	(<u>1,590</u>)	(_	<u>1,455</u>)	(<u>1,571</u>)
		<u>P</u>	397,534	Р	286,819	P	377,382	P	267,672

As to currency, this account is composed of the following:

	<u>B</u>	DO Unib	ank	Group	Parent Bank			
		2021		2020		2021		2020
Foreign currencies	P	164,529	P	153,492	P	159,235	P	146,757
Philippine peso		233,005		133,327		218,147		120 , 915
	<u>P</u>	397,534	P	286,819	P	377,382	P	267,672

The maturity profile of this account is presented below.

	B :	DO Unib	ank	Group		Parent Bank				
		2021		2020		2021		2020		
Less than one year	P	29,285	P	40,119	P	27,101	P	34,075		
One to five years		166,980		170,135		155,595		162,185		
Beyond five years		201,269		76,565		<u>194,686</u>		71,412		
	<u>P</u>	397,534	<u>P</u>	286,819	<u>P</u>	377,382	<u>P</u>	267,672		

The reconciliation of the carrying amounts of investment securities at amortized cost is as follows:

	BDO Unibank Group				Parent Bank				
		2021		2020		2021		2020	
Balance at beginning of year	P	286,819	P	263,585	P	267,672	P	247,308	
Additions		169,502		116,777		161,191		111,208	
Maturities and disposals	(68,042)	(85,870)	(60,412)	(83,501)	
Foreign currency gains - net	`	9,063	Ì	7,568)	`	8,741	(7,247)	
Impairment loss		192	(105)		190	(96)	
Balance at end of year	<u>P</u>	397,534	P	286,819	P	377,382	P	267,672	

Effective interest rates of investment securities at amortized cost for both BDO Unibank Group and Parent Bank range from:

	2021	2020	2019
BDO Unibank Group			
Government debt securities Corporate debt securities	0.18% - 18.25% 2.13% - 8.41%	0.00% - 18.25% 0.00% - 9.50%	0.18% - 18.25% 2.38% - 9.50%
Parent Bank			
Government debt securities Corporate debt securities	0.18% - 18.25% 2.13% - 7.88%	0.18% - 18.25% 0.00% - 9.50%	0.18% - 18.25% 2.38% - 9.50%

The BDO Unibank Group and the Parent Bank disposed of certain debt securities from its amortized cost portfolio amounting to P1,565 and P285, respectively, resulting in a trading net gain amounting to P78 and P30 in 2021, while in 2020, P29,637 was disposed resulting in a net trading gain amounting to P3,546, for both the BDO Unibank Group and the Parent Bank. The disposal in 2021 was initiated because of the deteriorating credit profile of the securities sold, while in 2020, the disposal was made to strengthen the liquidity and capital position of the BDO Unibank Group and the Parent Bank as a buffer against the economic downturn caused by the COVID-19 pandemic. Management had assessed that such disposals of the investment securities are consistent with the BDO Unibank Group's and the Parent Bank's investment at amortized cost business model with the objective of collecting contractual cash flows and have qualified under the permitted sale events set forth in the BDO Unibank Group's business model in managing financial assets manual and the requirements of PFRS 9. The disposal of investment securities was approved by the Investments Committee in compliance with the documentation requirements of the BSP.

As mentioned in Note 28, certain government debt securities are deposited with the BSP.

11. LOANS AND OTHER RECEIVABLES

This account consists of the following:

			BDO Unib	ank C	roup		Parent E	Bank	
	Notes		2021		2020		2021	2020)
Receivables from customers:									
Loans and discounts	27	P	2,205,151	P	2,099,887	P	2,156,282	2,0	060,614
Credit card receivables			106,789		94,356		106,789		94,356
Customers' liabilities under letters of credit									
and trust receipts			80,217		58,784		80,217		58,784
Bills purchased			8,360		10,864		8,358		10,863
			2,400,517		2,263,891		2,351,646	2,	224,617
Unearned interests or									
discounts		(324)	(189)	(95) (122)
Allowance for impairment	16	(65,259)	(56,420)	(63,274) (53,989)
		(65,583)	(56,609)	(63,369) (54,111)
			2,334,934		2,207,282		2,288,277	2,	170,506
Other receivables:									
Interbank loans receivables			90,721		66,657		90,721		66,657
Reverse repurchase									
agreements			17,095		16,729		15,800		14,135
Accounts receivable	27		8,315		11,527		6,277		9,696
Sales contract receivables			1,283		1,016		1,226		977
Others			1,039		1,201			-	
			118,453		97,130		114,024		91,465
Allowance for impairment	16	(2,484)	(2,431)	(2,318) (2,285)
			115,969		94,699		111,706		89,180
		<u>P</u>	2,450,903	P	2,301,981	P	2,399,983	2,	259,686

The maturity profile of receivable from customers (net of unearned interest or discounts) based on the remaining term is presented below.

		BDO Unibank Group					Parent Bank				
		2021		2020	_	2021	_	2020			
Less than one year One to five years Beyond five years	P	715,409 830,392 854,392	P	715,170 752,265 796,267	P 	708,816 795,591 847,144	P	706,757 727,527 790,211			
	<u>P</u>	2,400,193	<u>P</u>	2,263,702	<u>P</u>	2,351,551	<u>P</u>	2,224,495			

The breakdown of total loans (receivable from customers, net of unearned interests or discounts) as to type of interest rate follows:

	BDO Unibar	nk Group	Paren	t Bank
	2021	2020	2021	2020
Variable interest rates Fixed interest rates	P 1,885,493 F 514,700	2 1,813,886 449,816	P 1,873,116 478,435	P 1,804,381 420,114
	<u>P 2,400,193</u> <u>F</u>	2,263,702	P 2,351,551	P 2,224,495
Annual interest rates ranges from:				
	2021	2020)	2019
Loans and discounts	0.00% - 60.96%	0.00% - 4	43.68% 0.00	% – 49.17%

0.03% - 19.00% 0.04% - 19.00% 0.01% - 19.00%

The total interest income earned amounted to:

Other receivables

		BD0	O Unibank G	roup
	Note	2021	2020	2019
Loans and discounts Other receivables		P 123,545 1,003	P 137,590 1,146	P 140,044 2,864
	23	<u>P 124,548</u>	<u>P 138,736</u>	<u>P 142,908</u>
			Parent Bank	<u> </u>
	Note	2021	Parent Bank	2019
Loans and discounts Other receivables	Note			2019

Interest income recognized on impaired loans and receivables amounted to P6,046, P4,557 and P804 in 2021, 2020 and 2019, respectively, for the BDO Unibank Group, and P6,025, P4,353 and P788 in 2021, 2020 and 2019, respectively, for the Parent Bank.

Certain receivables from customers of the BDO Unibank Group and the Parent Bank amounting to P29,497 and P26,045, respectively, in 2021 and P43,976 and P40,744, respectively, in 2020, are subject to offsetting with the corresponding collaterals received as a means of security amounting to P26,216 and P26,045, respectively, in 2021, and P40,904 and P40,744, respectively, for 2020, indicating a legally enforceable right to offset the recognized amounts with an intention to settle on a net basis (see Note 7.6).

Impairment losses recognized for loans and receivables for BDO Unibank Group and the Parent Bank amounted to P17,222 and P17,006, respectively, in 2021, P29,519 and P28,905, respectively, in 2020, and P5,986 and P5,725, respectively, in 2019 (see Note 16).

12. PREMISES, FURNITURE, FIXTURES AND EQUIPMENT

The gross carrying amounts and accumulated depreciation, amortization and impairment of premises, furniture, fixtures and equipment at the beginning and end of 2021 and 2020 are shown below and in the succeeding page.

				01.0										
BDO Unibank Group														
				ırniture,				sehold	Con	struction	F	light-of-		
	_	Land		tures and quipment	Bu	ildings	Rights and Improvement		in Progress			Use Assets	Total	
December 31, 2021														
Cost Accumulated	P	8,409	P	27,867	P	24,044	Р	8,373	Р	1,316	P	16,704	P	86,713
depreciation and amortization Allowance for		-	(18,527)	(9,384)	(6,902)		-	(6,446)	(41,259)
Impairment (see Note 16)	(343)			(304)			_			-	(647)
Net Carrying Amount	<u>P</u>	8,066	P	9,340	P	14,356	<u>P</u>	1,471	<u>P</u>	1,316	<u>P</u>	10,258	P	44,807
December 31, 2020 Cost Accumulated	P	8,405	P	27,194	P	22,792	P	7,823	P	977	P	14,420	P	81,611
depreciation and amortization Allowance for		-	(17,532)	(8,343)	(6,299)		-	(4,460)	(36,634)
Impairment (see Note 16)	(271)			(376)			-				(647)
Net Carrying Amount	<u>P</u>	8,134	P	9,662	<u>P</u>	14,073	P	1,524	<u>P</u>	977	<u>P</u>	9,960	<u>P</u>	44,330
January 1, 2020 Cost Accumulated	P	8,190	P	26,789	Р	22,697	P	7,623	P	1,137	P	12,913	P	79,349
depreciation and amortization		_	(16,392)	(7,748)	(5,580)		-	(2,433)	(32,153)
Allowance for Impairment (see Note 16)	(269)	•		,	376)	`				`			645)
• , , ,	D	7,921	Р	10,397	P	14,573	Р	2,043	P	1 127	Р	10,480	P	46,551
Net Carrying Amount	<u>P</u>	1,721	F	10,397	г	14,373	Г	2,04.3	<u>r </u>	1,137	г	10,400	r	+0,001
Parent Bank														
		Land	Fix	rniture, tures and juipment	Bu	ildings	Rig	sehold hts and rovement		struction in ogress		light-of- Use Assets	1	'otal
December 31, 2021														
Cost Accumulated	P	7,669	P	23,434	P	22,734	Р	7,497	P	1,314	P	16,252	P	78,900
depreciation and amortization Allowance for		-	(15,468)	(8,781)	(6,273)		-	(6,296)	(36,818)
Impairment (see Note 16)	(197)			(299)				-			(496)
Net Carrying Amount	P	7,472	P	7,966	P	13,654	P	1,224	P	1,314	P	9,956	P	41,586
December 31, 2020 Cost Accumulated	P	7,665	P	22,151	P	21,517	P	7,060	P	970	P	14,142	P	73,505
depreciation and amortization		-	(14,303)	(7,807)	(5,740)		-	(4,327)	(32,177)
Allowance for Impairment (see Note 16)	(125)			(371)				-			(496)
Net Carrying Amount	<u>P</u>	7,540	P	7,848	P	13,339	P	1,320	P	970	P	9,815	<u>P</u>	40,832
January 1, 2020 Cost Accumulated	P	7,450	Р	21,083	P	21,450	P	6,926	P	1,137	P	12,781	P	70,827
depreciation and amortization		-	(13,047)	(7,285)	(5,118)		-	(2,387)	(27,837)
Allowance for														

7,325 P 8,036

Net Carrying Amount

A reconciliation of the carrying amounts at the beginning and end of 2021 and 2020 of premises, furniture, fixtures and equipment is shown below and in the succeeding page.

BDO Unibank Group

	<u>I</u>	and	Furniture, Fixtures and Equipment	Building	F	easehold Rights and nprovement		struction in ogress		Right-of- Use Assets	Total
Balance at January 1, 2021,											
net of accumulated											
depreciation,											
amortization and impairment	P	8,134	P 9,662	P 14,	073 P	1,524	Р	977	Р	9,960	P 44,330
Additions	1	21	2,084		664	568	1	516	1	3,216	7,069
Disposals			(101)	(47) (13)		-		- (
Reclassifications	(72)	218		721	73	(172)		-	768
Adjustments	,	-	-	-	(1)	,	-	(406) (
Reversal Foreign exchange revaluation	(17)	- 1	-	5	2)	(5)		- (4	(24) 11
Depreciation and		-	1		3	1				4	11
amortization charges											
for the year		-	(2,524)	(1,	060) (679)		-	(<u>2,516</u>) ((6,779)
D.1 . D. 1.24											
Balance at December 31, 2021, net of accumulated											
depreciation, amortization											
and impairment	<u>P</u>	8,066	P 9,340	P 14,	356 P	1,471	P	1,316	P	10,258	P 44,807
D.1											
Balance at January 1, 2020,											
net of accumulated depreciation,											
amortization and											
impairment	P	7,921	P 10,397	P 14,	573 P	2,043	P	1,137	P	10,480	P 46,551
Additions		17	1,825		291	241		715		1,775	4,864
Disposals	(2)	(117)	(6)(7)		-		- (
Reclassifications Adjustments		198	195 7		946	33 2)	(875)		-	497 1
Reversal			(2)	(4) (- 2)				- (
Depreciation and			(2)							- (. 2)
amortization charges											
for the year			(2,643_)	(1,	727) (784)		-	(<u>2,295</u>) (7,449)
Balance at December 31,											
2020, net of accumulated											
depreciation, amortization											
and impairment	<u>P</u>	8,134	P 9,662	P 14,	073 P	1,524	P	977	Р	9,960	P 44,330
Parent Bank											
			Furniture, Fixtures and			Leasehold Rights and	Con	struction in		Right-of- Use	
	I	and	Equipment	Building		nprovement	Pr	ogress		Assets	Total
			• •	_		•		-			
Balance at January 1, 2021											
Balance at January 1, 2021 net of accumulated											
net of accumulated depreciation,											
net of accumulated depreciation, amortization and		7.540	P. 500	D 40		1220		979		0.445	D 40.000
net of accumulated depreciation, amortization and impairment	P	7,540	P 7,848		339 P	1,320	P	970	P		P 40,832
net of accumulated depreciation, amortization and impairment Additions	P	21	1,722	,	630	425	P	970 516	p	2,951	6,265
net of accumulated depreciation, amortization and impairment		- 21	1,722 (7)	(630 46) (425 13)		516	P		6,265 (66)
net of accumulated depreciation, amortization and impairment Additions Disposals	P (21	1,722	(630	425	P (P (2,951	6,265 66) 768
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal		- 21	1,722 (7)	(630 46) (425 13) 72		516		2,951 - (- 407)(- (6,265 (66) 768 (407) 22)
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation	(21 - 72)	1,722 (7)	(630 46) (425 13)		516 - 167)		2,951 - (- 407) (6,265 (66) 768 (407)
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and	(21 - 72)	1,722 (7)	(630 46) (425 13) 72		516 - 167)		2,951 - (- 407)(- (6,265 (66) 768 (407) 22)
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges	(21 - 72)	1,722 (7) 218		630 46) (717	425 13) 72		516 - 167)		2,951 - (- 407)(- (5	6,265 66) 768 407) 22)
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and	(21 - 72)	1,722 (7)		630 46) (425 13) 72		516 - 167)		2,951 - (- 407)(- (6,265 66) 768 407) 22)
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges	(21 - 72)	1,722 (7) 218		630 46) (717	425 13) 72		516 - 167)		2,951 - (- 407)(- (5	6,265 (66) 768 (407) 22)
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated	(21 - 72)	1,722 (7) 218		630 46) (717	425 13) 72		516 - 167)		2,951 - (- 407)(- (5	6,265 (66) 768 (407) 22)
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization	(21 - 72) - 17) -	1,722 (7) 218 - - - - (1,815)		630 46) (717 986) (425 13) 72 - 1 1 581)		516 - 167) - 5) -		2,951 - (0,000) - (0,000)	6,265 666) 768 (407) 22) 6
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated	(21 - 72)	1,722 (7) 218		630 46) (717	425 13) 72		516 - 167)		2,951 - (- 407)(- (5	6,265 (66) 768 (407) 22)
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment	(21 - 72) - 17) -	1,722 (7) 218 - - - - (1,815)		630 46) (717 986) (425 13) 72 - 1 1 581)		516 - 167) - 5) -		2,951 - (0,000) - (0,000)	6,265 666) 768 (407) 22) 6
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization	(21 - 72) - 17) -	1,722 (7) 218 - - - - (1,815)		630 46) (717 986) (425 13) 72 - 1 1 581)		516 - 167) - 5) -		2,951 - (0,000) - (0,000)	6,265 666) 768 (407) 22) 6
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020	(21 - 72) - 17) -	1,722 (7) 218 - - - - (1,815)		630 46) (717 986) (425 13) 72 - 1 1 581)		516 - 167) - 5) -		2,951 - (0,000) - (0,000)	6,265 666) 768 (407) 22) 6
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization amortization and impairment	((<u>p</u>	21 - 72) - 17)	1,722 7) 218 - - - ((630 46) (717 986) (425 13) 72 - 1 1 581)	((<u>P</u>	516 - 167) - 5) 1,314	(2,951 - (6,265 66,067 768 407) 22) 6
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment mortization and impairment	(21 - 72) - 17) 7,472	1,722 7) 218 (P 13,	630 46) (717 986) (425 13) 72 - 1 1 581)		516 - 167) - 5) 1,314		2,951 - (- 407) (- 5 - 5 - 2,408) (- 9,956	6,265 66) 768 407) 22) 6 (5,790) P41,586
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment Additions	((<u>p</u>	7,325 17)	1,722 7) 218 (1,815) P 8,036 1,414	P 13,	630 46) (717 986) (425 13) 72 - - 1 581) 1,224	((<u>P</u>	516 - 167) - 5) 1,314	(2,951 - (0 - 407)(1 - (0 - 5 - 2,408)(1 - 9,956	6,265 66) 768 4077 22) 6 (5,790) P 41,586
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization amortization and impairment Additions Disposals	((<u>p</u>	721 - 72) - 17)	1,722 7) 218	P 13,	630 46) (717 986) (425 13) 72 - 1 1 581) 1,224	((<u>P</u>	516 - 167) - 5)	(2,951 - (- 407) (- 5 - 5 - 2,408) (- 9,956	6,265 66,66 768 407) 22) 6 (
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment Additions	((<u>p</u>	7,325 17)	1,722 7) 218 (1,815) P 8,036 1,414	P 13,	630 46) (717 986) (986) (986) (9794 P 9259 7) (425 13) 72 - - 1 581) 1,224	((<u>P</u>	516 - 167) - 5) 1,314	(2,951 - (- 407) (- 5 5 2,408) (- 9,956 10,394 1,628 - (- 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	6,265 66) 768 4077) 22) 6 (
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications	((<u>p</u>	721 - 72) - 17) 7,472 - 7,325 - 17	1,722 7) 218	P 13,	630 46) (717 986) (1,808 171 1,808 171 79 33	((<u>P</u>	516 - 167) - 5)	(2,951 - (0 - 407)(1 - (0 - 5 - 2,408)(1 - 9,956	6,265 66) 768 4077) 22) 6 (
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Depreciation and amortization charges	((<u>p</u>	721 - 72) - 17) 7,472 - 7,325 - 17	1,722 7) 218	P 13,	630 46) (717 986) (1,808 171 1,808 171 73 33 1)	((<u>P</u>	516 - 167) - 5)	(2,951 - (- 407) (- 5 - 5 - 2,408) (- 9,956 - (- 6 - 6 - 6 - 6 - 6 - 6 - 6 - 6 -	6,265 66) 768 (407) 22) 6 (
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Depreciation and Depreciations Adjustment Depreciation and Depreciations Adjustment Depreciation and Depreciations Adjustment Depreciation and Depreciation and Depreciation Adjustment Depreciation and Depreci	((<u>p</u>	721 - 72) - 17) 7,472 - 7,325 - 17	1,722 7) 218	P 13,	630 46) (717 986) (986) (986) (9794 P 9259 7) (1,808 171 1,808 171 79 33	((<u>P</u>	516 - 167) - 5)	(2,951 - (- 407) (- 5 - 5 - 2,408) (- 9,956 - 10,394	6,265 66) 768 (407) 22) 6 (
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Depreciation and amortization and amortization and amortization and amortization charges for the year	((<u>p</u>	721 - 72) - 17) 7,472 - 7,325 - 17	1,722 7) 218	P 13,	630 46) (717 986) (1,808 171 1,808 171 73 33 1)	((<u>P</u>	516 - 167) - 5)	(2,951 - (- 407) (- 5 - 5 - 2,408) (- 9,956 - (- 6 - 6 - 6 - 6 - 6 - 6 - 6 - 6 -	6,265 66) 768 (407) 22) 6 (
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Depreciation and amortization charges	((<u>p</u>	721 - 72) - 17) 7,472 - 7,325 - 17	1,722 7) 218	P 13,	630 46) (717 986) (1,808 171 1,808 171 73 33 1)	((<u>P</u>	516 - 167) - 5)	(2,951 - (- 407) (- 5 - 5 - 2,408) (- 9,956 - (- 6 - 6 - 6 - 6 - 6 - 6 - 6 - 6 -	6,265 66) 768 (407) 22) 6 (
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Depreciation and amortization and amortization tharges for the year Balance at December 31,	((<u>p</u>	721 - 72) - 17) 7,472 - 7,325 - 17	1,722 7) 218	P 13,	630 46) (717 986) (1,808 171 1,808 171 73 33 1)	((<u>P</u>	516 - 167) - 5)	(2,951 - (- 407) (- 5	6,265 66) 768 (407) 22) 6 (
net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Reversal Foreign exchange revaluation Depreciation and amortization charges for the year Balance at December 31, 2021, net of accumulated depreciation, amortization and impairment Balance at January 1, 2020 net of accumulated depreciation, amortization and impairment Additions Disposals Reclassifications Adjustment Depreciation and amortization and amortization charges for the year	((<u>p</u>	721 - 72) - 17) 7,472 - 7,325 - 17	1,722 7) 218	P 13,	630 46) (717 986) (1,808 171 1,808 171 73 33 1)	((<u>P</u>	516 - 167) - 5)	(2,951 - (6,265 66) 768 (407) 22) 6 (

Under BSP rules, investments in premises, furniture, fixtures and equipment should not exceed 50.00% of a bank's unimpaired capital. As of December 31, 2021 and 2020, the BDO Unibank Group and the Parent Bank have complied with this requirement.

Certain fully depreciated premises, furniture, fixtures and equipment as of December 31, 2021 and 2020 are still being used in operations with acquisition costs amounting to P8,298 and P7,983, respectively, in the BDO Unibank Group's financial statements and P7,532 and P7,305, respectively, in the Parent Bank's financial statements.

13. LEASES

The BDO Unibank Group and the Parent Bank have leases for certain land and building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected as a Right-of-use asset under Premises, Furniture, Fixtures and Equipment (see Note 12) and a Lease liability under Other Liabilities (see Note 21) on the statements of financial position.

Each lease generally imposes a restriction that, unless there is a contractual right for the BDO Unibank Group and the Parent Bank to sublet the asset to another party, the right-of-use asset can only be used by the BDO Unibank Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The BDO Unibank Group and the Parent Bank are prohibited from selling or pledging the underlying leased assets as security. For leases over land and office spaces, the BDO Unibank Group and the Parent Bank must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the BDO Unibank Group and the Parent Bank must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The tables below describe the nature of BDO Unibank Group and the Parent Bank's leasing activities by type of right-of-use asset recognized as part of Premises, Furniture, Fixtures and Equipment in the statements of financial position as of December 31, 2021 and 2020.

	Number of Right Asset Leas		nge of ning Term	Average Remaining Lease Term			
	2021 2	020 2021	2020	2021	2020		
BDO Unibank Group							
Land Building		•	3 mos. – 26 yrs. 1 mo. – 28 yrs.	12 yrs. 2.2 yrs.	12 yrs. 3.1 yrs.		
Parent Bank							
Land Building		•	3 mos. – 26 yrs. 1 mo. – 27.5 yrs.	12 yrs. 4 yrs.	12 yrs. 4.2 yrs.		

13.1 Right-of-Use Assets

The carrying amounts of BDO Unibank Group and the Parent Bank's right-of-use assets as at December 31, 2021 and 2020 and the movements during the period are shown below (see Note 12).

BDO Unibank Group

	La	ınd Bı	uildings	Total
Balance at January 1, 2021	P	416 P	9,544 P	9,960
Additions		44	3,172	3,216
Reclassification		38 (38)	-
Adjustment	(6) (400) (406)
Foreign exchange revaluation		-	4	4
Depreciation and amortization	(<u>58</u>) (2,458) (2,516)
Balance at December 31, 2021	<u>P</u>	<u>434</u> <u>P</u>	9,824 <u>P</u>	10,258
Balance at January 1, 2020	P	449 P	10,031 P	10,480
Additions		14	1,761	1,775
Depreciation and amortization	(47) (2,248) (2,295)
Balance at December 31, 2020	<u>P</u>	416 P	<u>9,544</u> P	9,960

Parent Bank

	Land		Buile	dings		otal
Balance at January 1, 2021	P	444	P	9,371	P	9,815
Additions		44		2,907		2,951
Reclassification		38	(38)		-
Adjustment	(7)	(400)	(407)
Foreign exchange revaluation				5		5
Depreciation and amortization	(<u>60</u>)	(2,348)	(2,408)
Balance at December 31, 2021	<u>P</u>	459	<u>P</u>	9,497	<u>P</u>	9,956
Balance at January 1, 2020	P	478	P	9,916	P	10,394
Additions		14		1,614		1,628
Depreciation and amortization	(<u>48</u>)	(2,159)	(2,207)
Balance at December 31, 2020	<u>P</u>	444	<u>P</u>	9 , 371	P	9,815

13.2 Lease Liabilities

Lease liabilities amounting to P12,087 and P11,701 as at December 31, 2021 and December 31, 2020, respectively, for the BDO Unibank Group and P11,800 and P11,551, as at December 31, 2021 and December 31, 2020, respectively, for the Parent Bank are presented in the statements of financial position as part of Other Liabilities (see Note 21).

The use of extension and termination options gives the BDO Unibank Group and the Parent Bank added flexibility in the event that it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the BDO Unibank Group and the Parent Bank's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost. As at December 31, 2021, the terms of the lease contracts of the BDO Unibank Group and the Parent Bank are renewable upon mutual agreement of the parties.

As of December 31, 2021, the BDO Unibank Group and the Parent Bank had not committed to any lease which had not yet commenced.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at December 31, 2021 and 2020 for the BDO Unibank Group and the Parent Bank are as follows:

December 31, 2021

Within

1 Year

1 to 2

Years

2 to 3

Years

BDO Unibank Group Within 1 to 2 2 to 3 3 to 4 4 to 5 5 to 10 10 or More Total 1 Year Years Years Years Years Years Lease payments Finance charges 3.495 Р 2.826 Р 2.306 1.803 1.370 2.256 517 Р 14.573 <u>517</u>) (_ 317) Net present value 2,309 P 1,915 1,528 1,186 390 P 12,087 2,820 1,939 Parent Bank Within 1 to 2 3 to 4 4 to 5 5 to 10 10 or More 2 to 3 2,227 1,779 1,355 2,263 14,298 Lease payments Finance charges 667) 513) 385) 276) 186) 327) 144)(_ 2,498) 2,719 2,214 1,842 1,503 1,169 1,936 417 P December 31, 2020 BDO Unibank Group

Lease payments Finance charges	P (3,181 647	P (2,696 502)	P (2,186 378)	P (1,652 281)	P (1,231 207)	P (2,739 368)	P (557 158) (P 14,242 2,541)
Net present value	P	2,534	Р	2,194	Р	1,808	Р	1,371	P	1,024	P	2,371	P	399	P 11,701
Parent Bank															
		Within 1 Year		1 to 2 Years		2 to 3 Years	_	3 to 4 Years	_	4 to 5 Years	_	5 to 10 Years	1	0 or More Years	Total
Lease payments Finance charges	P (3,101 644	P (2,648 502)	P (2,143 379)	P (1,639 284)	P (1,236 210)	P (2,754 379)	P (606 178) (P 14,127 2,576)

3 to 4

Years

4 to 5

Years

5 to 10

Years

10 or More

Years

Total

The BDO Unibank Group and the Parent Bank sublease its leased properties. The total income earned from the subleasing activities amounted to nil in 2021, 2020 and 2019 for the BDO Unibank Group and P2, P2 and P1 in 2021, 2020 and 2019, respectively, for the Parent Bank.

The total cash outflow in respect to leases amounted to P3,238, P2,940 and P3,122 in 2021, 2020 and 2019, respectively, for the BDO Unibank Group and P3,100, P2,828 and P3,076 in 2021, 2020 and 2019, respectively, for the Parent Bank. Interest expense in relation to lease liabilities amounted to P817, P690 and P827 in 2021, 2020 and 2019, respectively, for the BDO Unibank Group and P807, P675 and P822 in 2021, 2020 and 2019, respectively, for the Parent Bank which are, presented as part of Interest expense on lease liabilities under Interest Expense account in the statements of income (see Notes 21 and 24).

13.3 Lease Payments Not Recognized as Liabilities

The BDO Unibank Group and the Parent Bank have elected not to recognize a lease liability for short-term leases or for leases of low value assets. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities. Payments made under such leases are expensed as incurred.

The expenses relating to short-term leases and low-value assets amounted to P8 and P336 in 2021, P4 and P269 in 2020 and P1 and P404 in 2019 for the BDO Unibank Group, respectively, and nil and P328 in 2021, nil and P262 in 2020 and nil and P399 in 2019 for the Parent Bank, respectively. Moreover, expenses relating to variable lease payments amounted to P114, P171 and P267 for the BDO Unibank Group and P114, P171 and P260 for the Parent Bank in 2021, 2020 and 2019, respectively. These are presented as part of Occupancy under Other Operating Expenses account in the statements of income (see Note 25). As of December 31, 2021, 2020 and 2019, the Parent Bank do not have lease commitments in relation to short term leases.

14. INVESTMENT PROPERTIES

Investment properties include land and buildings held for capital appreciation and for rental. Income earned from investment properties under rental arrangements amounted to P431 and P86 in 2021, P366 and P83 in 2020, and P435 and P88 in 2019 in the BDO Unibank Group and the Parent Bank's financial statements, respectively, and are presented as part of Rental under Other Operating Income account (see Note 25). Direct expenses incurred from these properties such as taxes and licenses amounted to P34 and P3 in 2021, P23 and P2 in 2020, and P32 and P3 in 2019 in the BDO Unibank Group and the Parent Bank's financial statements, respectively, and are presented as part of Taxes and licenses under Other Operating Expenses account in the BDO Unibank Group and Parent Bank's financial statements, respectively (see Note 25).

The gross carrying amounts and accumulated depreciation and impairment at the beginning and end of 2021 and 2020 are shown below and in the succeeding page.

	I	and	<u>B</u>	uildings	Total		
BDO Unibank Group							
December 31, 2021							
Cost	P	9,288	P	16,648	P	25,936	
Accumulated depreciation		-	(5,412)	(5,412)	
Allowance for impairment							
(see Note 16)	(<u>1,658</u>)	(<u>71</u>)	(<u>1,729</u>)	
Net carrying amount	<u>P</u>	7,630	<u>P</u>	11,165	<u>P</u>	18,795	

BDO Unibank Group

	I	and	B	uildings		<u> Total</u>
December 31, 2020						
Cost	P	9,176	P	13,310	P	22,486
Accumulated depreciation		-	(4,773)	(4,773)
Allowance for impairment						
(see Note 16)	(<u>1,773</u>)	(89)	(1,862)
Net carrying amount	<u>P</u>	7,403	<u>P</u>	8,448	<u>P</u>	15,851
January 1, 2020						
Cost						
Accumulated depreciation	P	9,616	P	13,359	Р	22,975
Allowance for impairment	,	-	(4,189)	(4,189)
(see Note 16)	(<u>1,776</u>)	(99)	(<u>1,875</u>)
Net carrying amount	<u>P</u>	7,840	<u>P</u>	9,071	<u>P</u>	16,911
Parent Bank						
December 31, 2021						
Cost	P	7,029	P	10,473	P	17,502
Accumulated depreciation		-	(4,829)	(4,829)
Allowance for impairment						
(see Note 16)	(1,378)	(32)	(<u>1,410</u>)
Net carrying amount	<u>P</u>	<u>5,651</u>	<u>P</u>	5,612	<u>P</u>	11,263
December 31, 2020						
Cost	P	6,916	P	10,775	P	17,691
Accumulated depreciation		-	(4,320)	(4,320)
Allowance for impairment						
(see Note 16)	(1,493)	(43)	(1,536)
Net carrying amount	<u>P</u>	5,423	<u>P</u>	6,412	<u>P</u>	11,835
January 1, 2020						
Cost	P	7,218	P	10,712	P	17,930
Accumulated depreciation		-	(3,810)	(3,810)
Allowance for impairment						
(see Note 16)	(<u>1,474</u>)	(<u>51</u>)	(1,525)
Net carrying amount	<u>P</u>	5,744	<u>P</u>	6,851	<u>P</u>	12,595

A reconciliation of the carrying amounts, at the beginning and end of 2021 and 2020, of investment properties is shown below and in the succeeding page.

]	Land	Buildings			Total
BDO Unibank Group						
Balance at January 1, 2021, net of accumulated						
depreciation and impairment	P	7,403	P	8,448	P	15,851
Additions		606		4,415		5,021
Reclassifications		126	(466)	(340)
Disposals	(511)	(309)	(820)
Foreign exchange revaluation		6		84		90
Depreciation for the year			(1,007)	(<u>1,007</u>)
Balance at December 31, 2021, net of accumulated						
depreciation and impairment	<u>P</u>	7,630	<u>P</u>	<u>11,165</u>	<u>P</u>	18,795
Balance at January 1, 2020, net of accumulated						
depreciation and impairment	P	7,840	P	9,071	P	16,911
Additions		467		827		1,294
Reclassifications	(239)	(62)	(301)
Disposals	(658)	(395)	(1,053)
Foreign exchange revaluation	(7)	(40)	(47)
Depreciation for the year			()	953)	(953)
Balance at December 31, 2020, net of accumulated						
depreciation and impairment	<u>P</u>	7,403	<u>P</u>	8,448	<u>P</u>	15,851

		Land	Buildings		<u>Total</u>	
Parent Bank				G		
Balance at January 1, 2021,						
net of accumulated						
depreciation and impairment	P	5,423	P	6,412	P	11,835
Additions		606		865		1,471
Disposals	(510)	(309)	(819)
Reclassifications		126	(472)	(346)
Foreign exchange revaluation		6		-		6
Depreciation for the year			(884)	(884)
Balance at December 31, 2021, net of accumulated						
depreciation and impairment	<u>P</u>	<u>5,651</u>	<u>P</u>	5,612	<u>P</u>	11,263
Balance at January 1, 2020,						
net of accumulated						
depreciation and impairment	P	5,744	P	6,851	P	12,595
Additions		460		784		1,244
Disposals	(535)	(310)	(845)
Reclassifications	(239)	(62)	(301)
Foreign exchange revaluation	(7)		-	(7)
Depreciation for the year			(851)	(<u>851</u>)
Balance at December 31, 2020, net of accumulated						
depreciation and impairment	<u>P</u>	5,423	<u>P</u>	6,412	<u>P</u>	11,835

The fair value of investment properties as of December 31, 2021 and 2020, determined using observable recent prices of the reference properties adjusted for difference and replacement cost approach, amounted to P40,135 and P33,156, respectively, for the BDO Unibank Group's financial statements and P32,736 and P30,947, respectively, for the Parent Bank's financial statements. Other information about the fair value measurement and disclosures related to the investment properties are presented in Note 7.5.

The recoverable amount of impaired investment properties as of December 31, 2021 and 2020 was based on value in use computed through discounted cash flows method at an effective rate of 0.69% and 0.83% in 2021 and 2020, respectively.

BDO Unibank Group has no contractual obligations to purchase, construct or develop investment properties, or to repair, neither maintain or enhance the same nor are there any restrictions on the future use or realizability of the investment properties.

Real and other properties acquired (ROPA) in settlement of loans through foreclosure or dacion in payment are significantly accounted for as either: investment properties, financial assets at FVOCI, other resources or non-current assets held for sale.

As of December 31, 2021 and 2020, ROPA, gross of allowance, comprise of the following:

	BDO Unibank Group				Parent Bank				
		2021		2020		2021		2020	
Investment properties Financial assets at FVOCI Non-current assets held for sale	P	11,070 499 1,954	P	11,223 1,468 1,066	P	11,028 499 1,952	P	11,210 1,467 1,066	
	<u>P</u>	13,523	<u>P</u>	13,757	<u>P</u>	13,479	<u>P</u>	13,743	

15. OTHER RESOURCES

The components of this account are shown below.

			BDO Unib	nibank Group Par			Paren	nt Bank		
	Notes		2021		2020		2021		2020	
Deferred charges	15.1	P	7,852	P	9,316	P	7,852	P	9,316	
Deferred tax assets - net	31.1		6,768		7,911		6,262		7,383	
Foreign currency notes										
and coins on hand			5,597		8,578		5,597		8,577	
Equity investments	15.2		5,347		5,015		43,839		37,720	
Goodwill	15.3		4,535		4,535		1,391		1,391	
Computer software - net			3,696		2,121		3,535		1,966	
Branch licenses	15.4		3,020		3,020		3,020		3,020	
Non-current assets										
held for sale	15.5		1,954		1,066		1,952		1,066	
Credit card acquiring			1,226		3,888		1,226		3,888	
Margin deposits			581		214		187		178	
Customer lists - net	15.7		487		487		487		487	
Prepaid documentary										
stamps			454		475		414		444	
Real properties for										
development and sale			260		350		-		-	
Returned checks and										
other cash items			58		211		24		208	
Dividend receivable			-		111		-		78	
Trademark - net	15.6		-		25		-		25	
Retirement assets	26.2		-		1,300		-		1,217	
Others	15.7, 20		9,966		9,355		8 , 578		8,471	
			51,801		57,978		84,364		85,435	
Allowance for impairment	16	(<u>2,921</u>)	(2,826)	(_	<u>2,602</u>)	(<u>2,522</u>)	
		P	48,880	D	55,152	P	81,762	Р	82,913	
			70,000	<u> </u>	33,132	1	01,702	<u> </u>	02,713	

15.1 Deferred Charges

Deferred charges represent the unamortized portion of loan origination fees, which consist of commission and other fees related to auto loans, presented as part of Receivables from customers - Loans and discounts account under Loans and Other Receivables in the statements of financial position (see Note 11). This amount is initially deducted from the loan proceeds issued to the borrowers and then subsequently amortized over the term of the loan. In addition, this account also includes origination costs related to Long-term Negotiable Certificate of Deposits (LTNCD) presented as part of Time deposit liabilities under Deposit Liabilities account in the statements of financial position (see Note 17). This also includes originating costs related to Fixed Rate Bonds, Bills Payable and Senior Notes (see Note 18).

15.2 Equity Investments

Equity investments consist of the following:

		BDO Unibank Group		Group	Parent		Bank		
	Held		2021		2020		2021		2020
Philippine subsidiaries									
BDO Network	84.87%	P	-	P	_	P	8,166	P	8,166
BDOSHI	100%		-		-		5,684		5,684
BDO Life	97%		-		-		3,403		3,403
BDO Private	100%		-		-		2,579		2,579
BDO Leasing	87.43%		-		-		1,878		1,878
BDO Capital	99.88%		-		-		1,878		1,878
BDOI	100%		-		-		11		11
Equimark	60%						4		4
						_	23,603	_	23,603
Foreign subsidiaries									
BDORO	100%		-		-		169		169
BDO Remit (Japan) Ltd.	100%		-		-		92		92
BDO Remit (Canada) Ltd.	100%		-		-		50		50
BDO Remit (USA), Inc.	100%						26		26
, , ,			-		-		337	_	337
<u>Associates</u>									
SM Keppel Land, Inc. (SM Keppel)	50%		1,658		1,658		1,658		1,658
NLEX Corporation	11.70%		1,405		1,405		1,405		1,405
NorthPine Land, Inc.	20%		232		232		232		232
Taal Land, Inc.	33.33%		170		170		170		170
BDO Securities	2.65%		-		-		35		35
			3,465		3,465	_	3,500	-	3,500
Accumulated equity in total comprehensive income:									
Balance at beginning of year			1,550		1,578		10,280		12,711
Equity in net profit			814		470		6,350		3,839
Equity in other comprehensive income (loss)		(6)		10)		2,587 (4,610)
Dividends		(476)	(488)	(2,818) ((1,913)
Disposal			-		-		-		208
Change in percentage ownership in subsidiaries			-		-		-		11
Liquidation			<u>-</u>		-		-		34
Balance at end of year			1,882		1,55 0	_	16,399	-	10,280
Net investments in associates/subsidiaries			5,347		5,015		43,839		37,720
Allowance for impairment		(153)	(153)	(153)	(<u>153</u>)
		<u>P</u>	5,194	<u>P</u>	4,862	P	43,686	<u>P</u>	37,567

BDO Unibank Group's percentage of interest held in each subsidiary and associate is the same as that of the Parent Bank in both 2021 and 2020, except for BDO Life, BDO Leasing and BDO Securities which is at 100%, 88.54% and 99.88% for BDO Unibank Group, respectively (see Note 2.3) and 97.00%, 87.43% and 2.65% in the Parent Bank, respectively, as shown in the previous page, in both years.

In 2020, the trading of the shares of BDO Leasing were suspended indefinitely. Using the last traded price on January 24, 2020, the fair value amounts to P6,050. For the remaining equity investments, the fair value cannot be reliably determined either by reference to similar financial instruments or through valuation technique using the net present value of future cash flows.

BDO Unibank Group's subsidiaries as of December 31, 2021 are all incorporated in the Philippines, except for the following:

Foreign Subsidiaries	Country of Incorporation						
BDO Remit (USA), Inc.	United States of America						
BDORO	United Kingdom						
BDO Remit International Holdings B.V**	Netherlands						
BDO Remit UK, Ltd. **	United Kingdom						
BDO Remit (Spain), S.A**	Spain						
CBN Greece S.A. **	Greece						
BDO Remit (Japan) Ltd.	Japan						
BDO Remit (Canada) Ltd.	Canada						
BDO Remit Limited*	Hongkong						
BDO Remit (Macau) Ltd.*	Macau						

Wholly-owned subsidiaries of BDOSHI

On May 30, 2012, BDORO was registered with the Registrar of Companies for England and Wales (UK) as a private limited company with registered office at the 8th floor, 20 Farringdon Street, London. As of December 31, 2021 and 2020, the Parent Bank's outstanding investment in BDORO amounted to P169.

BDO Remit (Canada) Ltd., a wholly-owned remittance subsidiary in Vancouver, Canada operates as a remittance business and function as a marketing office of the Parent Bank. As of December 31, 2021 and 2020, the Parent Bank's outstanding investment in BDO Remit (Canada) Ltd. amounted to P50.

In May 2013, BDO Capital obtained control over BDO Remit International Holdings, B.V. (formerly CBN Grupo International Holdings B.V.) through its 60% ownership. Goodwill amounted to P91 and non-controlling share in equity totaled P39 at the date the BDO Unibank Group's control was established. In October 2016, BDO Capital acquired additional shares which increased its ownership interest to 96.32%. Additional goodwill acquired amounted to P32 (see Note 30.1).

On December 5, 2020, the BOD of the Parent Bank approved the write-off of the investment in PCI Realty Corporation.

On June 30, 2021, the BOD of BDONB approved the conversion of the bank from a rural bank to a savings bank. This was ratified by the BDONB shareholders on August 13, 2021 and approved by the BSP on January 20, 2022.

BDO Unibank Group includes two subsidiaries, BDO Leasing and BDO Network, with significant NCI:

	Ownership and Voting	Ownership Interest and Voting Rights Held by NCI			Profit Allocated to NCI					NCI
Name	2021	2020	20	021	2(020	2	021	2	020
BDO Leasing	11.46%	11.46%	P	5	P	29	P	689	P	684
BDO Network	15.13%	15.13%		58		18		941		930

Proportion of

^{**}Subsidiaries of BDO Capital

The registered office and principal place of business of BDO Leasing is located at 39th Floor, BDO Corporate Center Ortigas, 12 ADB Avenue, Ortigas Center, Mandaluyong City.

The registered office and principal place of business of BDO Network is located at BDONB Center, Km. 9, Sasa, Davao City.

No dividends were paid to NCI in 2021 and 2020, respectively (see Note 22.3).

The summarized consolidated financial information of BDO Leasing and BDO Network, before intragroup eliminations, follows:

	BDO Leasing						
		2021	2	2020			
Statements of financial position:							
Total current resources	P	6,020	P	5,996			
Total current liabilities		8		28			
Equity attributable to owners of the parent		5,323		5,284			
Non-controlling interest		689		684			
Statements of comprehensive income:							
Total interest income		-		1,116			
Total other operating income		57		1,250			
Profit attributable to							
owners of the parent		39		223			
Profit attributable to NCI		5		29			
Profit		44		252			
Total comprehensive income							
attributable to owners of the parent		39		187			
Total comprehensive income							
attributable to NCI		<u>5</u>		24			
Total comprehensive income	<u>P</u>	44	<u>P</u>	211			
Statements of cash flows:							
Net cash from (used in) operating activities	(P	31)	P	20,735			
Net cash used in investing activities	Ì	70)	(636)			
Net cash used in financing activities	`		(20,113)			
Net cash outflow	(<u>P</u>	<u>101</u>)	(<u>P</u>	14)			

	BDO Network								
		2021		2020					
Statements of financial position:									
Total current resources	P	10,091	P	7,136					
Total non-current resources		44,648		33,623					
Total current liabilities		47,743		10,384					
Total non-current liabilities		776		24,226					
Equity attributable to owners of the parent		5,278		5,219					
Non-controlling interest		941		930					

	BDO Network							
		2021	202	20				
Statements of comprehensive income:								
Total interest income		4,343		3,234				
Total other operating income		2,090		1,428				
Profit attributable to								
owners of the parent		325		103				
Profit attributable to NCI		58		18				
Profit		383		121				
Total comprehensive income								
attributable to owners of the parent		59		92				
Total comprehensive income								
attributable to NCI		11		16				
Total comprehensive income	<u>P</u>	70	Р	108				
Statements of cash flows:								
Net cash from (used in) operating activities	P	7,924	P	1,151				
Net cash used in investing activities	(5,685)	(1,498)				
Net cash used in financing activities	(125)	<u>(</u>	81)				
Net cash inflow (outflow)	<u>P</u>	2,114	(<u>P</u>	428)				

The following table presents the summarized financial information of BDO Unibank Group's associates as of and for the years ended December 31, 2021, 2020 and 2019:

		NLEX poration		SM <u>Keppel</u>	Others			Total
December 31, 2021 (Unaudited)								
Assets Current Non-current	P	69,743 7,383 62,360	P	15,796 2,232 13,564	P	3,922 2,986 936	P	89,461 12,601 76,860
Liabilities Current Non-current		46,724 5,897 40,827		11,231 1,335 9,896		1,233 1,214 19		59,188 8,446 50,742
Equity Revenues Net profit		23,019 12,851 5,108		4,565 570 105		2,689 1,328 259		30,273 14,749 5,472
December 31, 2020 (Audited)								
Assets Current Non-current	Р	62,786 4,020 58,766	P	15,447 1,862 13,585	P	3,149 2,944 205	P	81,382 8,826 72,556
Liabilities Current Non-current		42,672 13,016 29,656		10,987 2,138 8,849		718 699 19		54,377 15,853 38,524
Equity Revenues Net profit (loss)		20,114 18,107 3,604	(4,460 674 84)		2,431 843 118		27,005 19,624 3,638

	NLEX <u>Corporation</u>	SM <u>Keppel</u>	Others	Total
December 31, 2019 (Audited)				
Assets	P 57,903	P 15,433	P 3,178	P 76,514
Current	5,586	1,768	2,567	9,921
Non-current	52,317	13,665	611	66,593
Liabilities	38,375	10,889	855	50,119
Current	8,026	2,274	630	10,930
Non-current	30,349	8,615	225	39,189
Equity	19,528	4,544	2,323	26,395
Revenues	23,016	654	1,229	24,899
Net profit	6,634	47	217	6,898

15.3 Goodwill

Goodwill represents the excess of the cost of acquisition of the Parent Bank over the fair value of the net assets acquired at the date of acquisition and relates mainly to business synergy for economics of scale and scope. This is from the acquisition of BDO Card Corporation, United Overseas Bank Philippines (UOBP), American Express Bank, Ltd., GE Money Bank, Rural Bank of San Juan, Inc., Rural Bank of San Enrique, Inc., BDO RIH, BDO Savings, Inc. (BDO Savings), BDO Network and Rural Bank of Pandi, Inc. (RBPI), which were acquired in 2005, 2006, 2007, 2009, 2012, 2013, 2014, 2015, 2016 and 2019, respectively (see Note 30).

The reconciliation of the carrying amount of goodwill (net of allowance for impairment) of BDO Unibank Group is as follows:

		<u> 2021 </u>	2020
Balance at beginning of year Impairment	P (3,057 P 36) (3,075 18)
Balance at end of year	<u>P</u>	3,021 P	3,057

In 2021 and 2020 there was no movement for the goodwill account of the Parent Bank, which was already provided with full allowance.

Significant portion of goodwill of the BDO Unibank pertains to the goodwill from acquisition of BDO Network amounting to P2,907.

On August 22, 2019, the Monetary Board of the BSP approved the asset sale and purchase agreement between BDO Network and RBPI. The transaction was completed on October 31, 2019. The total goodwill recognized, representing cash premium, amounted to P100.

The BDO Unibank Group recognized impairment loss on goodwill of P36, P18 and P69 in 2021, 2020 and 2019, respectively. The Parent Bank did not recognize any impairment loss in 2021, 2020 and 2019, to write-down the value of the goodwill to their recoverable amount.

The BDO Unibank Group and the Parent Bank provided impairment losses on some of its goodwill as it does not expect any economic benefit on this asset in the succeeding periods since the branch business grew as a result of the efforts and brand of the Parent Bank and is not a result of the customers of the previous banks acquired. The recoverable amount to determine any impairment on the goodwill was determined using discounted cash flow method approach based on five-year cash flow projection to be realized by the acquired entity and the estimated terminal value. The growth rate used to extrapolate the ten-year cash flow projection ranges from 6% to 19% at a discount rate of 3%. The BDO Unibank Group also considered key assumptions in determining the cash flow projections which includes volume and growth target projection on salary loans and micro, small and medium enterprises (MSME) loans offered by BDO Network.

15.4 Branch Licenses

Branch licenses represent the rights granted by the BSP to the Parent Bank to establish certain number of branches as an incentive in acquiring The Real Bank (A Thrift Bank), Inc. and BDO Savings in addition to the current branches of the acquired banks. The Parent Bank performs annual impairment testing of branch licenses.

In 2021 and 2020, there were no allowance on impairment loss on branch license recognized in the BDO Unibank Group and Parent Bank's financial statements, since all branch licenses were already utilized as of December 31, 2021 and 2020. The recoverable amount to determine any impairment on the branch licenses was determined using discounted cash flow method approach based on cash flow projection to be realized by the branch and the estimated terminal value. The growth rate used to extrapolate the cash flow projection ranges from 6% to 19% at a discount rate of 3%.

15.5 Non-current Assets Held for Sale

Non-current assets held for sale consist of real and other properties acquired through repossession or foreclosure that BDO Unibank Group and the Parent Bank intend to sell within one year from the date of classification as held for sale. No impairment loss was recognized in 2019 to 2021 in both the BDO Unibank Group and Parent Bank's financial statements.

15.6 Trademark

Amortization expense on trademark arising from acquisition of Diners Club International credit card portfolio amounted to P25, P33 and P33 in 2021, 2020 and 2019, respectively. This is recorded under Miscellaneous under Other Operating Expenses account in the statements of income (see Note 25).

15.7 Others

Amortization expense on computer software licenses amounted to P1,342, P734 and P546 in 2021, 2020 and 2019, respectively, in the BDO Unibank Group's financial statements and P1,291, P696 and P502 in 2021, 2020 and 2019, respectively, in the Parent Bank's financial statements. These are reported as Amortization of computer software under Other Operating Expenses account in the statements of income (see Note 25).

Depreciation and amortization expense on certain assets amounting to P45, P21 and P21 in 2021, 2020 and 2019, respectively, in both BDO Unibank Group and Parent Bank's financial statements are presented as part of Occupancy under Other Operating Expenses account in the statements of income (see Note 25).

No impairment loss was recognized by the Parent Bank from 2019 to 2021 on the value of customer lists. The customer list was recognized as a result of the Parent Bank's acquisition of a trust business in 2014.

In 2020, the BDO Unibank Group and the Parent Bank set-aside an additional ESOP fund for the purchase of secondary shares amounting to P4,814.

16. ALLOWANCE FOR IMPAIRMENT

Changes in the allowance for impairment are summarized below.

	BDO Uniba		ank	ank Group		Parent I	ank	
	Notes		2021		2020		2021	2020
Balance at beginning of year:								
Investment securities at								
amortized cost	10.3	P	1,590	P	1,553	P	1,571 1	2 1,543
Loans and other receivables	11		58,851		32,666		56,274	29,833
Bank premises	12		647		645		496	496
Investment properties	14		1,862		1,875		1,536	1,525
Other resources	15		2,826		2,373		2,522	2,081
			65,776		39,112		62,399	35,478
Impairment losses (recoveries)								
Investment securities at								
amortized cost	10.3	(192)	P	105	(190)	96
Loans and other receivables	11	`	17,222		29,519	`	17,006	28,905
Other resources			93		511		56	491
			17,123		30,135		16,872	29,492
Write-offs and other adjustments								
Write-offs		(8,970)	(2,971)	(8,353)(2,831)
Foreign currency revaluation			549	(332)		551 (332)
Reclassification			86	(164)		86 (164)
Adjustments		(52)		615		-	756
Reversals		(<u>1</u>)	(<u>619</u>)			-
		(8,388)	(3,471)	(7,716) (2,571)
Balance at end of year:								
Investment securities at								
amortized cost	10.3	P	1,471	P	1,590	P	1,455 1	2 1,571
Loans and other receivables	11		67,743		58,851		65,592	56,274
Bank premises	12		647		647		496	496
Investment properties	14		1,729		1,862		1,410	1,536
Other resources	15		2,921		2,826		2,602	2,522
		<u>P</u>	74,511	P	65,776	P	71,555]	2 62,399

The BDO Unibank Group and the Parent Bank provided impairment loss (reversal) on debt securities measured as FVOCI amounting to (P88) and (P71), respectively, in 2021, P37 and P36, respectively, in 2020 and P13 and P5, respectively, in 2019. The impairment losses on debt securities classified as FVOCI are recognized as part of items that are or will be reclassified subsequently to profit or loss in the statements of comprehensive income (see Note 10.2).

The BDO Unibank Group and the Parent Bank also provided impairment loss (recovery) on loan commitments and other contingent accounts amounting to P28, P68 and (P67) in 2021, 2020 and 2019, respectively, which is recognized as Provision – Others under Other Liabilities in the statements of financial position (see Note 21). In addition, the BDO Unibank Group and the Parent Bank also provided impairment loss related to provision for damage suits amounting to P12 in 2019 (nil in 2021 and 2020), which were recognized as part of Others under Other Liabilities in the statements of financial position (see Note 21).

Total impairment losses on certain financial assets amounted to P17,030, P29,624 and P6,008 in 2021, 2020 and 2019, respectively, in the BDO Unibank Group's statements of income and P16,816, P29,001 and P5,749 in 2021, 2020 and 2019, respectively, in the Parent Bank's statements of income.

Total impairment losses on non-financial assets amounted to P93, P511 and P200 in 2021, 2020 and 2019, respectively, in the BDO Unibank Group's statements of income and P56, P491, and nil in 2021, 2020 and 2019, respectively, in the Parent Bank's statements of income.

17. DEPOSIT LIABILITIES

The breakdown of this account follows:

	BDO Unib	ank Group	Paren	t Bank
	2021	2020	2021	2020
Demand Savings	P 404,568 2,000,245	P 314,256 1,810,164	P 381,824 1,972,851	
Time	416,083	485,731	<u>397,040</u>	469,255
	P2,820,896	<u>P 2,610,151</u>	<u>P 2,751,715</u>	<u>P 2,548,291</u>

This account is composed of the following (by counterparties):

	<u>BI</u>	OO Unib	Group		Paren	t Ba	ank	
		2021		2020		2021	_	2020
Due to other banks:								
Demand	P	2,639	Р	2,672	P	2,630	Р	2,661
Savings		4,672		4,680		4,672		4,680
Time	-	5,710		9,703		5,530		9,557
		13,021		17 , 055		12,832		16,898
Due to customers:								
Demand		401,929		311,584		379,194		289,379
Savings	1,	995,573	1	,805,484	1	,968,179	,	1,782,316
Time		410,373		476,028		391,510		459,698
	_2,	<u>807,875</u>	2	<u>2,593,096</u>	2	,738,883		<u>2,531,393</u>
	<u>P2</u> ,	<u>820,896</u>	<u>P 2</u>	<u>2,610,151</u>	<u>P 2</u>	2,751,715	<u>P 2</u>	2 <u>,548,291</u>

The breakdown of deposit liabilities as to currency is as follows:

	BDO Unib	ank Group	Paren	t Bank
	2021	2020	2021	2020
Philippine pesos Foreign currencies	P2,357,528 463,368	P 2,191,889 418,262	P 2,301,231 450,484	P 2,147,261 401,030
	P2,820,896	<u>P 2,610,151</u>	<u>P 2,751,715</u>	<u>P 2,548,291</u>

The maturity profile of this account is presented below.

	BDO Unib	ank Group	Parent Bank		
	2021 2020 2021		2021	2020	
Less than one year	P2,732,734	P 2,514,315	P2,664,655	P 2,453,190	
One to five years	25,667	33,163	25,374	32,428	
Beyond five years	62,495	62,673	61,686	62,673	
	P2,820,896	P 2,610,151	P 2,751,715	P 2,548,291	

The BDO Unibank Group and the Parent Bank's deposit liabilities are in the form of demand, savings and time deposit accounts bearing annual interest rates ranging from 0.00% to 5.38% in 2021, 2020 and 2019. Demand and savings deposits usually have both fixed and variable interest rates while time deposits have fixed interest rates (see Note 24).

The BDO Unibank Group's time deposit liabilities include the Parent Bank's LTNCD as of December 31, 2021 and 2020 as follows:

Outstanding Balance											
BSP Approval	Effective Rate		2021		2020	Issue Date	Maturity Date				
August 15, 2019	4.000%	P	6,500	P	6,500	September 27, 2019	March 27, 2025				
May 11, 2018	5.375%		7,320		7,320	April 12, 2019	October 12, 2024				
June 23, 2017	4.375%		8,200		8,200	May 7, 2018	November 7, 2023				
June 23, 2017	3.625%		11,800		11,800	August 18, 2017	February 18, 2023				
		P	33,820	P	33,820						

The net proceeds from the issuance of LTNCD are intended to diversify the Parent Bank's maturity profile of funding source and to support its business expansion plans.

In compliance with the BSP Circular No. 1082 issued on March 31, 2020, the Philippine Peso deposit liabilities of the BDO Unibank Group, under the said circular, are subject to reserve requirement of 12% effective April 3, 2020. Moreover, the Philippine LTNCD under BSP Circular No. 824 and LTNCD under BSP Circular No. 304 of the BDO Unibank Group are likewise subject to a reserve requirement of 4% and 3%, respectively, effective May 31, 2019.

18. BILLS PAYABLE

This account is composed of the following borrowings from:

		В	DO Unib	anl	c Group		Paren	t Bank		
	Note		2021		2020		2021		2020	
Fixed rate bonds	18.2	P	76,436	Р	76,156	P	76,436	Р	76,156	
Senior notes	18.1		73,053		83,138		73,053		83,138	
Foreign banks			46,881		43,652		45,792		43,573	
Local banks			2,640		6,798		-		-	
Deposit substitutes			893		-		893		-	
Others		_	4,528							
		<u>P</u>	204,431	<u>P</u>	209,744	<u>P</u>	<u> 196,174</u>	<u>P</u>	202,867	

The breakdown of this account as to currency follows:

	BDO Unib	ank Group	Parent Bank			
	2021	2020	2021	2020		
Foreign currencies Philippine pesos	P 120,920 83,511	P 126,894 82,850	P 119,738 76,436	P 126,711 76,156		
	<u>P 204,431</u>	<u>P 209,744</u>	P 196,174	<u>P 202,867</u>		

The maturity profile of this account is presented below.

	BDO Unibank Group					Parent Bank			
	_	2021		2020		2021		2020	
One to three months More than three months to	P	24,640	Р	47,961	P	18,906	Р	41,098	
one year		88,333		15,701		87,110		15,701	
More than one to three years		53,551		110,469		52,251		110,456	
More than three years	_	37,907	_	35,613		<u>37,907</u>		35,612	
	<u>P</u>	204,431	P	209,744	P	196,174	<u>P</u>	202,867	

Bills payable bear annual interest rates of 0.30% to 4.50% in 2021, 0.52% to 6.25% in 2020 and 0.33% to 6.42% in 2019 (see Note 24).

The following comprise the interest expense included as part of Interest Expense on bills payable and other liabilities in the statements of income (see Note 24):

	2021		2020			2019
BDO Unibank Group						
Fixed rate peso bonds	P	2,893	P	3,540	Р	1,997
Foreign banks		356		791		1,873
Senior notes		2,257		2,012		1,772
Local banks		189		470		901
Deposit substitutes		1		-		_
Others		43		34		472
	<u>P</u>	5,739	<u>P</u>	6,84 7	<u>P</u>	<u>7,015</u>
Parent Bank						
Fixed rate peso bonds	P	2,893	P	3,540	P	1,997
Foreign banks		349		790		1,859
Senior notes		2,257		2,012		1,772
Others		1				42
	P	5,500	<u>P</u>	6,342	<u>P</u>	5, 670

18.1 Senior Notes

The Parent Bank issued senior notes as follows:

		Coupon	Principal	Outstanding Balance						
Issue Date	Maturity Date	Interest	Amount		2021	2020				
July 13, 2020	January 13, 2026	2.13%	600	P	30,591	P	28,733			
February 20, 2018	February 20, 2025	4.16%	150		7,741		7,280			
September 6, 2017	March 6, 2023	2.95%	676		34,721		32,649			
October 24, 2016	October 24, 2021	2.63%	300				14,476			
				P	73,053	P	83,138			

The issuance of senior notes 2020 (nil in 2021) is part of the Parent Bank's liability management initiatives to tap longer-term funding sources to support its dollar-denominated projects and effectively refinance outstanding bonds.

18.2 Issuance of Fixed Rate Peso Bonds

On August 31, 2018, the BOD approved the establishment of a P100 billion Peso Bond Program. On February 1, 2020, the BOD approved an increase of P300 billion to the Parent Bank's Peso Bond Program.

The Parent Bank issued fixed rate peso bonds as follows:

		Coupon	Principal		Outstanding Balance						
Issue Date	Maturity Date	Interest	Amount		2021	2020					
February 3, 2020	August 3, 2022	4.41%	40,100	P	40,256	P	40,132				
July 3, 2020	April 3, 2022	3.13%	36,000		36,180		36,024				
				P	76,436	P	76,156				

18.3 Reconciliation of Liabilities Arising from Financing Activities

Presented below is the reconciliation of liabilities arising from financing activities both in 2021 and 2020, which includes both cash and non-cash changes.

BDO Unibank Group

	Foreign Banks		Senior Notes		Fixed Rate Peso Bonds		Local Banks		Deposit Substitute			BSP		Others	Total
Balance as of January 1, 2021	P	43,652	P	83,138	P	76,156	P	6,798	P	-	P	-	P	- P	209,744
Cash flows from financing activities Additional borrowings Repayment of borrowings Non-cash financing activities	(63,472 61,475)	(15,300)		-	(51,916 56,063)	(941 48) (910 910)	(10,620 6,109) (127,859 139,905)
Interest amortization Revaluation	(3) 1,235		61 5,154		280	(17) 6		-	_	<u>-</u>		17	338 6,395
Balance as of December 31, 2021	<u>P</u>	46,881	P	73,053	P	76,436	P	2,640	P	893	P		P	4,528 P	204,431
Balance as of January 1, 2020 Cash flows from financing activities	P	54,916	P	57,298	P	35,141	P	13,427	P	-	P	-	P	6,742 P	167,524
Additional borrowings Repayment of borrowings Non-cash financing activities	(78,583 87,643)		29,898	(75,516 35,141)	(188,431 194,994)		- -	(210 210)	(2,569 9,311) (375,207 327,299)
Interest amortization Revaluation	(55) 2,149)	(27) 4,031)		640	(32) 34)		-		<u>-</u>		<u>-</u> (_	526 6,214)
Balance as of December 31, 2020	<u>P</u>	43,652	<u>P</u>	83,138	P	76,156	<u>P</u>	6,798	<u>P</u>		<u>P</u>		<u>P</u>	<u>P</u>	209,744
Balance as of January 1, 2019 Cash flows from financing activities	P	55,406	P	59,437	P	-	P	22,443	P	-	P	-	P	6,337 P	143,623
Additional borrowings Repayment of borrowings	(100,891 99,269)		-		34,734	(301,463 310,332)		-	(2,000 2,000)	(71,063 70,650) (510,151 482,251)
Non-cash financing activities Interest amortization Revaluation	(91 2,203)	()	55 2,194)		407	(87) 60)		=		- I	(8)	458 4,457)
Balance as of December 31, 2019	P	54,916	P	57,298	P	35,141	P	13,427	P		P		Р	6,742 P	167,524

Parent Bank

		Foreign Banks		Senior Notes		ed Rate Bonds	_	Local Banks			Deposit abstitute		BSP		Others		Total
Balance as of January 1, 2021	P	43,573	P	83,138	P	76,156	P	-		P	-	P	-	P	-	P	202,867
Cash flows from financing activities Additional borrowings Repayment of borrowings	(59,811 58,664)	(15,300)		-		-		(94 4	1 8) (10 10		-	(60,762 74,022)
Non-cash financing activities Interest amortization Revaluation	(11) 1,083		61 5,154	-	280		-	_		-	_	-	. <u>-</u>	-		330 6,237
Balance as of December 31, 2021	<u>P</u>	45,792	P	73,053	P	76,436	P	-	_	P	89	3 <u>P</u>	-	P		<u> P</u>	196,174
Balance as of January 1, 2020 Cash flows from financing activities	P	54,882	P	57,298	P	35,141	P	-		P	-	P	-	P	-	P	147,321
Additional borrowings Repayment of borrowings Non-cash financing activities	(76,114 85,267)		29,898	(75,516 35,141)	(136 109)		-	(10 10		-	(181,674 120,527)
Interest amortization Revaluation	(57) 2,099)	(27) 4,031)		640	(-	27)		-		-	_	-	_ (_	556 6,157)
Balance as of December 31, 2020	<u>P</u>	43,573	<u>P</u>	83,138	<u>P</u>	76,156	P	-	_	<u>P</u>		<u>P</u>		<u>P</u>		<u> </u>	202,867
Balance as of January 1, 2019 Cash flows from financing activities	P	55,312	P	59,437	P	-	P	-		P	-	P	-	P	2	,944 P	117,693
Additional borrowings Repayment of borrowings Non-cash financing activities	(97,733 96,108)		-		34,734		-			-		-	(- 2	,936) (132,467 99,044)
Interest amortization Revaluation	(90 2,145)	()	55 2,194)		407		-			-		-	(-	8)	544 4,339)
Balance as of December 31, 2019	<u>P</u>	54,882	P	57,298	P	35,141	Р	_	_	P	-	P		<u>P</u>		P	147,321

19. SUBORDINATED NOTES PAYABLE

The Subordinated Notes (the Notes) represent direct, unconditional unsecured and subordinated peso-denominated obligations of the Parent Bank, issued in accordance with the Terms and Conditions under the Master Note. The Notes, like other subordinated indebtedness of the Parent Bank, are subordinated to the claims of depositors and ordinary creditors, are not a deposit, and are not guaranteed nor insured by the Parent Bank or any party related to the Parent Bank, such as its subsidiaries and affiliates, or the Philippine Deposit Insurance Corporation (PDIC), or any other person. The Notes carry interest rates based on prevailing market rates, with a step-up provision if not called on the fifth year from issue date. The Parent Bank has the option to call the Notes on the fifth year, subject to prior notice to Noteholders.

The issuance of Series 2014-1 Notes was approved by the BOD on March 29, 2014 and was issued on December 10, 2014. The Notes had a principal amount of P10,000 and a maturity date of March 10, 2025. In its letter dated December 2, 2019, the BSP approved the Parent Bank's request to exercise its right of early redemption of the Notes on March 10, 2020. On said date, noteholders were paid the redemption price equal to the par value of the Notes plus all accrued and unpaid interest up to but excluding March 10, 2020 after which the Notes were considered redeemed and cancelled.

20. INSURANCE CONTRACT LIABILITIES

This account consists of:

		2021		2020
Legal policy reserves Policy and contract claims payable Policyholders' dividends	P	60,438 3,716 1,174	P	55,439 2,121 850
	<u>P</u>	65,328	<u>P</u>	58,410

The aging profile of this account is presented below.

	2021			2020		
Within one year More than one year	P	3,375 61,953	P	852 57,558		
	<u>P</u>	65,328	<u>P</u>	58,410		

Insurance contract liabilities may be analyzed as follows:

		Insurance Contract Liabilities				Sha		insurer's of Liabilities			Net			
		2021	_	2020	_	2021		_	2020			2021		2020
Aggregate reserves for:														
Ordinary life policies	P	35,217	P	36,987	P	-		Р	-		P	35,217	P	36,987
Variable unit-linked		•										•		·
(VUL) contracts		24,627		17,884		-			-			24,627		17,884
Group life insurance policies		578		557			31			60		547		497
Accident and health policies		15		11		_			_			15		11
Policy and contract claims		3,716		2,121			59			32		3,657		2,089
Policyholders' dividends	_	1,175		850								1,175		850
	P	65,328	P	58,410	P		90	P		92	P	65,238	P	58,318

The movements in legal policy reserves are as follows:

		Legal Policy Reserves				Reir Share of			Net			
		2021		2020		2021		2020		2021		2020
Balance at the beginning of the year	P	,	P	,	P	60	P	54	P	,	Р	40,178
Premiums received Liability released for payments of death, maturity and surrender benefits		18,384		15,255		92		118		18,292		15,137
and claims Accretion of investment income or change in unit	(10,725)	(6,698)	(121)	(112)	(10,604) (6,586)
prices Changes in valuation of interes	t	2,584		979		-		-		2,584		979
rate Foreign exchange adjustments	`(5,686) 442	(6,070 399)		<u>-</u>		-	(5,686) 442	(6,070 399)
Balance at end of year	<u>P</u>	60,438	<u>P</u>	55,439	P	31	<u>P</u>	60	<u>P</u>	60,407	<u>P</u>	55,379

The movement in Legal policy reserves for the years ended December 31, 2021 and 2020 is recognized as part of Policy reserves, insurance benefits and claims under Other Operating Expenses in the BDO Unibank Group's statements of income (see Note 25).

Reinsurers' share of liabilities is recorded as part of Others under Other Resources in the BDO Unibank Group's statements of financial position (see Note 15).

21. OTHER LIABILITIES

Other liabilities consist of the following:

			BDO Unib	ank	Group	Parent Bank			
	Notes		2021		2020		2021		2020
Accrued expenses		P	17,089	P	18,214	P	16,124	P	17,347
Outstanding acceptances									
payable			16,972		5,600		16,972		5,600
Manager's checks			13,788		17,343		13,682		17,180
Accounts payable			13,572		20,293		10,144		17,563
Lease liabilities	13.2		12,087		11,701		11,800		11,551
Bills purchased – contra			6,039		7,402		6,039		7,402
Derivatives with negative	10.1,								
fair values	27(d)(i)(4)		5,742		4,129		2,462		2,001
Retirement benefit obligation			3,800		_		3,650		-
Premium on deposit fund			3,641		3,332		-		-
Withholding taxes payable			2,093		1,963		1,922		1,812
Lease deposits			745		384		124		127
Due to BSP and Treasurer									
of the Philippines			727		526		723		522
Capitalized interest and									
other charges			193		464		151		417
Due to principal			97		363		-		-
Others	16, 34.1.2		11,961		11,860		10,863		10,649
		<u>P</u>	108,546	<u>P</u>	103,574	<u>P</u>	94,656	<u>P</u>	92,171

The maturity profile of this account is presented below.

	· · · · · · · · · · · · · · · · · · ·	BDO Unibank Group				Parent Bank			
		2021		2020		2021		2020	
Within one year More than one year	P	88,339 20,207	P	84,345 19,229	P	80,340 14,316	P	77,156 15,015	
	<u>P</u>	108,546	P	103,574	<u>P</u>	94,656	P	92,171	

The liability for unredeemed reward points amounting to P3,677 and P4,152 as of December 31, 2021 and 2020, respectively, presented as part of Accrued expenses above, represents the fair value of points earned which are redeemable significantly for goods or services provided by third parties identified by the Parent Bank as partners in the rewards program (see Note 2.18).

Others include margin deposits, life insurance deposits, cash letters of credit and other miscellaneous liabilities.

Interest expense in relation to lease liabilities amounted to P817, P690 and P827 for the BDO Unibank Group and P807, P675 and P822 for the Parent Bank in 2021, 2020 and 2019, respectively, which are presented as part of Interest expense on finance lease liabilities under Interest expense account in the statements of income (see Note 24).

Interest expense on certain liabilities amounting to P78, P106 and P117 in 2021, 2020 and 2019, respectively, for the BDO Unibank Group and P10, P18 and P28 in 2021, 2020 and 2019, respectively, for the Parent Bank which are presented as part of Interest expense on bills payable and other borrowings under Interest Expense account in the statements of income (see Note 24).

Impairment losses (recoveries) recognized for off-books account amounted to P28, P68 and (P67) for both the BDO Unibank Group and the Parent Bank in 2021, 2020 and 2019, respectively. The accumulated impairment losses as of December 31, 2021, 2020 and 2019 amounting to P289, P317 and P114, respectively, for both the BDO Unibank Group and the Parent Bank are recorded as part of Others under Other Liabilities account in the statements of financial position (see Note 16).

22. EQUITY

22.1 Capital Stock

Capital stock consists of the following:

	Number o	of Shares	Amount			
	2021	2020	2021	2020		
Destaured shares D10 mag valva						
Preferred shares – P10 par value Authorized						
Balance at end of year	1,000,000,000	<u>1,000,000,000</u>	<u>P 10,000</u>	<u>P 10,000</u>		
Issued, fully paid and outstanding	515,000,000	515,000,000	<u>P 5,150</u>	<u>P 5,150</u>		
Common shares – P10 par value						
Authorized						
Balance at end of year	<u>5,500,000,000</u>	<u>5,500,000,000</u>	<u>P 55,000</u>	<u>P 55,000</u>		
Issued, fully paid and outstanding						
Balance at beginning of year	4,384,227,915	4,381,370,334	P 43,842	P 43,814		
Issued during the year	1,291,100	2,857,581	13	28		
Balance at end of year	<u>4,385,519,015</u>	4,384,227,915	P 43,855	P 43,842		

22.1.1 Preferred Shares

The following are the features of the BDO Unibank Group and the Parent Bank's preferred shares:

- (a) Perpetual, voting, non-cumulative, convertible, non-participating, peso-denominated Series A shares;
- (b) Convertible to common shares at the option of the holder after five years from the issue date or at the option of BDO Unibank Group at any time after issue date; and,
- (c) Dividend rate is 6.50% per annum of the par value.

22.1.2 Common Shares

The Parent Bank's application for listing of its common shares was approved by the PSE on April 24, 2002. The application is for the initial listing of up to 952,708,650 common shares, with par value of P10 per share, at an offer price range of P17.80 to P23.80 per share. The proceeds from the sale of BDO Unibank's listed shares amounted to about P2,200.

On September 24, 2016, the Parent Bank's BOD authorized the Parent Bank to raise P60,000 in additional core capital through a stock rights offer. The BSP and the PSE approved the transaction on November 23, 2016 and December 14, 2016, respectively.

On January 3, 2017, the Parent Bank fixed the final terms for the stock rights offer which entitled eligible shareholders to subscribe to one common share for every 5.095 common shares held as of January 5, 2017 record date at an offer price of P83.75 per rights share. The offer period ran from January 16, 2017 to January 24, 2017.

Following the close of the offer period, the Parent Bank successfully completed its stock rights offer and 716,402,886 common shares were issued and subsequently listed on the PSE on January 31, 2017. The issuance resulted in recognition of Additional Paid-in Capital amounting to P52,662, net of related transaction costs totaling to P172. The fresh capital will support the Parent Bank's medium-term growth objectives amid the country's favorable macroeconomic prospects and provide a comfortable buffer over higher capital requirements with the forthcoming imposition of DSIB surcharge.

The history of shares issuances from the initial public offering (IPO) and subsequently, private placements exempt from registration pursuant to Section 10.1 of the Securities Regulation Code and other issuances, is as follows:

Transaction	Subscriber	Issue Date	Number of Shares Issued
1141104041011			0114100 100400
IPO	Various	May 21, 2002	908,189,550
Private placement	International Finance	·	
•	Corporation (IFC)	June 21, 2005	31,403,592
Private placement	UOBP	February 8, 2006	22,429,906
BDO-EPCIB Merger	BDO-EPCIB Merger	May 31, 2007	1,308,606,021
Private placement	IFC	August 23, 2007	31,403,592
Private placement	GE Capital International		
	Holdings Corporation	August 20, 2009	37,735,849
Private placement	Multi Realty Development		
	Corporation	April 23, 2010	107,320,482
Private placement	IFC	April 26, 2010	24,033,253
Private placement	IFC Capitalization	•	
•	(Equity) Fund, L.P.	April 26, 2010	136,315,662
Stock dividends	Various	June 8, 2012	78,218,589
Stock rights	Various	July 4, 2012	895,218,832
Private placement	Sybase Equity Investments Corp.	July 20, 2015	64,499,890
Stock options	Various employees	June 6, 2016 to	
_		December 31, 2016	4,592,430
Stock options	Various employees	January 3, 2017 to	
		December 27, 2017	2,604,020
Stock rights	Various employees	January 31, 2017	716,402,886
Stock rights	Various employees	January 31, 2018	5,073,510
Stock options	Various employees	January 7, 2019 to	
		December 26, 2019	7,322,270
Stock options	Various employees	January 6, 2020 to	
		December 28, 2020	2,857,581
Stock options	Various employees	January 15, 2021 to	
		December 15, 2021	<u>1,291,100</u>
			4,385,519,015

As of December 31, 2021 and 2020, there are 12,390 and 12,442 holders, respectively, of the listed shares equivalent to 100% of the Parent Bank's total outstanding shares. Such listed shares closed at P120.70 and P106.80 per share as of December 31, 2021 and December 29, 2020, respectively, (the last trading day in 2021 and 2020).

22.2 BDO American Depositary Receipt Program

On April 18, 2013, the Parent Bank launched its Sponsored Level 1 American Depositary Receipt (ADR) Program by which negotiable securities representing underlying BDO common shares can be traded in the U.S. over-the-counter (OTC) market. This provides flexibility for U.S. investors to trade BDO common shares in their time zone and settle their transactions locally. It is meant to tap the pool of U.S. ADR investors, enhance visibility and global presence and diversify and broaden the Parent Bank's shareholder base. ADRs are quoted and traded in U.S. dollars, and cash dividends received on the underlying shares are paid to investors also in U.S. dollars. The ADR ratio for BDO's sponsored Level 1 ADR Program is 1:10, with each ADR representing ten underlying BDO common shares.

The sponsored Level 1 ADR Program does not necessitate the issuance of new shares as ADRs are traded on the U.S. OTC/secondary market using existing shares, in contrast to the sponsored Level II ADR or sponsored Level III ADR where shares are fully listed on a recognized U.S. exchange (e.g., NYSE, NASDAQ). As such, a Level 1 ADR is not a capital raising transaction, to differentiate it from Level III ADR, which allows the issuer to raise capital through a public offering of ADRs in the U.S.

The sponsored Level 1 ADR is exempt, under U.S. SEC Rule 12g3-2(b), from SEC registration, disclosure requirements and reporting obligations, including Sarbanes-Oxley and U.S. generally accepted accounting principles.

The Parent Bank appointed Deutsche Bank (DB) as the exclusive depositary of ADRs for a period of five years. As depositary bank, DB is responsible for the issuance and cancellation, as well as the registration of the ADRs; custody of the underlying BDO common shares and maintenance of the register of holders; the distribution of dividends; and execution of corporate actions and services to the Issuer (i.e., BDO)/Investor/Broker. In October 2018, the Parent Bank renewed the appointment of DB as the exclusive depositary of ADRs for another five years.

As of December 31, 2021 and 2020, 442,787 and 595,467 ADRs valued at US\$11,046,429 and US\$13,243,186 (absolute amount), respectively, remained outstanding (computed using ADR closing price of US\$24.95/share and US\$22.24/share, respectively).

22.3 Surplus Free

The details of the Parent Bank's cash dividend distributions are as follows:

Date Declared	Common shares dividend			Date	
and Approved	Per	Share	Total Amount	Record Date	Paid/Payable
February 23, 2019	P	0.30 1	P 1,313	March 12, 2019	March 25, 2019
May 25, 2019		0.30	1,313	June 11, 2019	June 24, 2019
August 31, 2019		0.30	1,314	September 17, 2019	September 30, 2019
December 7, 2019		0.30	1,314	December 23, 2019	December 27, 2019
February 27, 2020		0.30	1,315	March 13, 2020	March 27, 2020
May 30, 2020		0.30	1,315	June 17, 2020	June 29, 2020
August 29, 2020		0.30	1,315	September 15, 2020	September 28, 2020
December 5, 2020		0.30	1,316	December 22, 2020	December 29, 2020
February 24, 2021		0.30	1,315	March 15, 2021	March 25, 2021
May 29, 2021		0.30	1,315	June 16, 2021	June 25, 2021
August 27, 2021		0.30	1,316	September 15, 2021	September 24, 2021
December 4, 2021		0.30	1,316	December 22, 2021	December 29, 2021

Date Declared	Preferred s	shares divid	dend	Date
and Approved	Per Annum	m Total Amount		Paid/ Payable
January 26, 2019	6.50%	P	339	March 8, 2019
February 1, 2020	6.50%		339	February 21, 2020
January 30, 2021	6.50%		340	February 22, 2021

On July 31, 2019, the Parent Bank entered into a deed of sale of certain parcel of land to a third party for a total consideration of P119. The related revaluation increment on land arose from previous business combination amounting to P76 was subsequently transferred to Surplus Free account in the 2019 statement of changes in equity.

22.4 Surplus Reserves

The Parent Bank appropriated its Surplus Free amounting to P44 in 2021, P40 for 2020 and nil in 2019 representing insurance fund on losses due to fire, robbery, and other cash losses. This was approved by the Parent Bank's President. BDO Network appropriated its Surplus Free amounting to P3, P2 and P5 in 2021, 2020 and 2019, respectively, representing insurance fund on losses due to fire, robbery and other cash losses, which was approved by its Chairman.

The BDO Unibank Group and the Parent Bank appropriated its Surplus Free for impairment of general loan loss portfolio amounting to P1,337 and P1,250 in 2021, (P830) and (P827) in 2020 and P1,543 and P1,563 in 2019, respectively. The accumulated amount of appropriation to surplus reserves for general loan loss portfolio as of December 31, 2021, 2020 and 2019 amounted to P13,430, P12,093 and P12,923, respectively, for BDO Unibank Group and P13,166, P11,916 and P12,743, respectively, for the Parent Bank. This appropriation was prescribed by BSP and was recognized as part of Surplus Reserves account.

In compliance with BSP regulations, 10% of BDO Unibank Group and the Parent Bank's profit from trust business amounting to P263, P272 and P272 in 2021, 2020 and 2019, respectively, and P263, P223 and P189 in 2021, 2020 and 2019, respectively, is appropriated to surplus reserves (see Note 28).

On June 10, 2020 and July 2, 2020, the BOD of BDO Securities approved the appropriation of P60 as additional capital requirements and the reversal of the previously approved appropriation for cash dividends amounting to P200, respectively.

Also, included in the 2021, 2020 and 2019 surplus reserves are the appropriations made by BDO Securities and Armstrong Securities, Inc. totaling P2, P5 and P4 respectively, as part of the reserve fund requirement of SEC Memorandum Circular No. 16, *Adoption of the Risk Based Capital Adequacy Requirement/Ratio for Broker Dealers*. On May 26, 2020, the BOD of BDO Nomura approved the reversal of the Surplus Reserves amounting to P9 back to Surplus Free.

22.4.1 ESOP

For options that were exercised in 2021 and 2020, BDO Unibank Group issued new common shares of 1,291,100 and 2,857,581, respectively, from its authorized capital stock (see Note 22).

Set out below are summaries of number of options vested under the plan:

	BDO Uniban	k Group	Parent Bank			
	2021	2020	2021	2020		
Balance at beginning of year	6,498,024	12,539,677	4,530,459	10,405,980		
Vested during the year	14,118,934	3,331,902	13,552,572	2,921,302		
Forfeited during the year	(46,800) (260,558) (29,250) (260,558)		
Expired during the year	(373,000)	249,700) (337,500) (227,700)		
Exercised during the year	(5,246,795) (8,863,297) (4,730,983)	<u>8,308,565</u>)		
Balance at end of year	14,950,363	6,498,024	12,985,298	4,530,459		

The weighted average exercise price was P109.97 and P104.08 for the years ended December 31, 2021 and 2020, respectively.

In 2019, the Parent Bank has changed its strategy in settling the stock options exercised through issuance of primary shares. Consequently, the previously recognized liability, which amounted to P860, was accordingly transferred to Surplus Reserve. Share options expensed amounted to P252, P316 and P890 in 2021, 2020 and 2019, respectively.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP. The following principal assumptions were used in the valuation:

Average option life	5 years
Average share price at grant date	P 101.80
Average exercise price at grant date	P 93.25
Average fair value of options at grant date	P 34.77
Average standard deviation of share price returns	34.94%
Average dividend yield	1.20%
Average risk-free investment rate	2.75%

The underlying expected volatility was determined by reference to historical prices of the Parent Bank's shares over a period of one year.

23. INTEREST INCOME

Interest income consists of the following:

			BDC) U:	nibank G	rou	p
	Notes		2021		2020		2019
Loans and other receivables Trading and investment securities:	11, 27	P	124,548	P	138,736	P	142,908
At amortized cost	10.3		12,410		10,424		10,415
At FVOCI	10.2		6,215		5,546		5,607
At FVTPL	10.1		92		122		197
Due from BSP and other banks	8, 9		1,554		2,158		1,381
Others			60	_	45	_	64
		<u>P</u>	144,879	<u>P</u>	157,031	<u>P</u>	160,572
				Par	ent Bank		
	Notes		2021		2020		2019
Loans and other receivables Trading and investment securities at:	11, 27	P	119,566	Р	134,329	P	138,521
At amortized cost	10.3		11,633		9,689		9,642
At amortized cost At FVOCI	10.3 10.2		11,633 3,939		9,689 3,440		9,642 3,550
			11,633 3,939 59		9,689 3,440 84		9,642 3,550 87
At FVOCI	10.2		3,939		3,440		3,550
At FVOCI At FVTPL	10.2 10.1		3,939 59		3,440 84		3,550 87

24. INTEREST EXPENSE

Interest expense is composed of the following:

		BDO Unibank Group							
	Notes		2021		2020		2019		
Deposit liabilities Bills payable and other	17, 27 18, 19,	P	6,952	Р	15,521	Р	32,047		
borrowings	21, 26.2		5,764		7,120		7,807		
Finance lease liabilities	13.2, 21		817		690		827		
		<u>P</u>	13,533	<u>P</u>	23,331	<u>P</u>	40,681		

		Parent Bank							
	Notes		2021		2020		2019		
Deposit liabilities Bills payable and other	17, 27 18, 19,	P	6,644	P	15,196	P	31,384		
borrowings Finance lease liabilities	21, 26.2 13.2, 21		5,455 807		6,529 675		6,375 822		
Thiance lease nabilities	13.2, 21	D.	12 006	D		D			
		<u>r</u>	12,900	<u>P</u>	22,400	P	38,581		

25. OTHER OPERATING INCOME AND EXPENSES

Other operating income is composed of the following:

		BDO Unibank Group								
	Notes		2021		2020		2019			
C : 1										
Service charges, fees and commissions	27	P	20 495	Р	24.022	Р	21 722			
	21	r	30,485	ľ	24,822	Р	31,722			
Insurance premiums Trust fees	28		18,136 4,364		15,009		14,764			
Foreign exchange gains	10.1		3,621		3,811 1,748		3,532 3,821			
Income from assets sold or	10.1		3,021		1,/40		3,021			
exchanged	14		1,275		1,169		1,131			
Rental	14		1,269		1,430		1,526			
Trading gains - net	10.1		220		5,563		1,357			
Dividends	10.1		207		551		560			
Miscellaneous - net			1,777		1,107		1,698			
		<u>P</u>	61,354	<u>P</u>	55,210	<u>P</u>	60,111			
				Pa	rent Bank					
	Notes		2021		2020		2019			
	11000		2021		2020		2017			
Service charges, fees and										
commissions	27	P	25,293	P	21,152	P	27,707			
Share in net income of										
subsidiaries and										
associates	15.2		6,350		3,839		6,046			
Trust fees	28		3,477		3,035		2,727			
Foreign exchange gains			3,273		1,591		3,715			
Income from assets sold or	•									
exchanged	14		1,174		1,097		1,047			
Rental	14		482		514		523			
Trading gains (losses) - net	10.1	(349)	1	5,230		290			
Dividends			19		258		180			
Miscellaneous - net			916		538		910			
		ъ	40.625	ъ	27.05.4	ъ	40.4.5			
		<u> </u>	40,635	Р	37,254	<u>P</u>	43,145			

Other operating expenses consist of the following:

	BDO Unibank G					Group			
	Notes	_	2021		2020		2019		
Compensation and benefits	26.1	P	41,744	Р	37,392	P	35,385		
Fees and commissions Policy reserves, insurance benefits			17,140		14,994		18,826		
and claims	20		15,633		13,136		10,775		
Taxes and licenses	14		11,180		12,703		14,106		
Occupancy	13, 15.7								
	27		9,222		9,572		9,680		
Insurance Security, clerical, messengerial			5,828		5,551		5,255		
and janitorial			3,851		3,674		3,993		
Advertising			2,586		2,621		4,260		
Repairs and maintenance			1,982		1,600		1,437		
Representation and entertainment Amortization of computer			1,806		1,877		2,163		
software	15.7		1,342		734		546		
Information technology			1,136		919		869		
Power, light and water			1,130		1,011		1,206		
Travelling			883		1,034		1,344		
Litigation on assets acquired			773		601		548		
Supplies Telecommunication			731 560		767 616		1,001 661		
Freight			378		257		402		
Miscellaneous	15.6		1,970	_	3,581	_	2,192		
		<u>P</u>	119,875	<u>P</u>	112,640	<u>P</u>	114,649		
				Pa	rent Bank	ζ			
	Notes		2021	_	2020	_	2019		
Compensation and benefits	26.1	P	35,786	P	32,525	P	30,777		
Fees and commissions			16,600		14,575		18,305		
Taxes and licenses	14		10,009		11,631		12,904		
Occupancy	13, 15.7		5 0/2		0.400		0.070		
Inggrana	27		7,963		8,199 5 457		8,278		
Insurance Security, clerical, messengerial			5,715		5,457		5,158		
and janitorial			3,522		3,382		3,723		
Advertising			2,509		2,495		4,199		
Repairs and maintenance			1,855		1,487		1,296		
Representation and entertainment Amortization of computer			1,573		1,637		1,913		
software	15.7		1,291		696		502		
Information technology			1,113		885		836		
Power, light and water			1,047		912		1,108		
Litigation on assets acquired			766 619		592		535		
Travelling Supplies			606		778 676		1,060 883		
Telecommunication			456		523		552		
Freight			339		241		375		
Miscellaneous	15.6		1,844		3,376		1,933		
		P	93,613	<u>P</u>	90,067	Р	94,337		

26. COMPENSATION AND BENEFITS

26.1 Compensation and Benefits

Expenses recognized for compensation and benefits (see Note 25) are presented below.

	BDO Unibank Group							
	Notes		2021		2020	_	2019	
Salaries and wages		P	23,914	Р	22,206	Р	21,065	
Bonuses		-	7,876	•	7,269	•	6,712	
Retirement - defined benefit plan	26.2		2,421		2,097		1,819	
Social security costs			1,254		1,013		884	
Employee stock option plan	26.3		273		354		994	
Other benefits			6,006		4,453		3,911	
	25	P	41,744	P	37,392	P	35,385	
				Pa	rent Bank			
	Notes		2021		2020		2019	
Salaries and wages		P	20,409	Р	19,147	Р	18,097	
Bonuses			6,942		6,424		5,988	
Retirement - defined benefit plan	26.2		1,825		1,850		1,585	
Social security costs			1,062		863		752	
Employee stock option plan	26.3		252		316		890	
Other benefits			5,296		3,925		3,465	
	25	<u>P</u>	35,786	P	32,525	<u>P</u>	30,777	

26.2 Post-employment Benefits

(a) Characteristics of the Defined Benefit Plan

The BDO Unibank Group and the Parent Bank maintain a fully funded, multi-employer and tax-qualified noncontributory retirement plan that is being administered by the Parent Bank's trust and investment group as trustee covering all regular full-time employees.

The normal retirement age is 60 with a minimum of five years of credited service. The plan also provided for an early retirement at age of 50 with a minimum of ten years of credited service and late retirement up to age 65. Normal retirement benefit is an amount equivalent to a percentage ranging from 50% to 200% of plan salary for every year of credited service.

(b) Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2021 and 2020.

The amounts of Retirement assets and benefit obligation recognized under Other Assets accounts (see Note 15) and Other Liabilities accounts (see Note 21), respectively, in the statements of financial position are determined as follows:

		BDO Unibank	Parent Bank				
		2021	2020		2021		2020
Present value of the DBO	P	42,440 P	34,288	P	38,325	P	31,318
Fair value of plan assets	(38,647) (35,650)	(34,675)	(32,582)
Deficiency of plan assets	,	3,793 (1,362)	•	3,650	(1,264)
Effect of asset ceiling		7	62				47
Retirement (assets)/							
benefit obligation	<u>P</u>	3,800 (P	1,300)	P	3,650	(<u>P</u>	<u>1,217</u>)

The movements in the present value of the DBO are as follows:

		BDO Unibank	Group	Parent Bank			
		2021	2020	2021	2020		
Balance at beginning of year	P	34,288 P	33,937 P	31,318 P	31,189		
Benefits paid by the plan	(3,232) (1,547) (3,036) (1,482)		
Current service cost	,	2,040	2,097	1,825	1,850		
Interest expense		1,323	1,777	1,215	1,631		
Past service cost		381	-	-	_		
Transfer from the plan		- (9) (49) (95)		
Remeasurements:			, ,	, ,			
Actuarial losses (gains)							
arising from changes in:							
 experience adjustments 		4,136	1,041	3,534	990		
 financial assumption 		3,173 (3,008)	3,464 (2,765)		
- demographic assumptions		331		54			
Balance at end of year	P	42,440 P	34,288 P	38,325 P	31,318		

The movements in the fair value of plan assets are presented below.

		BDO Unibank	Group	Parent Bank				
		2021	2020	20	21	2020		
Balance at beginning of year Contributions paid into the plan Interest income Benefits paid by the plan Transfer to/(from) the plan Remeasurement loss - return on plan assets (excluding	P (35,650 P 4,286 1,378 3,231) (30,633 5,682 1,709 1,547) 2	P ((32,582 P 3,500 1,272 3,037) (49) (27,986 5,294 1,561 1,482) 95)		
amounts included in net interest)		564 (829)		407 (682)		
Balance at end of year	<u>P</u>	38,647 P	35,650	<u>P</u>	34,675 P	32,582		

The composition of the fair value of plan assets at the end of the reporting period for each category and risk characteristics is shown below.

		BDO Unibank Group				Parent Bank				
		2021		2020		2021		2020		
Debt securities:										
Government bonds	P	19,400	P	18,092	P	17,407	Ρ	16,656		
Corporate bonds		7,726		10,032		6,932		9,240		
UITFs		8,919		6,562		8,003		6,187		
Equity securities		881		814		790		355		
Loans and other receivables		499		7		447		7		
Cash and cash equivalents		74		9		66		7		
Other properties		<u>1,148</u>		134		1,030		130		
	P	38,647	<u>P</u>	35,650	<u>P</u>	34,675	<u>P</u>	32,582		

Actual returns on plan assets were P1,943 and P1,679 in 2021 and P880 and P879 in 2020 in the BDO Unibank Group and the Parent Bank's financial statements, respectively.

Certain plan assets include BDO Unibank Group's own financial instruments [see Note 27(c)].

The fair value of the plan assets is at Level 1 in the fair value hierarchy except for UITFs which are at Level 2, loans and other receivables and other properties, which are at Level 3.

The components of amounts recognized in profit or loss and in other comprehensive income of the BDO Unibank Group and the Parent Bank in respect to the defined benefit plan is as follows:

		BDO	Unibank Gr	oup
		2021	2020	2019
Recognized in profit or loss: Current service costs Past service costs	P	2,040 P 381	2,097	P 1,819
Interest expense (income)	(<u>53</u>)	68	156
	<u>P</u>	2,368 P	2,165	<u>P 1,975</u>
Recognized in other comprehensive income, net of tax (see Note 31.1): Actuarial losses (gains) arising from change in:				
 experience adjustments 	P	3,102 P	729	P 780
 demographic assumptions 		248	-	(388)
 financial assumptions Remeasurement losses (gains) arising from: return on plan assets (excluding amounts included in net interest 		2,379 (2,106)	1,706
expense)	(423)	580	262
- changes in the effect of the asset ceiling Effect of change in income tax rate	(43) 5,263 (750	33 764)	2,355
Effect of change in movine tax 1ate	<u> </u>	6,013 (P	764)	P 2,355

			Pa	rent Bank		
		2021		2020		2019
Recognized in profit or loss:						
Current service costs	P	1,825	P	1,850	Р	1,585
Interest expense (income)	(<u>55</u>)		70	_	158
	<u>P</u>	<u>1,770</u>	<u>P</u>	1,920	<u>P</u>	1,743
Recognized in other comprehensive income, net of						
tax (see Note 31.1):						
Actuarial losses (gains) arising from						
change in:						
 experience adjustments 	P	2,651	Р	693	Р	578
 demographic assumptions 		40		-		-
- financial assumptions		2,599	(1,935)		1,403
Remeasurement losses (gains) arising from:						
 return on plan assets (excluding amounts included in net interest 						
expense)	(305)		477		259
 changes in the effect of the asset 						
ceiling	(<u>37</u>)		33		_
		4,948	(732)		2,240
Effect of change in income tax rate		715		_	_	_
		5,663	(732)		2,240
Share in actuarial losses (gains) of subsidiaries			,	4.03		
and associates	-	341	(<u>19</u>)		88
	<u>P</u>	6,004	(<u>P</u>	751)	<u>P</u>	2,328

Current service costs are presented as part of Compensation and benefits under Other Operating Expenses account (see Note 25) while interest expense or income are presented or netted against Interest Expense account (see Note 24) in the statements of income of the BDO Unibank Group and the Parent Bank.

Amounts recognized in other comprehensive income were included within the items that will not be reclassified subsequently to profit or loss in the statements of comprehensive income.

In determining the amounts of post-employment benefit obligation, the following significant actuarial assumptions were used:

	BDO Unil	oank Group	<u>Parent</u>	Bank
	2021	2020	2021	2020
Discount rates Expected rate of salary	5.03% - 5.04%	3.87% - 3.89%	5.03%	3.88%
increases	2.0% - 11.7%	1.25% - 11.00%	4.0% - 11.7% 2	2.52% - 11.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 23.5 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero coupon government bond with terms of maturity approximating to the terms of the retirement obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the BDO Unibank Group and the Parent Bank to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan is composed of investment in UITF, debt and equity instruments, cash and cash equivalents, and loans and receivables. Due to the long-term nature of plan obligation, a level of continuing debt securities is an appropriate element of the BDO Unibank Group's long-term strategy to manage the plans effectively.

(ii) Longevity and Salary Risks

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

(i) Sensitivity Analysis

The following table below and in the succeeding page summarizes the effects of changes in the significant actuarial assumptions used in the determination of the retirement benefit asset as of December 31, 2021 and 2020.

	Change in	Impact on Retirement Beneration Change in Increase in Assumption Assumption				
BDO Unibank Group						
<u>December 31, 2021</u>						
Discount rate Salary increase rate	+/-1% +/-1%	(P	1,850) P 1,990 (2,051 1,835)		
December 31, 2020						
Discount rate Salary increase rate	+/-1% +/-1%	(P	1,056) P 1,134 (1,156 1,059)		

	Impact on Rochange in Assumption	ease in 1	Obligation Decrease in Assumption		
Parent Bank					
<u>December 31, 2021</u>					
Discount rate Salary increase rate	+/-1% +/-1%	(P	1,474) P 1,556 (1,601 1,463)	
<u>December 31, 2020</u>					
Discount rate Salary increase rate	+/-1% +/-1%	(P	802) P 841 (849 810)	

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, BDO Unibank Group through its Compensation Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds or UITFs) with maturities that match the benefit payments as they fall due and in the appropriate currency. BDO Unibank Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of the plan assets as of December 31, 2021 and 2020 consists of debt instruments and UITFs, although the BDO Unibank Group and the Parent Bank also invest in cash and cash equivalents, equity instruments and properties. The debt instruments include government bonds and corporate bonds.

There has been no change in the BDO Unibank Group and the Parent Bank's strategies to manage its risks from previous periods.

(iii) Funding Arrangements and Expected Contributions

As of December 31, 2021, the plan of the BDO Unibank Group and the Parent Bank is underfunded by P3,800 and P3,650, respectively based on the latest actuarial valuation report. While there is no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk when a significant number of employees is expected to retire.

The BDO Unibank Group and the Parent Bank expect to pay P7,535 and P6,544, respectively, as contributions to retirement benefit plans in 2022.

The expected maturity of undiscounted expected benefits payments of BDO Unibank Group and the Parent Bank from the plan for the next ten years is presented as follows:

		Unibank Group	Pare	Parent Bank			
Between one to five years Between six to ten years	P	40,642 23,249	P	38,177 20,721			
	<u>P</u>	63,891	<u>P</u>	58,898			

The weighted average duration of the defined benefit obligation at the end of the reporting period is 3.0 to 14.5 years for the BDO Unibank Group and 4.9 years for the Parent Bank.

26.3 ESOP

BDO Unibank Group's ESOP expense includes the amounts recognized by the Parent Bank and its subsidiaries over the vesting period. In 2021 and 2020, vested shares totaled 14,118,934 shares and 3,331,902 shares, respectively, for BDO Unibank Group, and 13,552,572 shares 2,921,302 shares, respectively, for Parent Bank.

The ESOP expense, included as part of Compensation and benefits under Other Operating Expenses in the BDO Unibank Group's statements of income, amounted to P273, P354 and P994 in 2021, 2020 and 2019, respectively, and in the Parent Bank's statements of income, amounted to P252, P316 and P890, respectively (see Note 26.1).

27. RELATED PARTY TRANSACTIONS

The Parent Bank created a Related Party Transactions Committee composed of an independent director and a non-executive director, as of December 31, 2021. The said committee exercises oversight role to ensure bank compliance with BSP regulations on related party transactions.

The summary of BDO Unibank Group's significant transactions with its related parties as of December 31, 2021 and 2020 and for each of the three years ended are as follows:

		Amounts of Transaction						Outstanding Balance			
Related Party Category	Note		2021		2020		2019		2021	_	2020
DOSRI Loans	27(a)										
Stockholders	21(a)	P	24,854	P	3,636	P	23,713	P	34,266	Р	22,892
Related Parties under											
Common Ownership			12		24		75		-		419
Directors			3		3		-		-		91
Officers and Employees			1,807		1,418		1,802		2,068		1,969
Deposit Liabilities	27(b)										
Stockholders	. ,		468,175		390,344		576,553		19,852		20,288
Related Parties under											
Common Ownership			2,670		5,099		6,568		227		338
Directors			443		451		-		54		52
Officers and Employees			222		82		433		1		1
Other Transactions with											
Associates	27(d)										
Loans and Advances			480		500		2,820		8,261		8,225
Interest Income			251		359		509		58		57
Related Parties Under											
Common Ownership	27(d)										
Right-of-use Asset			1,677		378		833		3,904		2,417
Lease Liabilities			1,474		285		200		2,816		1,710
Depreciation Expense			184		39		655		524		330
Interest Expense			77		3		142		178		68
Key Management Personnel	27(d)										
Compensation			1,543		1,589		1,653		-		-
Retirement Plan	27(c)		160		238		74		8,351		6,605

The summary of the Parent Bank's significant transactions with its related parties as of December 31, 2021 and 2020 and for each of the three years ended are as follows:

					<u>nts of Transac</u>	Outstanding Balance					
Related Party Category	Note		2021		2020		2019		2021	_	2020
DOSRI Loans	27(a)										
Stockholders		P	24,854	P	3,636	P	23,713	P	34,266	P	22,892
Related Parties under											
Common Ownership			12		24		75		-		419
Directors			3		3		-		-		91
Officers and Employees			1,805		1,411		1,798		2,065		1,964
Deposit Liabilities	27(b)										
Stockholders			468,175		390,344		576,553		19,852		20,288
Related Parties under											
Common Ownership			2,324		4,152		6,039		111		168
Directors			443		451		-		54		52
Officers and Employees			222		82		433		1		1

			Amounts of Transaction						Outstanding Balance			
Related Party Category	Note	_	2021		2020		2019		2021		2020	
Other Transactions with												
Subsidiaries	27(d)											
Loans and Advances		P	25,011	P	37,123	Р	48,034	P	2,912	Р	5,144	
Derivative Assets			992		-		-		31		-	
Derivative Liabilities			612		1,471		1,033		-		27	
Deposit Liabilities		(572)	(1,881)		1,257		4,769		4,197	
Accounts Payable			-	(2)	(7)		1		1	
Miscellaneous Assets			117		259	(3)		142		259	
Miscellaneous Liabilities		(28))	-	(2)		-		2	
Interest Income			119		238		231		3		11	
Rent Income			136		132		124		-		-	
Service Fees			874		796		792		-		-	
Interest Expense			5		25		83		-		-	
Right-of-use Asset			-		-		-		97		104	
Lease Liabilities		(12)	(11)	(10)		113		118	
Depreciation/Amortization	ı		14		13		13		-		-	
Interest Expense – Finance												
Lease Payment Payable			7		7		8		-		-	
Trust Fees			120		107		95		-		-	
Miscellaneous Expense			117		123		-		-		-	
Insurance Expense			42		40		39		-		-	
Trading Gain/Loss		(20)	(90)	(83)		-		-	
Miscellaneous Income			49		3		-		-		-	
Repairs and Maintenance			1		1		1		-		-	
Fees and Commission			140		149		109		-		-	
Other Transactions with												
Associates	27(d)											
Loans and Advances			480		500		2,820		8,261		8,043	
Interest Income			251		344		494		58		57	
Related Parties under												
Common Ownership	27(d)											
Right-of-use Asset			1,684		378		833		3,911		2,417	
Lease Liabilities			1,480		285		200		2,822		1,710	
Depreciation Expense			185		39		655		525		330	
Interest Expense			78		3		142		179		68	
Key Management Personnel	27(d)											
Compensation			905		1,006		1,107		-		-	
Retirement Plan	27(c)		160		238		74		8,349		6,603	

In the ordinary course of business, the BDO Unibank Group and the Parent Bank have loans, deposits and other transactions with its related parties and with certain DOSRI as described below and in the succeeding pages.

(a) Loans to Related Parties

Under existing policies of the BDO Unibank Group and the Parent Bank, these loans bear interest rates ranging from 0.00% to 9.00% per annum in 2021, 2020 and 2019, which are substantially the same terms as loans granted to other individuals and businesses of comparable risks. The General Banking Act and BSP regulations limit the amount of the loans granted by a bank to a single borrower to 25% of equity. The amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of the unencumbered deposit and book value of the investment in the BDO Unibank Group and the Parent Bank.

The total DOSRI loans of the BDO Unibank Group and the Parent Bank include loans to officers under the BDO Unibank Group and Parent Bank's fringe benefit program. Secured DOSRI loans are collateralized by publicly-listed shares, hold-out on deposits, chattels and real estate mortgages and are payable within seven days to 20 years.

The total loan releases and collections in 2021 amounted to P26,676 and P15,713 for the BDO Unibank Group and P26,674 and P15,709 for the Parent Bank, respectively. The total loan releases and collections in 2020 amounted to P5,081 and P10,265 for the BDO Unibank Group and P5,074 and P10,257 for the Parent Bank, respectively. The total loans collections and releases in 2019 amounted to P25,590 and P49,217 for the BDO Unibank Group and P25,586 and P49,214 for the Parent Bank, respectively.

(b) Deposits from Related Parties

The total deposits made by the related parties amounted to P471,510, P395,976 and P583,554 in 2021, 2020 and 2019 for the BDO Unibank Group, and P471,164, P395,029 and P583,025 in 2021, 2020 and 2019 for the Parent Bank, respectively, and bearing interest rates range of 0.00% to 4.53% in 2021, 2020 and 2019. The related interest expense from deposits amounted to P795, P860 and P1,611 in 2021, 2020 and 2019, respectively (see Note 24).

(c) Transactions with Retirement Plan

BDO Unibank Group's retirement fund has transactions directly and indirectly with BDO Unibank Group as of December 31, 2021 and 2020 and for each of the three years ended are as follows:

	Amounts of Transaction					Outstanding Balance							
Related Party Category		2021			2020			2019			2021	_	2020
Loans to employees													
BDO Unibank, Inc.	P	-		Р	-		P	-		P	7	P	10
Investment in shares of													
BDO Unibank, Inc.		-			-			-			48		16
BDO Leasing		-			-			-			2		2
Deposit liabilities													
(including LTNCDs)													
BDO Unibank, Inc.		-			-			-			8,294		6,577
Trading gain													
BDO Unibank, Inc.			158			235			65		-		-
Interest expense													
BDO Unibank, Inc.		-				1			7		-		-
Rental income													
BDO Unibank, Inc.			2			2			2		-		-

The BDO Unibank Group's retirement fund has transactions directly and indirectly with the Parent Bank as of December 31, 2021 and 2020 and for each of the three years ended are as follows:

		Amounts of Transaction						Outstanding Balance					
Related Party Category		2021	_		2020)		2019)		2021	_	2020
Loans to employees													
BDO Unibank, Inc.	P	_		P	_		Р	_		P	7	Р	10
Investment in shares of –													
BDO Unibank, Inc.		-			-			-			48		16
Deposit liabilities													
(including LTNCDs)													
BDO Unibank, Inc.		-			-			-			8,294		6,577
Trading gain													
BDO Unibank, Inc.		15	8			235			65		-		-
Interest expense													
BDO Unibank, Inc.		-				1			7		-		-
Rental income													
BDO Unibank, Inc.			2			2			2		-		-

Details of the contributions of the BDO Unibank Group and the Parent Bank, and benefits paid out by the plan to the employees are presented in Note 26.

(d) Other Transactions with Related Parties

A summary of other transactions of the Parent Bank with subsidiaries and associates and other related parties are shown in the section that follows. These transactions are generally unsecured and payable in cash, unless otherwise stated.

(i) Transactions with and between subsidiaries have been eliminated in the BDO Unibank Group's financial statements. Significant transactions with subsidiaries are as follows:

(1) Loans and Advances to Subsidiaries

The Parent Bank grants noninterest-bearing advances to subsidiaries for working capital requirements, which are unsecured, payable in cash and without fixed repayment terms. The total advances granted and collected amounted to P111 and P28, P46 and P44, and P25 and P79, in 2021, 2020 and 2019, respectively. Outstanding advances to subsidiaries recognized as part of Accounts receivable under Loans and Other Receivables in the Parent Bank's statements of financial position amounted to P111 and P27 as of December 31, 2021 and 2020, respectively (see Note 11).

The Parent Bank also grants both secured and unsecured interest-bearing loans to subsidiaries with outstanding balance of P2,801 and P5,117 as of December 31, 2021 and 2020, respectively, and are presented as part of Loans and discounts under Loans and Other Receivables account in the Parent Bank's statements of financial position (see Note 11). The total loans granted amounted to P24,900, P37,076 and P48,009 while total loans collected amounted to P27,215, P35,593 and P50,183 for 2021, 2020 and 2019, respectively. These loans are payable in cash with a term between seven days to five years. Interest income recognized on these is presented as part of Interest Income in the Parent Bank's statements of income (see Note 23). Interest rate on these loans ranges from 2.50% to 3.50%, 2.27% to 5.75% and 2.50% to 6.00% per annum in 2021, 2020 and 2019, respectively.

(2) Income to the Parent Bank

BDO subsidiaries engaged the Parent Bank, under service agreements to provide various support such as maintenance, administration of properties/assets management, supplies procurement, facilities management, accounting functions, loan documentation, safekeeping/custodianship of securities and collateral documents, credit card services, human resources management, information technology needs, internal audit, corporate secretarial services, remittance transactions support, legal assistance on all loan and/or property/asset-related litigation, credit investigation services, security services and investigation requirements, and assistance on all tax-related issues. The service agreement shall continue to be in force unless terminated by either party through a written notice, at least 30 calendar days prior to the date intended for termination. The services fees are payable in cash at the beginning of each month and shall be exclusive of actual costs and expenditures of the Parent Bank in relation to the provision of the services, which shall be reimbursed by the subsidiaries to the Parent Bank. The total service fees are presented as part of Service charges, fees and commissions under Other Operating Income account in the Parent Bank's statements of income (see Note 25). There are no outstanding balance arising from these transactions as of December 31, 2021 and 2020. Total service fees amounted to P874, P796 and P792 in 2021, 2020 and 2019, respectively.

BDO Life has an existing Investment Management Agreement with the Parent Bank. For services rendered, BDO Life pays the Parent Bank management fees in cash equivalent to certain percentage based on the average daily balance of the fund and are deducted quarterly from the fund. The total trust fees is presented as part of Trust fees under Other Operating Income account in the Parent Bank's statements of income (see Note 25). Outstanding balances arising from this as of December 31, 2021 and 2020 is included as part of Accounts receivable under Loans and Other Receivables (see Note 11). The total trust fees amounted to P120, P107 and P95 in 2021, 2020 and 2019, respectively.

Certain subsidiaries lease office space and equipment from the Parent Bank. The total rent collected from the subsidiaries is included as part of Miscellaneous under Other Operating Income in the Parent Bank's statements of income (see Note 25). The term of the lease office space is five years and is payable in cash. There are no outstanding receivable from subsidiaries as of December 31, 2021 and 2020. The total rent income amounted to P136, P132 and P124 in 2021, 2020 and 2019, respectively.

(3) Expenses of the Parent Bank

The Parent Bank, as a lessee, recognized right-of-use assets related to lease of space from BDO Network, BDOSHI and Averon for its branch operations, amounting to P97 and P104, as of December 31, 2021 and 2020, respectively, which are presented as part of Premises, Furniture, Fixtures and Equipment (see Note 12). Depreciation expense and amortization of the right-of-use assets arising from these transactions amounted to P14, P13 and P13 in 2021, 2020 and 2019, respectively, and presented as part of Occupancy under Other Operating Expenses in the Parent Bank's statements of income (see Note 25). The total interest expense on lease liability is included as part of Interest expense on finance lease liabilities under the Interest Expense account in the Parent Bank's 2021, 2020 and 2019 statement of income which amounted to P7, P7 and P8, respectively (see Note 24). Outstanding balance arising from these transactions amounted to P113, P118 and P129 as of December 31, 2021, 2020 and 2019, respectively, and is included as part of Lease liabilities under Other Liabilities (see Note 21).

The total amount paid for repairs and maintenance of leased properties is included as part of Repairs and Maintenance account under Other Operating Expenses in the Parent Bank's statements of income (see Note 25). The total repairs and maintenance expense amounted to P1 in 2021, 2020 and 2019.

The Parent Bank pays for the group life insurance of its employees and life and accident insurance of enrolled qualified remitters of Kabayan accounts to BDO Life. The total amount paid is included as part of Insurance Expense account under Other Operating Expenses in the Parent Bank's statements of income (see Note 25). Total insurance expense amounted to P42, P40 and P39 in 2021, 2020 and 2019, respectively.

In 2020, the Parent Bank purchased receivables from BDO Leasing (see Note 30.3). This resulted to a loss amounting to P290 which was initially booked under Miscellaneous Asset and will be amortized over the term of the loan. The amortized loss incurred was recognized as part of Miscellaneous Expense account under Other Operating Expenses in the Parent Bank's statements of income amounting to P117 and P123 in 2021 and 2020, respectively (see Note 25). The related service fee incurred from the purchase of receivables in 2019 amounted to P13 and was recognized as part of Fees and Commission account under Other Operating Expenses in the Parent Bank's statements of income. No similar transaction occurred in 2021 and 2020.

The Parent Bank pays commission to BDO Network and BDO Private related to the referred trust services to the Parent Bank. Also, the Parent Bank pays for various services rendered by foreign subsidiaries. The amount paid for both commission and services are included as part of Fees and Commission account under Other Operating Expense in the Parent Bank's statements of income. The total payments amounted to P140, P149 and P96 in 2021, 2020 and 2019, respectively.

(4) Derivatives

In 2021 and 2020, the Parent Bank entered into derivative transactions with certain subsidiary in the form of currency forwards and cross currency swaps. As of December 31, 2021 and 2020, the outstanding balance of derivatives assets and liabilities are presented as part of Financial assets at FVTPL under Trading and Investment Securities account (see Note 10.1) and Derivatives with negative fair values under Other Liabilities account in the statements of financial position (see Note 21).

(5) Deposit Liabilities

The total deposits made by the subsidiaries to the Parent Bank during 2021, 2020 and 2019 amounted to P669,405, P559,611 and P706,563, respectively. These are with yearly corresponding withdrawals amounting to P668,833 for 2021, P561,492 for 2020 and P705,306 for 2019. These deposits bear interest rates of 0.00% to 0.50% in 2021, 0.00% to 3.25% in 2020 and 0.00% to 6.65% in 2019. The related interest expense from these deposits are included as part of Interest Expense account on deposit liabilities in the statements of income (see Note 24).

(ii) Other transactions with associates are shown below.

Loans and Advances to Associates

As of December 31, 2021 and 2020, the outstanding secured and unsecured interestbearing loans and advances to associates amounting to P8,261 and P8,225 for the BDO Unibank Group and P8,261 and P8,043 for the Parent Bank, respectively, and are presented as part of Loans and discounts and Accounts receivable under Loans and Other Receivables account in the statements of financial position (see Note 11).

These loans are payable in cash between seven and a half years to twelve years. The total collections on loans and advances amounted to P444, P75 and P1,987 for BDO Unibank Group and P262, P57 and P1,970 for the Parent Bank in 2021, 2020 and 2019, respectively.

Annual interest rate on these loans ranges from 2.94% to 2.94%, 2.95% to 7.70% and 5.00% to 7.70% for 2021, 2020 and 2019, respectively. The related interest income is presented as part of Interest Income on loans and other receivables in the BDO Unibank Group's statements of income (see Note 23). As of December 31, 2021, 2020 and 2019, there were no impairment losses recognized on these loans and advances.

(iii) Transaction of the Parent Bank with related parties under common ownership is shown below.

The Parent Bank, as a lessee, recognized right-of-use assets related to lease of space from related parties for its branch operations, amounting to P3,911 and P2,417 as of December 31, 2021 and 2020, respectively, which is presented as part of Premises, Furniture, Fixtures and Equipment (see Note 12). Amortization expense on right-of-use assets arising from this transaction, amounting to P185, P39, and P655 in 2021, 2020 and 2019, respectively, and is presented as part of Occupancy under Other Operating Expenses account in the Parent Bank's statement of income (see Note 25).

The total interest expense on lease liabilities from related parties, included as part of Interest expense on finance lease liabilities under the Interest Expense account amounted to P78, P3, and P142 in 2021, 2020 and 2019, respectively, in the Parent Bank's statements of income (see Note 24). Outstanding balances arising from this transaction amounted to P2,822 and P1,710 as of December 31, 2021 and 2020, respectively, and is included as part of Lease liabilities under Other Liabilities (see Note 21).

The terms of the lease are from one to 28 years and is payable in cash.

(iv) Key Management Personnel Compensation

The compensation and benefits given to BDO Unibank Group and the Parent Bank's key management are as follows (see Note 26.1):

	BDO Unibank Group								
	2021 2020	2019							
Salaries and other benefits Retirement expense	•	368 P 1,445 221208							
	P 1,543 P 1,5	589 <u>P 1,653</u>							
	Parent B	ank							
	2021 2020	2019							
Salaries and other benefits Retirement expense		349 P 957 157 150							
1 * * * *	P 905 P 1,0	006 P 1,107							

28. TRUST OPERATIONS

The following securities and other properties held by BDO Unibank Group in fiduciary or agency capacity (for a fee) for its customers are not included in BDO Unibank Group and the Parent Bank's statements of financial position since these are not resources of the BDO Unibank Group [see Note 36(h)].

	BDO Unib	ank Group	Paren	t Bank
	2021	2020	2021	2020
Investments Others	P 1,769,064 9,654	P 1,618,325 10,804		P 1,116,591 7,831
	<u>P 1,778,718</u>	<u>P 1,629,129</u>	P1,230,870	<u>P 1,124,422</u>

In compliance with the requirements of the General Banking Act relative to the BDO Unibank Group's trust functions:

- (a) Investment in government securities which are shown as part of Investment securities at amortized cost with a total face value of P18,435 and P15,735 as of December 31, 2021 and 2020 (see Note 10.3), respectively, in BDO Unibank Group and, P12,178 and P10,778 as of December 31, 2021 and 2020, respectively, in the Parent Bank are deposited with the BSP as security for BDO Unibank Group's faithful compliance with its fiduciary obligations; and,
- (b) A certain percentage of the trust income is transferred to surplus reserves. This yearly transfer is required until the surplus reserve for trust function is equivalent to 20% of BDO Unibank Group's authorized capital stock. As of December 31, 2021 and 2020, the additional reserve for trust functions amounted to P263 and P272 for BDO Unibank Group and P263 and 223, respectively, for the Parent Bank, and is included as part of Surplus Reserves account in statements of changes in equity (see Note 22.4).

Income from trust operations, shown as Trust fees under Other Operating Income account, amounted to P4,364, P3,811 and P3,532 for the years ended December 31, 2021, 2020 and 2019, respectively, in BDO Unibank Group's statements of income and P3,477, P3,035 and P2,727 for the years ended December 31, 2021, 2020 and 2019, respectively, in the Parent Bank's statements of income (see Note 25).

29. UNIT-LINKED FUNDS

VUL insurance contracts of BDO Life are life insurance policies wherein a portion of the premiums received are invested in VUL funds, which are composed mainly of investments in equity and debt securities. The withdrawal or surrender amount of a VUL policy can be computed by multiplying the total units held by the policyholder by the fund's Net Asset Value per unit, which changes daily depending on the fund's performance.

In 2013, BDO Life obtained the approval from IC to issue VUL products, where payments to policyholders are linked to internal investment funds set up by BDO Life. The VUL funds are managed by the Trust and Investment Group of the Parent Bank.

As of December 31, 2021 and 2020, BDO Life has 12 VUL funds. The details of the investment funds, which comprise the assets backing the unit-linked liabilities, are presented in the table below. The assets and liabilities of these investment funds have been consolidated to the appropriate accounts in the BDO Unibank Group's financial statements.

		2021		2020
Assets: Cash and cash equivalents Financial assets at FVTPL Other receivables	P	153 24,592 <u>36</u>	P	24 17,969 <u>35</u>
	<u>P</u>	24,781	<u>P</u>	18,028
Liabilities and Equity: Other liabilities Net assets attributable to unitholders	P	191 24 , 590	P	216 17,812
	<u>P</u>	24,781	<u>P</u>	18,028

30. MERGERS AND ACQUISITIONS

30.1 Subscription of Additional Shares in BDO Remit International Holdings, B.V. (formerly CBN Grupo)

On October 21, 2016, BDO Capital subscribed to an additional 3,273,000 shares in BDO Remit International Holdings, B.V. (BDO RIH) for P170, making BDO Capital the owner of approximately 96% of the outstanding capital stock of BDO RIH (see Note 15.2). The total goodwill recognized amounted to P123 and is presented as part of Goodwill under Other Resources on BDO Unibank Group's statements of financial position (see Notes 15.2 and 15.3).

On December 9, 2020, BDO Capital approved the corporate dissolution and liquidation of BDO RIH and to acquire its assets and assume its liabilities. Since the liabilities to be assumed by BDO Capital is higher than the assets it will absorb, BDO Capital also approved the additional investment in BDO RIH amounting to P276. This was approved by the BSP on November 9, 2021 and by the BDO RIH shareholders on February 2, 2022 (see Note 33.2).

30.2 Merger of BDO Nomura and BDO Securities

On June 23, 2020, the Parent Bank and Nomura Asia came to an agreement and signed a term sheet on the proposed buy-out of Nomura Asia's 49% equity stake in BDO Nomura. The BOD of the Parent Bank authorized BDO Capital to acquire the shares of Nomura Asia and the transaction was completed on November 25, 2020 with settlement amount of P42.

On July 2, 2020, the BOD of BDO Nomura and BDO Securities, at their respective meetings, approved the merger of the two companies, with BDO Securities as the surviving entity, and the Plan of Merger. The same were likewise approved by the respective stockholders of the two entities on July 7, 2020. The merger was approved by the SEC on November 25, 2020 and was implemented on December 1, 2020.

30.3 Sale of Assets of BDO Leasing

On May 25, 2019, the BOD of BDO Unibank approved the restructuring of the leasing business of the BDO Unibank Group. Under the restructuring, a new, privately-held company BDO Finance was incorporated on December 9, 2019 to carry on the leasing business of the BDO Unibank Group. BDO Leasing, on the other hand, has sold substantially all of its assets to BDO Unibank, BDO Finance and other subsidiaries.

On October 9, 2020, the BOD of BDO Finance approved the purchase of the BDO Rental shares owned by BDO Leasing. The sale was consummated through a Deed of Absolute Sale of Shares with BDO Rental becoming a wholly-owned subsidiary of BDO Finance. BDO Finance started its commercial operations on October 19, 2020. BDO Leasing remains a listed entity and will be re-purposed into a holding company, upon approval by the regulators.

30.4 Dissolution of BDO Remit Italia

On June 13, 2020, BDO Remit Italia has completed its liquidation and made partial repatriation of funds to BDO Strategic Holdings, Inc. amounting to P7. Final capital return was made on July 1, 2021 amounting to P51.

31. TAXES

31.1 Current and Deferred Taxes

On March 26, 2021, R.A. No. 11534, Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the BDO Unibank Group:

- Regular corporate income tax (RCIT) rate was reduced from 30% to 25% starting July 1, 2020;
- minimum corporate income tax (MCIT) rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

As a result of the application of the lower RCIT rate of 25% starting July 1, 2020, the current income tax expense and income tax payable, as presented in the 2020 annual income tax return (ITR) of the BDO Unibank Group and the Parent Bank, was lower by P1,378 and P1,300, respectively, than the amount presented in the 2020 financial statements, and such amount was charged to 2021 profit or loss.

In 2021, the recognized net deferred tax assets as of December 31, 2020 was remeasured at 25% income tax rate. This resulted in a decline in the recognized deferred tax asset in 2020 for BDO Unibank Group and the Parent Bank by P684 and P650, respectively. Such adjustment was charged to 2021 profit or loss of BDO Unibank Group and Parent Bank by P1 and P3 and in other comprehensive income by P683 and P647, respectively.

The components of tax expense for the years ended December 31 follow:

	BDO Unibank Group						
		2021	2020	2019			
Reported in profit or loss:							
Current tax expense:							
Regular corporate income tax (RCIT)							
at 25% and 30%	P	9,422 P	14,762 P	12,310			
Minimum corporate income tax (MCIT)		,	,	,			
at 1% and 2%	(5)	33	7			
Adjustment in 2020 income taxes due to	`	- /					
change in income tax rate	(1,378)	_	_			
Adjustment to current income tax from	`	,,					
prior year	(13)	_	_			
Final taxes at 20%, 15%, 10% and 7.5%	`	2,689	2,286	2,248			
		10,715	17,081	14,565			
Deferred tax expense (income) relating to		- ,	.,	.,			
origination and reversal							
of temporary differences		2,213	695	454			
Effect of the change in income tax rate		_, 1	-	-			
Application of previously unrecognized MCIT	(22)	_	_			
	\ <u> </u>						
	<u>P</u>	12,907 P	17,776 P	15,019			

		BDO) U	nibank G	rour)
		2021		2020	_	2019
Reported in other comprehensive income:						
Actuarial losses	(P	1,754)	Р	321	P	1,016)
Effect of the change in income tax rate	(-	683	-	-	(-	-
Fair value of financial assets at FVOCI		4		-	(30)
Revaluation increment	(4)		-	(23)
	(<u>P</u>	<u>1,071</u>)	<u>P</u>	321	(<u>P</u>	<u>1,069</u>)
			_			
		2021	Par	ent Bank 2020		2019
		2021		2020	_	2019
Reported in profit or loss:						
Current tax expense:						
RCIT at 25% and 30%	P	,	Р	13,998	Р	11,219
Final taxes at 20%, 15%, 10% and 7.5%		2,165		1,801		1,745
Adjustment in 2020 income taxes due to	,	4.000				
change in income tax rate	(1,300)		-		-
Adjustment to current income tax from	,	12)				
prior year	(9,263		15,799		12,964
Deferred tax expense relating to		7,203		13,777		12,707
origination and reversal of						
temporary differences		2,112		483		412
Effect of the change in income tax rate		3				
	<u>P</u>	<u>11,378</u>	<u>P</u>	16,282	<u>P</u>	13,376
Reported in other comprehensive income:						
Actuarial losses	(P	1,649)	P	314	(P	960)
Effect of the change in income tax rate	•	647		-	`	-
Fair value of financial assets at FVOCI		12		-		-
Revaluation increment	(<u>4</u>)			(23)
	(<u>P</u>	994)	P	314	(<u>P</u>	983)

The reconciliation of the tax on pretax profit computed at the statutory tax rates to tax expense is shown below and in the succeeding page.

	BDO Unibank Group						
		2021	2020	2019			
Tax on pretax profit at 25% and 30%	P	13,940 P	13,809 P	17,756			
Adjustment for income subjected to lower							
income tax rates	(561) (879) (1,072)			
Adjustment in 2020 income taxes due to	`		, ,	,			
change in income tax rate	(1,377)	-	_			
Tax effects of:	`	, ,					
Income exempt from tax	(2,884) (4,062) (4,325)			
Non-deductible expenses	•	4,245	9,736	3,557			
Deductible temporary differences not recognized	(312) (903) (551)			
Application of previously unrecognized MCIT	(29)	- (15)			
Adjustment to current income tax from prior year	(13)	-	-			
Net operating loss carryover (NOLCO)	-	•					
not recognized		4	91 (89)			
Utilization of previously unrecognized NOLCO		- (1) (25)			
Others	(106)	<u>15</u>) (217)			
Tax expense reported in profit or loss	<u>P</u>	12,907 P	<u> 17,776</u> <u>P</u>	15,019			

	Parent Bank					
		2021	2020	2019		
Tax on pretax profit at 25% in 2021 and						
30% in 2020 and 2019	P	13,515 P	13,467 P	17,283		
Adjustment for income subjected to lower						
income tax rates	(436) (865)(872)		
Adjustment in 2020 income taxes due to						
change in income tax rate	(1,297)	_	-		
Tax effects of:	`	,				
Income exempt from tax	(4,120) (4,969)(5,729)		
Non-deductible expenses		4,103	9,519	3,305		
Deductible temporary differences not recognized	(374) (870)(611)		
Adjustment to current income tax from prior year	(<u>13</u>)		<u> </u>		
Tax expense reported in profit or loss	<u>P</u>	11,378 P	16,282 P	13,376		

Components of the net deferred tax assets (see Note 15) as of December 31 follow:

	Statements of Financial Position								
	BDO Unibank Group				Parent Bank				
		2021		2020		2021		2020	
Deferred tax assets:									
Allowance for impairment	P	4,088	P	6,376	P	3,747	P	5,858	
Unamortized past service costs		2,577		2,894		2,280		2,732	
Retirement obligation (net of OCI)		606	(803)		568	(778)	
Recognition of right-of-use			`	,			`	,	
assets and lease liabilities		67		23		47		21	
Others		66		80		_			
		7,404		8,5 70		6,642		7,833	
Deferred tax liabilities:									
Revaluation increment		337		409		335		408	
Capitalized interest		33		42		33		42	
Retirement asset (net of OCI)		-		_		-		-	
Changes in fair values of									
financial assets at FVOCI		11		6		12		_	
Lease income differential		2		2		-		_	
Others		253		200					
		636		659		380		450	
Net deferred tax assets	<u>P</u>	6,768	<u>P</u>	7,911	<u>P</u>	6,262	<u>P</u>	7,383	

Movements in net deferred tax assets for the years ended December 31 follow:

BDO Unibank Group

	Statements of Income						
		2021	2020	2019			
Allowance for impairment	P	2,289 P	160 P	24			
Unamortized past service costs		317 (591) (966)			
Retirement obligation	(405)	1,059	1,292			
Recognition of right-of-use							
assets and lease liabilities	(45)	47 (70)			
Lease income differential	•	-	-	146			
Capitalized interest	(9) (3) (3)			
Others	`	<u>67</u>	23	31			
Deferred tax expense (income)	<u>P</u>	2,214 P	695 <u>P</u>	<u>454</u>			

Parent Bank

	Statements of Income						
	2	2021	2020	2019			
Retirement obligation	(P	412) P	1,012 P	1,313			
Unamortized past service costs		451 (576) (974)			
Lease income differential		-	-	146			
Allowance for impairment		2,111	-	-			
Recognition of right-of-use							
assets and lease liabilities	(26)	49 (70)			
Capitalized interest	<u>`</u>	<u> </u>	<u>2</u>) (3)			
Deferred tax expense	P	2,115 P	483 P	412			

		Statements of Comprehensive Income										
		BDC	Uı	nibank Gro	up			Pa				
	_	2021		2020	_	2019		2021		2020	_	2019
Movements in actuarial losses Movements in fair value	(P	1,004)	P	321	(P	1,016)	(P	934)	Р	314	(P	960)
of financial assets at FVOCI		5		-	(30)		12		-		-
Movements in revaluation increment	(72)		-	(23)	(<u>72</u>)	_		(23)
Deferred tax income (income)	(<u>P</u>	<u>1,071</u>)	P	321	(<u>P</u>	<u>1,069</u>)	(<u>P</u>	994)	Р	314	(<u>P</u>	983)

The BDO Unibank Group is subject to MCIT, which is computed at 1% of gross income, as defined under tax regulations or RCIT, whichever is higher.

The breakdown of NOLCO and MCIT with the corresponding validity periods are as follows for the BDO Unibank Group (nil for the Parent Bank):

Year	1	NOLCO		MCIT	Valid Until
2021 2020	P	- -	P	1 1	2024 2025
	<u>P</u>		<u>P</u>	2	

The amounts of unrecognized deferred tax assets arising from NOLCO and other temporary differences as of December 31, 2021 and 2020 are as follows:

	BDO Unibank Group								
		20	21			2020			
	Ta	x Base	<u>Ta</u>	x Effect	<u>T</u>	ax Base	Ta	x Effect	
Allowance for impairment	P	57,101	P	14,275	P	43,447	Р	13,034	
NOLCO		-		-		35		11	
MCIT		2		2		33		32	
Others		1,037	_	259		1,232		370	
	<u>P</u>	58,140	<u>P</u>	14,536	<u>P</u>	44,747	<u>P</u>	13,447	

	Parent Bank							
	2021				20	20		
	<u>Ta</u>	ax Base	Tax	x Effect	_ <u>Ta</u>	ax Base	<u>Ta</u>	x Effect
Allowance for impairment Others	P 	56,568 1,021	P	14,142 255		42,875 1,021		12,862 306
	<u>P</u>	57,589	<u>P</u>	14,397	<u>P</u>	43,896	<u>P</u>	13,168

The BDO Unibank Group and the Parent Bank continue claiming itemized deduction for income tax purposes.

31.2 Gross Receipts Tax

Gross Receipts Tax (GRT), pursuant to Sections 121 and 122 of the Tax Code, is imposed on banks, non-banks financial intermediaries and finance companies (per RA 9238).

GRT is levied on the BDO Unibank Group's lending income, which includes interest, commission and discounts arising from instruments with maturity of five years or less and other income. The tax is computed at the prescribed rates of either 7%, 5% or 1% of the related income (per RA 9337).

31.3 Documentary Stamp Tax

Documentary stamp tax (DST) (at varying rates) is imposed on the following:

- (a) Bank checks, drafts, or certificate of deposit not bearing interest, and other instruments;
- (b) Bonds, loan agreements, promissory notes, bills of exchange, drafts, instruments and securities issued by the Government or any of its instrumentalities, deposit substitute debt instruments, certificates of deposits bearing interest and other notes payable at sight or on demand:
- (c) Acceptance of bills of exchange and letters of credit; and,
- (d) Bills of lading or receipt.

On December 19, 2017, RA No. 10963 known as Train Law was passed amending the rates of DST, the significant provisions of which are summarized as follows:

- (a) On every issue of debt instruments, there shall be collected a DST of one peso and fifty centavos on each two hundred pesos or fractional part thereof of the issue price of any such debt instrument. Provided, that for such debt instruments with terms of less than one year, the DST to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days. Provided further that only one DST shall be imposed on either loan agreement or promissory notes to secure such loan.
- (b) On all sales or transfer of shares or certificates of stock in any corporation, there shall be collected a DST of one peso and 50 centavos on each two hundred pesos, or fractional part thereof, of the par value of such stock.

- (c) On all bills of exchange or drafts, there shall be collected a DST of 60 centavos on each two hundred pesos, or fractional part thereof, of the face value of any such bill of exchange or draft.
- (d) The following instruments, documents and papers shall be exempt from DST:
 - Borrowings and lending of securities executed under the Securities Borrowing and Lending Program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority;
 - Loan agreements or promissory notes, the aggregate of which does not exceed P250 thousand or any such amount as may be determined by the Secretary of Finance, executed by an individual for his purchase on installment for his personal use;
 - Sale, barter or exchange of shares of stock listed and traded through the local stock exchange for a period of five years from the effectivity of RA No. 9243;
 - Fixed income and other securities traded in the secondary market or through an exchange;
 - Derivatives including repurchase agreements and reverse repurchase agreements;
 - Bank deposit accounts without a fixed term or maturity; and,
 - Interbank call loans with maturity of not more than seven days to cover deficiency in reserve against deposit liabilities.

31.4 Supplementary Information Required by the Bureau of Internal Revenue (BIR)

The BIR issued Revenue Regulations (RR) No. 15-2010 on November 25, 2010, which required certain tax information to be disclosed as part of the notes to the financial statements.

The supplementary information is, however, not a required part of the basic financial statements prepared in accordance with PFRS; it is neither a required disclosure under the Philippine SEC rules and regulations covering form and content of financial statements under the revised Securities Regulation Code Rule 68.

The Parent Bank presented this tax information required by the BIR as a supplementary schedule filed separately from the basic financial statements.

32. EARNINGS PER SHARE

Basic earnings per share attributable to shareholders of the BDO Unibank Group were computed as follows:

	2021		2020	2019
Net profit attributable to shareholders				
of the Parent Bank	P	42,791	P 28,246	P 44,194
Dividends on preferred shares	(340)(339)	(339)
Net profit available to common shares		42,451	27,907	43,855
Divided by the weighted average number				
of outstanding common shares (in millions)		4,385	4,383	4,378
Basic earnings per share	P	9.68	P 6.37	P 10.02

Diluted earnings per share attributable to shareholders of the BDO Unibank Group were computed as follows:

		2021	2020		2019	
Net profit attributable to shareholders of the Parent Bank Divided by the weighted average number	<u>P</u>	42,791	<u>P</u>	27,907*	<u>P</u>	43,855*
of outstanding common shares (in millions): Outstanding common shares Potential common shares from assumed		4,385		4,383		4,378
conversion of preferred shares		43		*		*
Potential common shares from stock option plan		**		**		**
Total weighted average number of common shares after assumed conversion of convertible preferred shares		4,428		4,383		4,378
Diluted earnings per share	<u>P</u>	9.66	<u>P</u>	6.37	<u>P</u>	10.02

^{*} Net profit attributable to shareholders of the Parent Bank is reduced by dividends on preferred share as these were not assumed to be converted.

^{**} Potential common shares from assumed conversion of stock option plan made through primary issuance do not significantly affect the computation of diluted earnings per share.

33. EVENTS AFTER THE REPORTING PERIOD

33.1 Dividend

On January 29, 2022, the Parent Bank's BOD approved the declaration of annual cash dividends on preferred shares "Series A" at the rate of 6.50% per annum of the par value for a total dividend of P339. The dividends will be paid within 60 days from dividend declaration date.

33.2 Dissolution of BDO RIH

On February 2, 2022, the shareholders of BDO RIH approved the dissolution of the company, additional capital infusion of the shareholders, completion of all acts to implement the dissolution, appointment of liquidator and custodian and the stepping down of the Board of Directors (see Note 30.1).

33.3 Issuance of Fixed Rate Peso Bonds

On January 28, 2022, the Parent Bank issued P52,700 million Peso-denominated fixed rate Association of Southeast Asian Nations (ASEAN) Sustainability Bonds under its P365 billion bond program. The bonds have a tenor of two years and a fixed rate of 2.90% per annum.

34. COMMITMENTS AND CONTINGENCIES

34.1 Litigations

BDO Unibank Group has pending claims and/or is a defendant in various legal actions arising from the ordinary course of business operations. As of December 31, 2021, management believes that no such legal proceedings are expected to have material adverse effect on BDO Unibank Group's financial position.

34.1.1 Applicability of RR 4-2011

On March 15, 2011, the BIR issued Revenue Regulations No. 4-2011 (RR 4-2011) regarding the proper allocation of costs and expenses amongst income earnings of banks and other financial institutions for income tax reporting purposes. RR 4-2011 prescribed a special method of allocation of cost and expenses for banks such that when computing the amount allowable as deduction from regular banking unit operations, all costs and expenses should first be allocated between the regular banking unit and Foreign Currency Deposit Unit (FCDU)/expanded FCDU or offshore banking unit.

On April 6, 2015, Consortium of Banks (Petitioners) filed a Petition for Declaratory Relief with Application for Temporary Restraining Order and/or Writ of Preliminary Injunction, docketed as Civil Case No. 15-287 with the Regional Trial Court (RTC) of Makati. BDO Unibank Inc., and BDO Private Bank, Inc. are among the Petitioners in Civil Case No. 15-287 assailing the validity of RR 4-2011.

In the Petition, the Petitioners sought to annul RR No. 4-2011 as there is no provision in the National Internal Revenue Code which authorized the issuance of RR 4-2011 that a bank's cost and expenses be allocated to its different income streams.

The Petitioners also claimed that RR 4-2011 deprived them of their legal right under the Tax Code to claim ordinary and necessary expenses as tax deductions.

On April 8, 2015, the RTC of Makati issued a temporary restraining order, enjoining the BIR from enforcing RR 4-2011. Subsequently, the RTC of Makati issued a Writ of Preliminary Injunction also enjoining the BIR from enforcing, carrying out, or implementing in any way or manner RR 4-2011 against the Petitioners, including the issuance of preliminary assessment notice or final assessment notice, as the case may be, based on the revenue regulations, pending litigation, unless sooner dissolved.

On May 25, 2018, the RTC declared RR 4-2011 as null and void. The writs of preliminary injunction issued by the RTC on April 25, 2015 and February 28, 2018 were also made permanent, thereby enjoining Department of Finance (DOF) and BIR from implementing RR 4-2011 and prohibiting them from issuing a preliminary assessment notice or final assessment notice, or deciding any administrative matter pending before it, according to or in relation to said regulation.

On July 10, 2018, the DOF and BIR filed a Motion for Extension of Time to File a Petition for Review on Certiorari ("Motion for Extension") before the Supreme Court. The Supreme Court granted the Motion for Extension.

On August 9, 2018, DOF and BIR filed a Petition for Review on Certiorari dated August 1, 2018 ("Petition") assailing the RTC decision based on the following grounds: (i) the RTC has no jurisdiction over petitions assailing the constitutionality and validity of tax laws, rules and regulation, and other administrative issuance of the BIR; (ii) the Court of Tax Appeals has the exclusive jurisdiction to determine the constitutionality or validity of Tax Laws, Rules and Regulations issued by the Commissioner of Internal Revenue; and, (iii) RR 4-2011 is a valid regulation issued pursuant to the rule-making power of the DOF and the BIR.

In a Resolution dated March 27, 2019, the Supreme Court ordered Respondents to file their Comment on the Petition. On August 5, 2019, the Consortium of Banks filed their Comment on/Opposition to the Petition for Review on Certiorari.

All other Respondents have filed their respective Comments and/or Oppositions to the Petition.

The case remains pending as of December 31, 2021.

34.1.2 First e-Bank

In 2002, First e-Bank ("FeB") experienced liquidity problems prompting PDIC to invite several banks to propose a solution for FeB's bailout. PDIC entered into contract with BDO Unibank where in consideration of the assumption by BDO Unibank of FeB's liabilities in the maximum amount of P10,000, PDIC will provide BDO Unibank P10,000 of Financial Assistance and PDIC will receive FeB's assets to recover said financial assistance.

About P5,000 of the financial assistance was released to BDO Unibank and the remaining P5,000 was deposited in escrow with BDO - TIG in accordance with the escrow agreement dated October 23, 2002 entered into by BDO Unibank, PDIC, and BDO - TIG.

In August 2016, PDIC authorized the release of a total amount of P4,650 from escrow inclusive of proportional interest. However, as of August 26, 2016, the amount of P1,224 remains in escrow, which includes: (i) P602, which covers assets BDO Unibank still considers capable of delivery worth P214 and the remaining assets PDIC classified as undeliverable; and (ii) all interest earnings thereon. Unable to agree on the release of the remaining amount in escrow, on September 20, 2016, the PDIC filed a Complaint for Specific Performance and Damages against BDO Unibank, which case was raffled to RTC Makati City Branch 60.

On October 14, 2016, BDO Unibank filed its Answer to the Complaint affirming that it has assumed P10,000 in liabilities of FeB and is thus entitled to release of the remaining escrow of P1,224.

In a judgement dated May 31, 2018, RTC Makati dismissed the complaint, granted BDO Unibank's counterclaim and ordered BDO - TIG to immediately release the remaining escrow amount, plus interests, to BDO Unibank. PDIC filed Motion for Reconsideration but the same was denied by RTC Makati. PDIC filed Notice of Appeal. In the Decision dated June 15, 2020, the Court of Appeals (CA) dismissed PDIC's appeal. PDIC filed Motion for Reconsideration but the same was denied by the CA in a Resolution dated January 25, 2021. PDIC filed Petition for Review with the Supreme Court.

On June 18, 2018, the Parent Bank received an amount of P1,243 for the full termination of escrow. As of December 30, 2021, the difference between the amount received and the balance of the amount in escrow amounts to P572. This is presented as part of Others under Other Liabilities account and is not yet recognized as income due to the pending resolution of the Petition for Review filed by PDIC (see Note 21).

The case is still pending before the Supreme Court as of December 31, 2021.

34.1.3 Others

BDO Unibank Group is also a defendant in various cases pending in courts for alleged claims against BDO Unibank Group, the outcomes of which are not fully determinable at present. As of December 31, 2021, management believes that, liabilities or losses, if any, arising from these claims would not have a material effect on the financial position and results of operations of BDO Unibank Group and will be recognized if and when a final resolution by the courts is made on each claim.

34.2 Lease Commitments – as Lessor

34.2.1 Finance Leases

BDO Unibank Group, as a lessor, enters into a finance leases covering various equipment and vehicles with lease term ranging from one to more than five years. To manage its risks over these finance leases, the BDO Unibank Group retains its legal title over the underlying assets, and are used as securities over the finance lease receivables. Future minimum lease payments receivable (MLPR) under this finance lease together with the present value of net minimum lease payments receivable (NMLPR) follow:

	2021					2020			
		Tuture MLPR	_	PV of MLPR		uture ILPR	of N	PV IMLPR	
Within one year After one year but not more than two years After two years but not more than three years After three years but not more than five years More than five years	P	770 725 616 224 3	P	767 705 506 129 2	Р	239 189 138 106 10	P	238 183 123 66 6	
Total MLPR Unearned lease income	(2,338 229)		2,109	(682 66)		616	
Present value of MLPR	P	2,109	1'	2,109	P	616	ľ	616	

34.2.2 Operating Leases

The BDO Unibank Group and the Parent Bank entered into various operating leases covering land, offices and equipment with lease terms ranging from less than 1 year to 5.5 years. Operating lease income, presented under Rental account as part of Other Operating Income and Expenses in the BDO Unibank Group's statements of income for the years ended December 31, 2021, 2020 and 2019, amounted to P1,269, P1,430 and P1,526, respectively, for the BDO Unibank Group and P482, P514 and P523, respectively, for the Parent Bank (see Note 25).

Future minimum rental receivables as of December 31, 2021 under operating leases follow:

	I <u>Uniba</u>	Parent Bank		
Within one year	P	1,124	P	471
More than one year to two years		678		315
More than two years to three years		470		233
More than three years to four years		206		165
More than four years to five years		133		70
More than five years		89		7
	<u>P</u>	2,700	<u>P</u>	1,261

35. CONTINUING IMPACT OF COVID-19

The year 2021 was marked by sustained efforts to mitigate the impact of the pandemic and learning to operate with the reality of COVID-19. Following were the measures undertaken by the BDO Unibank Group during the year:

- Since October 2020, branches continued to operate until 4pm, close to operating at prepandemic banking schedules, with certain adjustments made to comply with temporary stricter guidelines imposed by the Inter-Agency Task Force (IATF) and local government units;
- Digital banking channels, including BDO Pay which was introduced in early 2021, continued to be enhanced to provide increased and alternative access for clients;
- To further strengthen cybersecurity, the Parent Bank institutionalized vulnerability management measures by performing regular vulnerability assessments and penetration testing. A Security Operations Center (SOC), supplemented with threat intelligence providers, is in place to continuously monitor and immediately respond to IT security events and incidents;
- Dual site processing capabilities and team redundancies remained in place to ensure business continuity; and,
- Occupational safety and health standards continued to be maintained to provide a
 safe and sanitized environment for both customer and employees through the strict
 observance of health and safety protocols. Vaccination efforts and periodic testing
 for employees continued to be pursued to minimize infection within the workplace.

With these measures in place to adapt to and address pandemic-related issues in 2021, the Parent Bank saw more stable operations and increasingly positive results as the economy continued with its recovery. Overall net impact is an increase in net profit of 52% and 49% for BDO Unibank Group and the Parent Bank, respectively, compared to that of 2020.

36. SUPPLEMENTARY INFORMATION REQUIRED BY THE BSP

Presented below and in the succeeding pages are the supplementary information required by the BSP under Section 174 (Appendix 55) of the BSP Manual of Regulations for Banks (MORB) to be disclosed as part of the notes to financial statements based on BSP Circular No. 1074, *Amendments to Regulations on Financial Audit of Banks*.

(a) Selected Financial Performance Indicators

The following are some indicators of the of BDO Unibank Group and Parent Bank's financial performance.

	2021	2020	201
OO Unibank Group			
Return on common equity*: Net profit	10.5%	7.6%	12.89
Average common equity			
Return on average equity*:			
Net profit Average total capital accounts	10.4%	7.5%	12.69
Return on average resources*:			
Net profit Average total resources	1.2%	0.9%	1.4%
Net interest margin*:			
NI-tintanatin	4.0%	4.4%	4.1%
Net interest income Average interest earning resources	4.0%	4.470	1.1 /
	4.070	7.7 /0	1.1 /
Average interest earning resources	10.5%	7.6%	
Average interest earning resources rent Bank Return on common equity*: Net profit			12.8
Average interest earning resources rent Bank Return on common equity*: Net profit Average total common equity			
Average interest earning resources rent Bank Return on common equity*: Net profit Average total common equity Return on average equity*: Net profit	10.5%	7.6%	12.8
Average interest earning resources rent Bank Return on common equity*: Net profit Average total common equity Return on average equity*: Net profit Average total capital accounts	10.5%	7.6%	12.8
Average interest earning resources rent Bank Return on common equity*: Net profit Average total common equity Return on average equity*: Net profit Average total capital accounts Return on average resources*: Net profit	10.5%	7.6% 7.6%	12.8

^{*} Average asset, capital, and interest-earning assets are computed as the simple average of outstanding balance of assets, capital, and interest-earning assets at average of December 2020, March 2021, June 2021, September 2021 and December 2021. (5 data points)

(b) Capital Instruments Issued

As of December 31, 2021 and 2020, the BDO Unibank Group has only two classes of capital stock, which are common and preferred shares.

(c) Significant Credit Exposures for Loans

The BDO Unibank Group and Parent Bank's concentration of credit as to industry for its receivables from customer's gross of allowance for ECL below (amounts in millions) are disclosed in Note 4.3.3.

BDO Unibank Group		2021			2020			
		Amount	Percentage		Amount	Percentage		
Financial and insurance activities	P	397,823	16.6%	P	335,487	14.8%		
Activities of private household		,			,			
as employers and undifferentiated goods and services and producing								
activities of households for own use		356,129	14.8%		315,727	13.9%		
Real estate activities		307,048	12.8%		308,681	13.6%		
Wholesale and retail trade		282,446	11.8%		271,485	12.0%		
Electricity, gas, steam and		202,110	111070		271,100	12.070		
air-conditioning supply		282,036	11.8%		265,210	11.7%		
Manufacturing		206,445	8.6%		195,586	8.6%		
Transportation and storage		88,043	3.7%		92,578	4.1%		
Arts, entertainment and recreation		77,010	3.2%		77,734	3.4%		
Construction		68,951	2.9%		69,067	3.1%		
Information and communication		42,845	1.8%		34,477	1.5%		
Accommodation and food service								
activities		39,937	1.7%		39,699	1.8%		
Education		37,199	1.5%		32,296	1.4%		
Human health and social service activities		30,653	1.3%		29,859	1.3%		
Water supply, sewerage, waste								
management and remediation activities	;	26,912	1.1%		24,017	1.1%		
Agriculture, forestry and fishing		15,266	0.6%		15,011	0.7%		
Mining and quarrying		10,175	0.4%		16,172	0.7%		
Professional, scientific, and technical								
activities		9,642	0.4%		10,255	0.5%		
Administrative and support services		7,592	0.3%		8,237	0.4%		
Public administrative and defense;								
compulsory social security		693	0.0%		723	0.0%		
Activities of extraterritorial and								
organizations and bodies		-	0.0%		5	0.0%		
Other service activities		113,348	4.7%		121,396	5.4%		
	P	2,400,193	100%	P	2,263,702	100%		

	20:	21		2020			
	Amount	Percentage		Amount	Percentage		
Parent Bank							
Financial and insurance activities P	397,733	16.9%	P	334,720	15.1%		
Activities of private household as employers and undifferentiated goods and services and producing							
activities of households for own use	347,713	14.8%		307,500	13.8%		
Real estate activities	308,053	13.1%		310,133	13.9%		
Electricity, gas, steam and	, , , , , , , , , , , , , , , , , , , ,			,			
air-conditioning supply	281,990	12.0%		265,067	11.9%		
Wholesale and retail trade	278,173	11.8%		268,590	12.1%		
Manufacturing	205,679	8.7%		195,035	8.8%		
Fransportation and storage	88,607	3.8%		93,701	4.2%		
Arts, entertainment and recreation	76,004	3.3%		76,699	3.5%		
Construction	68,108	2.9%		68,752	3.1%		
nformation and communication	42,634	1.8%		34,276	1.5%		
Accommodation and food service							
activities	39,688	1.7%		39,484	1.8%		
Human health and social service activities	30,392	1.3%		29,693	1.3%		
Water supply, sewerage, waste							
management and remediation activities	26,870	1.2%		24,014	1.1%		
Mining and quarrying	10,122	0.4%		16,150	0.7%		
Agriculture, forestry and fishing	14,600	0.6%		14,368	0.6%		
Professional, scientific, and technical							
activities	9,601	0.4%		10,241	0.5%		
Administrative and support services	7,430	0.3%		8,182	0.4%		
Education	4,373	0.2%		5,043	0.2%		
Public administrative and defense;							
compulsory social security	693	0.0%		723	0.0%		
Activities of extraterritorial and							
organizations and bodies	-	0.0%		5	0.0%		
Other service activities	113,088	4.8%	-	122,118	5.5%		
P	2,351,551	100%	Р	2.224.494	100%		

(d) Credit Status of Loans

The breakdown of receivable from customers as to status is shown below:

	2021									
	Pe	Performing		Non- erforming	Total Loan Portfolio					
BDO Unibank Group										
Gross carrying amount										
Corporate	P	1,860,981	P	21,443	P	1,882,424				
Consumer		468,097		49,672		517,769				
Allowance for ECL	(31,001)	(34,258)	(65,259)				
Net carrying amount	<u>P</u>	2,298,077	<u>P</u>	36,857	<u>P</u>	2,334,934				
Parent Bank										
Gross carrying amount										
Corporate	P	1,855,300	P	21,443	P	1,876,743				
Consumer		428,553		46,255		474,808				
Allowance for ECL	(30,535)	(32,739)	(63,274)				
Net carrying amount	<u>P</u>	2,253,318	<u>P</u>	34,959	<u>P</u>	2,288,277				

		202	20			
BDO Unibank Group	Pe	rforming	<u> </u>	Non- erforming		otal Loan Portfolio
Gross carrying amount Corporate Consumer Allowance for ECL	P (1,745,057 455,528 27,878)	P (19,253 43,864 28,542)	P (1,764,310 499,392 56,420)
Net carrying amount	<u>P</u>	2,172,707	<u>P</u>	34,575	<u>P</u>	2,207,282
Parent Bank						
Gross carrying amount Corporate Consumer Allowance for ECL	P (1,741,115 423,904 27,143)	P (19,253 40,223 26,846)	P (1,760,368 464,127 53,989)
Net carrying amount	<u>P</u>	2,137,876	<u>P</u>	32,630	P	2,170,506

Non-performing loans (NPL) included in the total loan portfolio of the BDO Unibank Group and the Parent Bank as of December 31, 2021 and 2020 are presented below as net of specific allowance for impairment in compliance with BSP Circular No. 941, *Amendments to Regulations on Past Due and Non-Performing Loans*.

	<u>B</u>	BDO Unibank Group				Parent Bank			
		2021		2020		2021		2020	
NPL Allowance for impairment	P (69,821 33,498)		61,644 27,822)		66,601 32,149)		58,200 26,293)	
	<u>P</u>	36,323	P	33,822	P	34,452	P	31,907	

Per MORB, loans shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than 90 days from contractual due date, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement. Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after it has become past due. Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

As at December 31, 2021 and 2020, the non-performing loans (NPLs) not fully covered by allowance for credit losses follow:

	<u>F</u>	BDO Unibank	Group	Parent Bank			
		2021	2020		2021	2020	
Gross NPLs NPLs fully covered by allowance	P	69,821 P	61,644	P	66,601 P	58,200	
for impairment	(<u>9,689</u>) (8,16 <u>2</u>)	(<u>9,359</u>) (<u>7,071</u>)	
	<u>P</u>	60,132 P	53,482	P	57,242 P	51,129	

Restructured loans are generally considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained. Moreover, NPLs shall remain classified as such until (a) there is sufficient evidence to support that full collection of principal and interests is probable and payments of interest and/or principal are received for at least six months; or (b) written off.

Restructured loans amount to P143,337 and P68,643 for BDO Unibank Group and P142,062 and P68,246 for Parent Bank as of December 31, 2021 and 2020, respectively. The related allowance for credit loss of such loans amounted to P21,137 and P7,159 for BDO Unibank Group and P20,578 and P7,025 for Parent Bank as of December 31, 2021 and 2020, respectively.

As of December 31, 2021, gross and net NPL ratios of the BDO Unibank Group and the Parent Bank as reported to BSP were 2.80% and 1.46%, and 2.72% and 1.41%, respectively. As of December 31, 2020, gross and net NPL ratios of the BDO Unibank Group and the Parent Bank were 2.65% and 1.45%, and 2.54% and 1.39%, respectively. Most of the NPLs are secured by real estate or chattel mortgages.

(e) Analysis of Loan Portfolio as to Type of Security

The breakdown of total loans (receivable from customers, net of unearned interests or discounts) as to secured and unsecured follows:

	BDO Unibank Group				Parent Bank			
		2021		2020		2021		2020
Secured:								
Real estate mortgage	P	327,719	P	327,568	P	320,993	P	322,764
Chattel mortgage		94,875		104,264		92,748		103,629
Other securities		83,797		90,842		81,998		89,721
		506,391		522,674		495,739		516,114
Unsecured		1,893,802		1,741,028		1,855,812		1,708,381
	<u>P</u>	2,400,193	<u>P</u>	2,263,702	P	2,351,551	<u>P</u>	2,224,495

(f) Information on Related Party Loans

In the ordinary course of business, the Parent Bank has loan transactions with each other, their other affiliates, and with certain DOSRI. Under existing policies of the Parent Bank, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risks.

Under the current BSP regulations, the amount of individual loans to a DOSRI, 70% of which must be secured, should not exceed the amount of the encumbered deposit and book value of the investment in the Parent Bank and/or any of its lending and nonbank financial subsidiaries. In aggregate, loans to DOSRI generally should not exceed the total equity or 15% of the total loan portfolio of the BDO Unibank Group and the Parent Bank, whichever is lower. However, non-risk loans are excluded in both individual and aggregate ceiling computation.

The following table shows the information relating to the loans, other credit accommodations and guarantees granted to DOSRI as of December 31 in accordance with BSP reporting guidelines:

The following table shows the other information relating to the loans, other credit accommodations and guarantees granted to DOSRI as of December 31 as reported to the BSP:

	В	BDO Unibank Group			Parent Bank			
		2021	2020		2021			2020
Total DOSRI loans	P	36,334	P	25,371	P	36,331	P	25,366
Unsecured DOSRI loans		1,919		1,799		1,919		1,799
Past due DOSRI loans		3		3		3		3
Non-performing DOSRI loans		12		11		12		11
% of DOSRI loans to total								
loan portfolio		1.51%		1.12%		1.54%		1.14%
% of unsecured DOSRI loans to	О							
total DOSRI loans		5.28%		7.09%		5.28%		7.09%
% of past due DOSRI loans to								
total DOSRI loans		0.01%		0.01%		0.01%		0.01%
% of non-performing DOSRI								
loans to total DOSRI loans		0.03%		0.05%		0.03%		0.05%

DOSRI loans of the BDO Unibank Group and the Parent Bank bear annual interest rates of 0.00% to 9.00% in 2021, 2020 and 2019 (except for credit card receivables which bear a monthly interest rate of 0.00% to 3.64% in 2021, in 2020 and 2019).

The following table shows the other information relating to the loans, other credit accommodations and guarantees granted to related parties (inclusive of DOSRI) as of December 31 as reported to the BSP:

	BDO Unibank Group			Parent	Ba	Bank		
		2021	2020		2021			2020
Total Related Party loans	P	111,024	P	104,916	P	110,966	P	104,372
Unsecured Related Party		66,036		60,568		66,036		60,568
Past due Related Party		3		54		3		54
Non-performing Related Party		12		62		12		62
% of Related Party loans to								
total loan portfolio		4.63%		4.63%		4.72%		4.69%
% of unsecured Related Party								
loans to total Related								
Party loans		59.48%		57.73%		59.51%		58.03%
% of past due Related Party								
loans to total Related								
Party loans		0.00%		0.05%		0.00%		0.05%
% of non-performing Related								
Party loans to total								
Related Party loans		0.01%		0.06%		0.01%		0.06%

In accordance with existing BSP regulations, the reported DOSRI performing loans exclude loans extended to certain borrowers before these borrowers became DOSRI.

Under BSP regulations, total outstanding exposures to each of the Parent Bank's subsidiaries and affiliates shall not exceed 10.0% of the BDO Unibank Group's net worth, the unsecured portion of which shall not exceed 5.0% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20.0% of the net worth of the Parent Bank.

As of December 31, 2021 and 2020, the BDO Unibank Group and Parent Bank is in compliance with these regulatory requirements.

(g) Secured Liabilities and Assets Pledged as Security

The aggregate amount of resources pledged as security and secured liabilities in 2021 totaled to P1,320 and P1,088 for the BDO Unibank Group and nil for the Parent Bank, respectively. On 2020, the BDO Unibank Group and the Parent Bank did not have any secured liabilities or assets pledged as security.

(h) Contingencies and Commitments arising from Off-Balance Sheet Items

In the normal course of BDO Unibank Group's operations, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, etc., which are not reflected in BDO Unibank Group's financial statements. BDO Unibank Group recognizes in its books any losses and liabilities incurred in the course of its operations as soon as these become determinable and quantifiable. Management believes that, as of December 31, 2021 and 2020, no additional material losses or liabilities are required to be recognized in the financial statements of BDO Unibank Group as a result of the above commitments and contingencies.

The summary of BDO Unibank Group's commitments and contingent accounts is shown below.

		BDO Unibank Group		Paren	t Bank		
	Notes	2021	2020	2021	2020		
Trust department accounts	28	P 1,778,718	P 1,629,129	P 1,230,870	P 1,124,422		
Committed credit lines	4.3.2	433,247	424,703	433,247	424,703		
Forward exchange sold		190,055	166,992	164,674	147,543		
Forward exchange bought		177,434	155,430	153,492	133,914		
Unused commercial							
letters of credit	4.3.2	75,758	52,029	75,758	52,029		
Spot exchange sold		15,646	15,368	15,618	15,099		
Spot exchange bought		9,233	3,973	9,205	3,705		
Bills for collection		8,673	14,625	8,673	14,625		
ROP warrants		8,475	8,475	8,475	8,475		
Interest rate swap receivable	e	6,993	7,956	4,493	4,254		
Interest rate swap payable		6,993	7,956	4,493	4,254		
Other contingent accounts		4,710	3,278	3,049	3,038		
Export letters of credit							
confirmed		4,644	6,293	4,644	6,293		
Outstanding guarantees issu	ıed	4,202	3,469	4,202	3,469		
Late deposits/payments							
received		461	1,262	450	1,252		



Report of Independent Auditors to Accompany Supplementary Schedules Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

Punongbayan & Araullo

20th Floor, Tower 1 The Enterprise Center 6766 Ayala Avenue 1200 Makati City Philippines

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The Board of Directors and the Stockholders BDO Unibank, Inc.
BDO Corporate Center

We have audited the financial statements of BDO Unibank, Inc. and subsidiaries (collectively referred to as the BDO Unibank Group) and BDO Unibank, Inc. for the year ended December 31, 2021, on which we have rendered our report thereon dated February 24, 2022. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules (see Table of Contents) of the BDO Unibank Group as of December 31, 2021 and for the year then ended, are presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68, and are not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary schedules are the responsibility of management. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

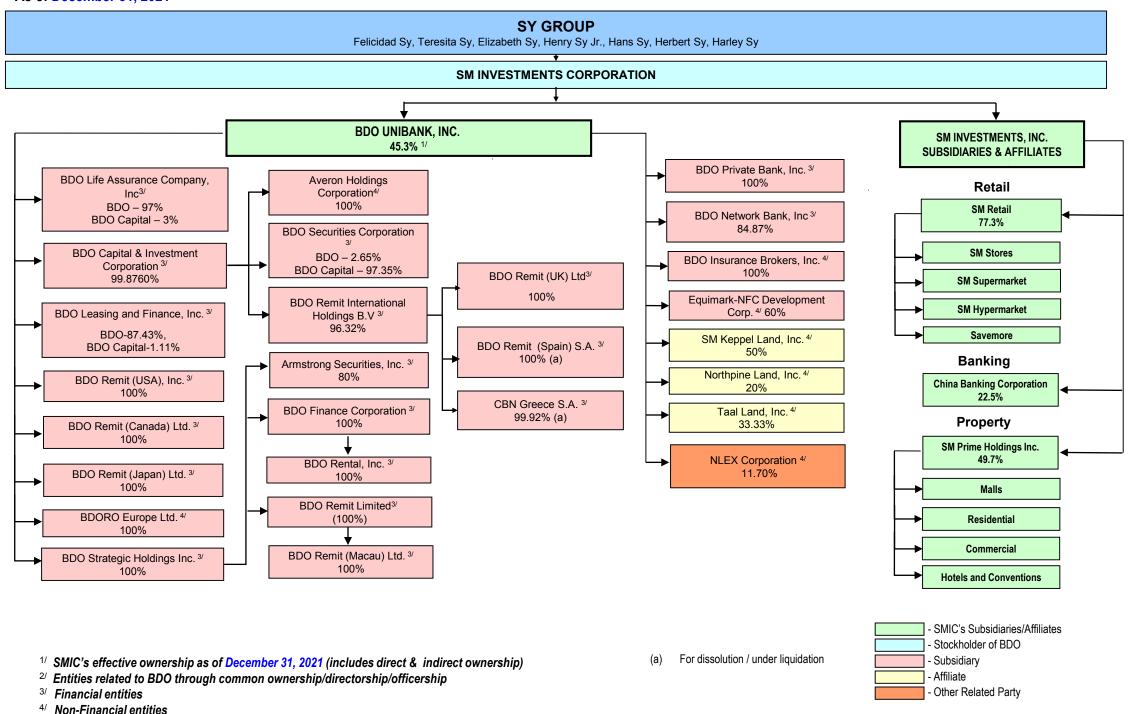
PUNONGBAYAN & ARAULLO

By: Romualdo V. Murcia III

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 8852339, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 0628-AR-4 (until Sept. 4, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-022-2019 (until Sept. 4, 2022)

Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 24, 2021



BDO Unibank, Inc. and Subsidiaries SEC Supplementary Schedules December 31, 2021

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Note: *Not Applicable



Supplemental Statement of Independent Auditors

Punongbayan & Araullo

20th Floor, Tower 1 The Enterprise Center 6766 Ayala Avenue 1200 Makati City Philippines

T +63 2 8988 2288

The Board of Directors
BDO Unibank, Inc.
BDO Corporate Center,
7899 Makati Avenue, Makati City

We have audited the financial statements of BDO Unibank, Inc. (the Bank) for the year ended December 31, 2021, on which we have rendered the attached report dated February 24, 2022.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Bank has 10,728 stockholders owning 100 or more shares each of the Bank's capital stock as of December 31, 2021.

PUNONGBAYAN & ARAULLO

By: Romuald V Murcia III

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 8852339, January 3, 2022, Makati City
SEC Group A Accreditation
Partner - No. 0628-AR-4 (until Sept. 4, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-022-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

February 24, 2022

ANNEX 68-D

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

As of December 31, 2021 (Amounts in Millions)

BDO Unibank, Inc. BDO Corporate Center, 7899 Makati Avenue, Makati City

Unapp	ropriated Retained Earnings at Beginning of Year	P	214,207		
Prior Y	Year's Outstanding Reconciling Items, net of tax Accumulated Income from Subsidiaries and Associates (net of dividends received)	(16,218)		
	Deferred tax income	(7,833)		
Unapp	propriated Retained Earnings, as adjusted to available for dividend				
	distribution, beginning of the year			P	190,156
Add:	Net income actually earned/realized during the period				
	Net income during the period closed to Retained Earnings		42,681		
Less:	Non-actual/unrealized income net of tax:				
	Equity in net income of associates/joint venture		6,350		
	Unrealized foreign exchange gains - net		1,928		
	Deferred tax income		447		
	Fair value adjustment (MTM gains)		166		
	Sub-total Sub-total		8,891		
Net in	acome actually earned during the period				33,790
Add (I	.ess):				
	Dividend declarations during the period	(5,602)		
	Appropriations of Retained Earnings during the period	(1,557)		
	Sub-total Sub-total			(7,159)
TOTA	AL RETAINED EARNINGS, END OF THE YEAR AVAILABLE FOR DIVIDEN	D		P	216,787

Annex 68-E

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

BDO UNIBANK, INC. AND SUBSIDIARIES

As of December 31, 2021

Ratio	Formula	Current Year	Prior Year
Current ratio	<u>Current resources</u> Current liabilities	45.6%	52.4%
Acid test ratio	Cash & cash equivalents + Marketable securities + Current receivables Current liabilities	45.6%	52.3%
Solvency ratio	<u>Total liabilities</u> Total resources	88.3%	88.4%
Debt-to-equity ratio	<u>Total liabilities</u> Total equity	753.6%	758.7%
Asset-to-equity ratio	Total resources Total equity	853.6%	858.7%
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) Interest expense	512.0%	297.3%
Return on equity	<u>Net profit</u> Average total capital accounts	10.4%	7.5%
Return on assets	Net profit Average total resources		0.9%
Net profit margin	<u>Net profit</u> Revenues	20.8%	13.3%
Other ratios:			
Net Interest Margin	Net interest income Average interest earning resources	4.0%	4.4%
Return on Common Equity	Net Profit Average common equity	10.5%	7.6%
Liquidity ratio	<u>Total liquid resources</u> Total resources	32.2%	30.8%
Capital to risk Assets ratio	Combined credit, market and operational risk	14.7%	14.4%
Basel III Leverage ratio	<u>Capital Measure</u> Exposure Measure	10.3%	10.2%
Liquidity Coverage ratio	Total Stock of High Quality Liquid Assets Total net cash outflows	145.4%	127.1%
Net Stable Funding ratio	Available Stable Funding Required Stable Funding	123.5%	122.0%

Annex 68-I

SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC

BDO Unibank, Inc. and Subsidiaries For the period ended December 31, 2021 (In millions)

Fixed Rate Peso Bonds

		Bonds
1.	Gross and net proceeds as disclosed in the final prospectus	Nothing to report
2.	Actual gross and net proceeds	
	Gross	-
	Net	-
3.	Each expenditure item where the proceeds were used	
	Reserves	-
	Loans	-
4.	Balance of the proceeds as of the end of reporting period	-

BDO Unibank, Inc. and Subsidiaries Schedule A - Financial Assets December 31, 2021 (In Millions)

Type of Securities	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Valued based on Market Quotation at End of Reporting Period	Income Received and Accrued
Financial assets at fair value through profit or loss				
Derivatives	163,556	P 6,232	P 6,232	P 730
Government bonds	13,597	5,427	5,427	36
Other debt securities	1,298	4,679	4,679	13
Equity securities	6,478	31,596	31,596	8
		47,934	47,934	787
Fair value through other comprehensive income				
Government debt	101,485	110,182	110,182	1,221
Other debt securities	52,913	55,279	55,279	590
Equity securities	698	5,332	5,332	1
		170,793	170,793	1,812
At amortized cost				
Government debt securities	318,054	334,901	335,444	3,353
Other debt securities	61,087	62,633	60,903	628
		397,534	396,347	3,981
		P 616,261	P 615,074	P 6,580

BDO Unibank, Inc. and Subsidiaries

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) December 31, 2021 (In Millions)

	Balance at	Balance at		Deductions		Balance		
Name and Designation of Debtor	Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current*	Not Current**	Balance at End of Period	
Amounts Due from Related Parties under Common Ownership:								
Sysmart Corporation	P 419	P 12	P 431	P -	P -	P -	P -	
	419	12	431					
Loans to Officers and Employees:								
Salary Loans	1,626	1,395	1,261	-	188	1,572	1,760	
Credit Card Loans	140	371	366	-	135	10	145	
Auto Loans	99	35	53	-	6	75	81	
Home Loans	98	5	25	-	1	77	78	
Others***	6	1	3		4		4	
	1,969	1,807	1,708		334	1,734	2,068	
Loans to Directors:								
Nestor V Tan	91	3	94					
	91	3	94				-	
Loans to Stockholders:								
SM Investments Corporation	4,517	13,242	723	-	9,021	8,015	17,036	
Sybase Equity Investments Corporation	788	8,734	1,792	-	3,729	4,001	7,730	
Carmen Copper Corporation	13,960	1,690	9,139	-	-	6,511	6,511	
Romer Mercantile Inc	2,853	568	497	-	92	2,832	2,924	
Intercontinental Devt Corp	65	2	2	-	-	65	65	
Costa Del Hamilo Inc.	418	422	840	-	-	-	-	
Highlands Prime Inc	291	196	487				-	
	22,892	24,854	13,480		12,842	21,424	34,266	
Total	P 25,371	P 26,676	P 15,713	Р -	P 13,176	P 23,158	P 36,334	

^{*}Due within one year

^{**}Due beyond one year

^{***}This consists of insignificant DOSRI Loans

BDO Unibank, Inc. and Subsidiaries Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements December 31, 2021 (In Millions)

	Rala	Ralance at		Balance at		Deduction		ctions	1					
Name and Designation of Debtor	Beginning of Period		Additions		Amounts Collected				Cı	Current* Not Current**			ance at of Period	
BDORO Europe, Ltd.	Р	1,776	Р	290	Р	231	P	-	P	-	Р	1,835	P	1,835
BDO Capital & Investment Corporation		1,410		5,527		6,187		-		750		-		750
BDO Strategic Holdings, Inc.		1,789		8,527		10,207		-		109		-		109
BDO Remit (USA), Inc.		122		7,014		7,037		-		99		-		99
BDO Life Assurance Holdings Corp.		28		81		28		-		81		-		81
BDO Insurance Brokers Inc,		-		28		-		-		28		-		28
BDO Remit (Japan) Ltd.		19		3,160		3,170		-		9		-		9
BDO Remit Canada Ltd.	-			384		383	_	-	_	1			-	1
	P	5,144	P	25,011	P	27,243	P	_	P	1,077	P	1,835	P	2,912

^{*}Due within one year

^{**}Due beyond one year

BDO Unibank, Inc. and Subsidiaries Schedule D - Long-Term Debt December 31, 2021 (In Millions)

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current portion of Long-Term Debt" in related Statement of Financial Position	Amount shown under Caption "Long-Term Debt" in related Statement of Financial Position	Interest Rate	Maturity Date
Bills Payable					
Wells Fargo Bank, National Association, Singapore Branch	P 2,555	P 2,555	Р -	0.99%	January 28, 2022
Metropolitan Bank & Trust Company	502	2	500	3.00%	October 31, 2023
Metropolitan Bank & Trust Company	501	1	500	3.13%	November 21, 2023
Metropolitan Bank & Trust Company	301	1	300	3.13%	November 22, 2023
Citicorp International Limited	7,653	-	7,653	1.00%	January 26, 2024
Citicorp International Limited	2,551	-	2,551	1.00%	January 26, 2024
The Norinchukin Bank	1,093	-	1,093	1.00%	January 26, 2024
Wells Fargo Bank, National Association	1,093	-	1,093	1.00%	January 26, 2024
Mizuho Bank, Ltd.	1,093	-	1,093	1.00%	January 26, 2024
Sumitomo Mitsui Banking Corporation Singapore Branch	984	-	984	1.00%	January 26, 2024
State Bank of India	765	-	765	1.00%	January 26, 2024
Citibank N. A.	656	-	656	1.00%	January 26, 2024
CTBC Bank Co., Ltd,	656	-	656	1.00%	January 26, 2024
The Hong Kong and Shanghai Banking Corp. Ltd.	656	-	656	1.00%	January 26, 2024
United Overseas Bank Limited	437	-	437	1.00%	January 26, 2024
Taishin International Bank Co., Ltd.	219	<u> </u>	219	1.00%	January 26, 2024
	21,715	2,559	19,156		
Senior Notes					
Senior Notes 1	34,721	325	34,396	2.95%	March 6, 2023
Senior Notes 2	7,741	122	7,619	4.16%	February 20, 2025
Senior Notes 3	30,591	304	30,287	2.13%	January 13, 2026
	73,053	751	72,302		
Fixed Rate Peso Bonds					
Senior Notes 1	36,180	36,180	=	3.13%	April 3, 2022
Senior Notes 2	40,256	40,256	-	4.41%	August 3, 2022
55	76,436	76,436	-		,
	P 171,204	P 79,746	P 91,458		

BDO Unibank, Inc. and Subsidiaries Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies) December 31, 2021

NI	Balance at Beginning	Balance at End
Name of related party	of Period	of Period

Nothing to report

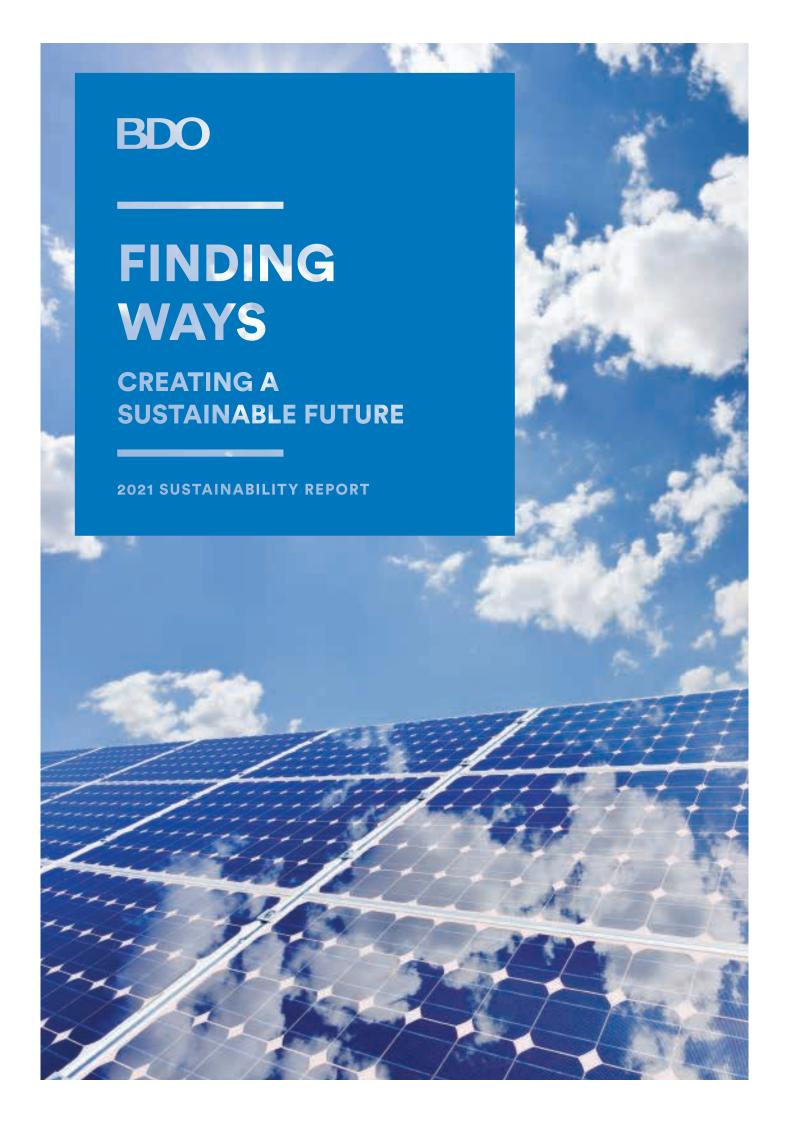
BDO Unibank, Inc. and Subsidiaries Schedule F - Guarantees of Securities of Other Issuers December 31, 2021

Name of Issuing Entity of Securities	Title of Issue of each	Total Amount	Amount Owned by	
Guaranteed by the Company for which this	Class of Securities	Guaranteed and	Person for which	Nature of Guarantee
Statement is Filed	Guaranteed	Outstanding	Statement is Filed	

Nothing to report

BDO Unibank, Inc. and Subsidiaries Schedule G - Capital Stock December 31, 2021

Title of Issue		Number of Shares Issued and Outstanding as shown under the Statement of Financial Position caption	(Intione Warrante	Number of Shares Held by		
				Related Parties	Directors, Officers and Employees	Others
Common shares - P10 par value	5,500,000,000	4,385,519,015	-	2,421,829,413	30,869,521	1,932,820,081
Preferred Shares - P10 par value	1,000,000,000	515,000,000	-	515,000,000	-	-



About the Report

102-54

This report is BDO Unibank Inc.'s fourth Sustainability Report outlining the Bank's economic, environmental, social, and governance performance from January to December 2021. It is a substantiation of BDO's commitment to the United Nations Sustainable Development Goals (SDGs), the principles of the United Nations Global Compact, and the Greenhouse Gas (GHG) Protocol. This report has been prepared in accordance with the GRI Standards: Core option. It has completed the GRI Materiality Disclosures Service, which confirms that the GRI Content Index (see pages 85 to 88) is clearly presented and references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

This report should be read in tandem with the 2021 BDO Annual Report.

BDO 2021 SUSTAINABILITY REPORT

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BDO's Footprint

BDO is a full-service universal bank in the Philippines. It provides a complete array of industry-leading products and services including Lending (corporate and consumer), Deposit-taking, Foreign Exchange, Brokering, Trust and Investments, Credit Cards, Retail Cash Cards, Corporate Cash Management and Remittances in the Philippines. Through its local subsidiaries, the Bank offers Investment Banking, Private Banking, Leasing and Finance, Rural Banking, Life Insurance, Insurance Brokerage and Online and Traditional Stock Brokerage Services.

BDO's institutional strengths and value-added products and services hold the key to its successful business relationships with customers. On the front line, its branches remain at the forefront of setting high standards as a sales and service-oriented, customer-focused force. The Bank has the largest distribution network with over 1,500 operating branches and more than 4,400 ATMs nationwide. BDO has 16 international offices (including full-service branches in Hong Kong and Singapore) spread across Asia, Europe, North America, and the Middle East.

The Bank also offers digital banking solutions to make banking easier, faster, and more secure for its clients.

Through selective acquisitions and organic growth, BDO has positioned itself for increased balance sheet strength and continuing expansion into new markets. As of December 31, 2021, BDO is the country's largest bank in terms of total resources, customer loans, deposits, assets under management and capital, as well as branch and ATM network nationwide.

BDO is a member of the SM Group, one of the country's largest and most successful conglomerates with businesses spanning retail, mall operations, property development (residential, commercial, hotels and resorts), and financial services. Although part of a conglomerate, BDO's day-to-day operations are handled by a team of professional managers and bank officers. Further, the Bank has one of the industry's strongest Board of Directors, composed of professionals with extensive experience in various fields that include banking and finance, accounting, law, and business.

₱3.6 trillion
(US\$71.1 billion)
Total Resources

₱42.8 billion

(US\$839 million) Net Income

1,544

Total Branches and Banking Offices, including foreign branches in Hong Kong and Singapore

4,484
Automated Teller Machines (ATMs)

624
Cash Deposit Machines

₱529.3 billion (US\$10.4 billion)



₱182.2 billion

(US\$3.6 billion)

Direct Economic Value Generated

₱2.4 trillion

(US\$47.1 billion)

Gross Customer Loans

₱2.8 trillion

(US\$55.3 billion) Deposit Liabilities

₱424.5 billion

(US\$8.3 billion)

Capital Base

₱548 billion

(US\$10.75 billion)

Total Sustainable Finance funded

Corporate Mission

To be the preferred bank in every market we serve.

Corporate Vision

To be the leading Philippine bank and financial services company that empowers customers to achieve their goals and aspirations, combining our entrepreneurial spirit, international perspective, and intense customer focus to deliver a personalized banking experience that is easy, straightforward, and convenient, while taking pride in building long-term relationships and finding better ways to deliver offerings of the highest standard.

Core Values

Commitment to Customers. We are committed to delivering products and services that surpass customer expectations in value and every aspect of customer service, while remaining prudent and trustworthy stewards of their wealth.

Commitment to a Dynamic and Efficient Organization. We are committed to creating an organization that is flexible, responds to change, and encourages innovation and creativity; we are committed to the process of continuous improvement in everything we do.

Commitment to Employees. We are committed to our employees' growth and development and we will nurture them in an environment where excellence, integrity, teamwork, professionalism, and performance are valued above all else.

Commitment to Shareholders. We are committed to providing our shareholders with superior returns over the long-term.

BOO



Message from the Chairperson



"We are excited to lead these efforts at achieving sustainability, and through this report, we invite everyone to go on this journey with us."

Dear Stakeholders,

The global impact of the COVID-19 pandemic drove businesses to recalibrate their strategies in order to stay relevant and continue operating in the new normal. In any crisis, innovation always creates opportunities for major change and new paths to go forward.

Throughout 2021, we strived to serve our clients' needs as we gradually reopened our branches with easing mobility restrictions. We launched new digital products and capabilities to provide our clients improved access and convenience. We made funds available to support businesses, from micro, small, and medium enterprises to large corporates, in their recovery and expansion plans.

Alongside these services, we continued our commitment to help the communities we serve and aid them to build better and be more prepared for any future adversity. With the continuous rehabilitation of rural health centers nationwide, our beneficiary communities have the facilities they need for pandemic response, health and wellness needs, and potential disaster relief. We have also donated both testing kits and vaccines to protect communities and help manage the pandemic.

Now more than ever, our response to the pandemic reflects our commitment to a more sustainable and resilient future. We continue to be a strong advocate of sustainable finance, having supported this for over a decade now. We are one with our stakeholders in driving accountability for our social and environmental impact and taking it into account when we invest in or fund a project.

We remain committed to superior business performance anchored on the principles of integrity, accountability, transparency. We are excited to lead these efforts at achieving sustainability, and through this report, we invite everyone to go on this journey with us.

Yours truly,

Teresita T. Sy Chairperson

Message from the President and CEO



"BDO's commitment to sustainability is reflected in every decision and action we take, from the Board members to the senior executive leaders to every BDO employee, every single day."

Dear Stakeholders,

Our growing experience in facing the coronavirus pandemic and various disasters has only strengthened our resolve to fulfill our sustainability objectives.

The year 2021 saw great strides in our effort to translate these objectives — Product Sustainability, Sustainability Contribution, Human Capital Sustainability, Disaster Response Sustainability, and Governance-based Sustainability — into real initiatives that promote responsible environmental and social impact among our stakeholders.

We invested ₱548 billion in sustainable finance for projects on renewable energy, energy efficiency, green buildings, among others. We also invested in social projects that promote employment generation and food security among communities. We almost doubled our ESG-themed Unit Investment Trust Fund, the first in the country, to ₱179 million in 2021 from ₱95.5 million in 2020, promoting growth for local companies with good Environmental, Social, and Governance practices.

At the height of the pandemic and during disaster situations, we found ways to provide aid and crucial financial services to our *kababayans*. BDO's Cash Agad served as a lifeline for our clients in rural and remote areas, supporting our Cash Agad partners in providing cash even when other essential services were down and inaccessible.

We are humbled to be honored among Asia's Top Sustainability Advocates at the 2021 Asia Corporate Excellence & Sustainability (ACES) Awards for driving the values of sustainability and incorporating them in everything we do. We are also proud to be recognized in The Asset's 2021 ESG Corporate Awards as a Platinum Awardee for 12 consecutive years. In addition, BDO was among the Philippines' Top 20 publicly listed companies with an outstanding corporate governance record based on the ASEAN Corporate Governance Scorecard.

We recognize that sustainability is about the journey as much as it is about the destination. We remain dedicated to doing our part for the welfare of our stakeholders, our nation, and our planet. Indeed, BDO's commitment to sustainability is reflected in every decision and action we take, from the Board members to the senior executive leaders to every BDO employee, every single day. My deepest gratitude to every member of our organization for giving life to sustainability at BDO.

Sincerely,

Nestor V. Tan
President and CEO

BDO's Path in Creating Shared Value

Creates jobs

38,873 Employees

15% Employees are women

59% Women in senior management

Women in top management (Senior Vice President and up)

Fosters banking habits

352,367
Insurance policy holders

18.8 million

1,544
Branches and banking offices

1.2 million

Total new checking and savings accounts in 2021

4,484
Automated Teller
Machines (ATMs)

624
Cash Deposit Machines





Facilitates infrastructure development

₱39.5 billion

Loans disbursed for national projects

₱18.4 billion

Loans disbursed in the past 5 years for road networks

₱12.4 billion
Loans disbursed in the past



Helps businesses grow

₱43.5 billion

Outstanding SME Loans

Accelerates economic growth

₱21.9 billion

Taxes paid in 2021

Supports consumer expenditure

5% 5-year CAGR* in Auto Financing

12% 5-year CAGR* in Home Financing

7% 5-year CAGR* in Credit Cards

*Compound Annual Growth Rates



Promotes community development

121

Rural health units (RHUs) rehabilitated to date

RHUs rehabilitated in 2021

716,543
Total beneficiaries of RHUs

rehabilitated in 2021



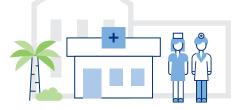




RHUs repaired in 2021

564,097 RHUs repaired in 2021

6.5 million Total RHU project beneficiaries to date





Champions financial inclusion

Financial education videos developed since 2018

2,676,297
Total beneficiaries

reached through financial education programs

Finances environment-friendly solutions

2,230 MW

Totál installed renewable energy capacity in megawatts

4,266,687 tonnes Carbon dioxide avoided per year

70,550,565 Equivalent tree seedlings

grown over 10 years

Equivalent passenger vehicles taken off roads yearly

54

Renewable Energy Projects funded to date

₱548 billion

Total Sustainable Finance projects funded to date





Sustainability Overview

BDO Sustainability Philosophy

We seek to achieve strategic resilience by incorporating sustainability in the way we do business. We aim to embed sustainability principles when making decisions, assessing relationships, and creating products.

Alignment with the United Nations Global Compact Principles

BDO supports the principles of the United Nations Global compact. The Bank upholds:

- Corporate Governance
- Climate-friendly solutions and opportunities for business
- Access to clean, renewable, and reliable energy sources and services
- The adoption of instruments that help quantify, manage, and report the carbon footprint of our businesses
- The responsibility to protect the dignity of every person and uphold human rights
- The recognition of the role of women in achieving economic growth and poverty reduction
- The elimination of all forms of forced, compulsory, and child labor

BDO Sustainability Framework

The Bank's Sustainability Framework defines the strategies that serve as guideposts in its journey towards sustainability.





Product Sustainability Strategy

We create products and services which anticipate the evolving needs of our customers and support sustainable development goals.

We develop our capabilities to understand our customers and reach the underserved markets with relevant products and services that meet their unique needs and ways of doing business.

















Sustainability Contribution Strategy

We support the achievement of national economic goals through financial inclusion and impact financing in infrastructure, eco-friendly solutions, green facilities, and disaster resilience initiatives.







Human Capital Sustainability Strategy

We develop leaders in the sustainability movement. We aim to grow a "can lead" workforce that adopts a sustainability mindset and thrives with innovative thinking and customerfocused attitude.













Disaster Response Sustainability Strategy

We leverage our resources towards the relief, rehabilitation, and recovery of disaster-stricken communities.





Governance-Based Sustainability Strategy

We continuously enhance our corporate governance framework to sustain superior business performance anchored on the principles of accountability, transparency, integrity, and fairness, together with our partners.

Supporting the United Nations Sustainable Development Goals

Achievements and Targets:



₱21.9 billion in government taxes in 2021

Target 1.a: Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.



₱17.2 billion

in loans to agribusiness projects

Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and nonfarm employment



121 Rural health units

rehabilitated to benefit 6.5 million individuals

Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.



Financial education program for target beneficiaries composed of 29 million learners and 900,000 teachers and non-teaching personnel in 47,000 public schools nationwide

Target 4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development



59% female representation in senior leadership

Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.



58.6 million

liters of water recycled by BDO Corporate Center Ortigas in 2021

Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of fresh water to address water scarcity and substantially reduce the number of people suffering from water scarcity



₱85.4 billion

in funding for Renewable Energy projects with total installed capacity of 2,230 MW

Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.



38,873

employees in the Philippines and abroad

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value



₱548 billion

in Sustainable Finance projects funded to date

Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



25% increase

in teacher's salary loan releases in Mindanao for various loan purposes including pursuit of higher education.

Target 10.2: By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic, or other status



₱165 billion

in financing for Green Building, Energy Efficiency, Clean Transport, and Pollution Control projects

Target 11.a: Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning



Publication of the 2021 BDO

of the 2021 BDO Sustainability Report

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle



4,266,687

tonnes of carbon dioxide avoided by funded Renewable Energy projects, in support of Republic Act 9513 or the Renewable Energy (RE) Act of 2008

Target 13.2: Integrate climate change measures into national policies, strategies and planning



₱1.1 billion in financing for Aquatic Biodiversity projects

Target 14.2: By 2030, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans



3,052

smallholder farmers trained on vegetable farming

Target 15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world



Platinum Award for the 12th consecutive year from The Asset's 2021 ESG Corporate Awards. BDO is among the companies recognized by The Asset for their achievements in sustainability and commitment to excellent and continuous improvement in ESG.

Target 16.6: Develop effective, accountable, and transparent institutions at all levels.



New partnerships with the Agricultural Credit Policy Council, Bureau of Fire Protection, Bureau of Fisheries and Aquatic Resources, and Philippine National Police to institutionalize financial education in capacity building initiatives for farmers, firefighters, fisherfolk, and police personnel nationwide

Target 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries

Sustainability Governance

"Since the release of our first Sustainability Report in 2018, we have kept true to the 17 Sustainable Development Goals outlined by the United Nations. We are constantly striving to infuse sustainability, inclusion, and equity into our corporate culture, products, and services."

Nestor V. Tan

President and Chief Executive Officer

BDO's commitment to sustainability is fostered at the Board level, role modeled by senior executive leaders, executed by the business units and subsidiaries, and brought to life by BDO employees. BDO's sustainable development strategies are anchored on the United Nations Sustainable Development Goals.

Development d	ivais.						
		ВО	ARD OF DIRECTO	RS			
Executive Committee C		orporate Govern Committee	ance Ris	nce Risk Management Committee		Board Audit Committee	
			▲▼				
		F	PRESIDENT & CE				
			▲▼				
	SI	JSTAINABILITY T	RANSITION STEE	RING COMMITTI	EE		
Institutional Banking Group	Investor Relations & Corporate Planning Group	Risk Management Group	Compliance Group	Central Operations Group	Human Resources Group	BDO Foundation	
		Sustain	ability Office (Co	nvenor)			
			▲▼				
	SUSTAINABILITY TECHNICAL WORKING GROUPS						
Counterparty	Process Change	Human Capital	Board Governance	Products Innovation	Facilities Management	Strategic Focus	

Roles and Responsibilities

Oversight for sustainability initiatives reside in four BDO Board Committees, aligned to their key responsibilities. The Executive Committee approves all sustainability programs across the BDO Group and their corresponding budgets for implementation. The Corporate Governance Committee oversees sustainability initiatives related to the following: culture change towards a sustainability mindset for the organization; stakeholder communication; progress reporting on programs, metrics, and targets; and sustainability reporting. The Risk Management Committee oversees environmental, social, and governance risks in the Bank's risk management system. The Board Audit Committee oversees internal audit reporting on sustainability programs and sustainability reporting, as well as compliance testing against regulatory mandates on sustainability. Across these four Board Committees, all Board Directors are effectively engaged in various capacities and according to their expertise, in driving the Bank's sustainability framework across corporate governance, risk management, strategy, and operations.

The President and CEO provides high level strategic direction on sustainability — from the articulation of the BDO Sustainability Strategies to key focus areas where the Bank has the most ESG impact. The CEO also approves the Bank's strategic external partnerships and commitments on sustainability on global, regional, and local levels. He is supported by the Sustainability Transition Steering Committee which oversees the Bank's policy formulations, programs review, and recommendations from the Sustainability Technical Working Groups, as the Bank transitions into a sustainable finance framework. The Steering Committee is composed of heads of business groups, support groups, and the BDO Foundation, whose work cover corporate governance, risk management, business strategy, operations, and corporate social responsibility. The Steering Committee meets on a quarterly basis, and as needed. Acting as Convenor for the Steering Committee is the Sustainability Office, which oversees and implements the Bank's Sustainable Finance Framework transition plan through the Technical Working Groups. The Sustainability Office also reports to the Corporate Governance Committee, drives the day-to-day implementation of sustainability initiatives, manages ESG due diligence, produces the annual Sustainability Report, and represents BDO in external forums. The Technical Working Groups are assigned a key Focus Area where BDO has the greatest ESG impact and tasked to review and enhance related policies to embed environmental and social impact principles and criteria, articulate practice into policy, and recommend and implement sustainability programs for the Bank. The Technical Working Groups are composed of representatives from business groups, support groups, and subsidiaries who are chosen for their expertise and experience in their respective fields.

Reporting Process 102-46

	-0-		_3	-4
STEPS TAKEN	Capacity Building GRI Standards training and workshops	Materiality Assessment Review of operations and management approaches, identification of key impact across the value chain and performance indicators	Data Gathering Collection of stories and data based on identified material topics	Management Review Validation and acceptance of material topics and reported information
GRI REPORTING PRINCIPLES APPLIED	Stakeholder Inclusiveness and Sustainability Context	Materiality, Sustainability Context, Stakeholder Inclusiveness, and Completeness	Stakeholder Inclusiveness and Completeness	Stakeholder Inclusiveness and Completeness

Materiality Topics 102-44, 102-46, 102-47

Data Security

How BDO safeguards the privacy and security of financial data against emerging cybersecurity threats and technologies

Topic Boundary

Within BDO and with regulators and customers

Systemic Risk Management

How well BDO is positioned to absorb shocks arising from financial and economic stress and meet stricter regulatory

Topic Boundary

Within BDO and with regulators

Access & Affordability

How BDO promotes and practices the financial inclusion of the unbanked, underbanked or underserved complemented with financial literacy to ensure that customers make informed financial decisions

Topic Boundary

Within BDO and with regulators and customers

Management of Legal and Regulatory Environment

How BDO engages with regulators and complies with legal requirements

Topic Boundary

Within BDO and with regulators

Product Design and Supply Chain Management How BDO manages Lifecycle Management How BDO incorporates environmental, social, and environmental, social, and governance risks within its governance factors into the supply chain lending process

Topic Boundary

Within BDO and with regulators and customers

Energy Management

How BDO manages its environmental impact associated with energy consumption

Employee Health & Safety

How BDO creates and maintains a safe and healthy workplace environment free of injuries, fatalities, and

Topic Boundary

Within BDO and with employees

Business Ethics

How BDO operates on principles of accountability. transparency, integrity, and fairness

Topic Boundary

Physical Impact of

How BDO incorporates

climate change into lending analysis and risk mitigation

in its mortgage finance and

insurance businesses in order

to protect shareholder value

Climate Change

Topic Boundary

Within BDO and

with regulators

Direct Economic

development

Topic Boundary

key stakeholders

Within BDO and with

How BDO delivers on

sustainable returns to its

shareholders, and attains

consistent market growth, in

support of national economic

Within BDO

Labor Practice

Customer Privacy

related to the use of

personally identifiable

information and other

customer or user data

Topic BoundaryWithin BDO and with

regulators and customers

How BDO manages risks

How BDO upholds commonly accepted labor standards in the workplace, in compliance with labor laws and internationally accepted norms and standards

Topic Boundary

Within BDO and with key government agencies and emplovees

Financing Sustainable Development

How BDO supports sustainable financing, including financing renewable energy and green facilities, and/or sustainable development for positive social impact

Topic Boundary

Within BDO and with partners and customers

Executive Responsibility

How BDO's sustainability governance structure oversees and manages ESG material topics at the Board and senior executive levels

Topic Boundary

Within BDO and with key stakeholders

Waste Management

How BDO manages the hazardous and non hazardous waste generated by its operations

Topic Boundary

Within BDO and with key government agencies

Customer Welfare

How BDO manages customer relations to cover customer satisfaction, customer experience, and welfare protection

Tonic Boundary

Within BDO and with customers

Diversity & Inclusion

How BDO ensures that its culture and hiring and promotion practices build a diverse and inclusive workplace that reflects its talent pool and customer base

Topic Boundary

Within BDO and with employees

Selling Practices and Product Labeling

How BDO manages its practices in consumer finance selling, mortgage finance lending, and insurance products sales and marketing

Topic Boundary

Within BDO and with customers

Human Rights and Community Relations

How BDO manages its direct and indirect impact on human rights in its operations, including its socio-economic community impact and engagement

Topic Boundary

Within BDO and with community partners and beneficiaries

Water and Wastewater

How BDO manages the impact of its operations on water resources

Topic Boundary

Within BDO and with key government agencies

Topic Boundary

Within BDO and

with suppliers

Topic Boundary

Within BDO

GHG Emissions

How BDO manages its direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions (GHG) generated through its operations, and GHG emissions from lending and financial intermediary activities (Scope 3)

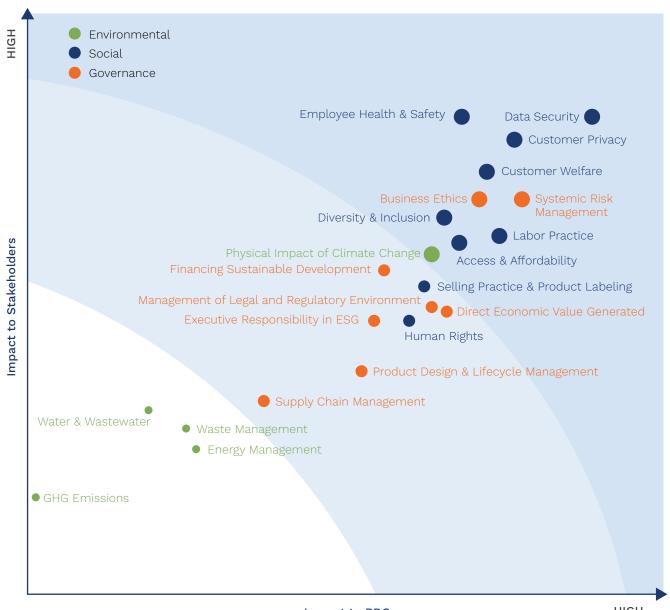
Topic Boundary

Within BDO and with key stakeholders

Note: Total of 22 Materiality Topics for BDO

ESG Materiality Matrix 102-43, 102-44, 102-46

For the 2021 Sustainability Report, BDO engaged the services of S&P Global to conduct an updated review of material Environmental, Social, and Governance (ESG) topics relevant to the Bank, in support of its sustainability-related disclosures. This is the second ESG Materiality Assessment for BDO since the Bank issued its first Sustainability Report in 2018, and it aims to capture current ESG challenges that impact the Bank and its stakeholders. The 2021 ESG Materiality Assessment identified ESG topics using the Global Reporting Initiative (GRI) standards, the Sustainability Accounting Standards Boards (SASB) framework, and the Task Force for Climate-related Financial Disclosures recommendations, as well as topics reported on by BDO's peers. S&P Global designed a bespoke stakeholder survey for BDO's internal and external stakeholder groups to rate the importance of identified material topics to the Bank's ESG impact on stakeholders, and identify ESG factors that affect the Bank. This enhanced stakeholder group engagement for materiality assessment aims to better prepare BDO to anticipate and mitigate emerging risks to the Bank and to its stakeholders. The resulting matrix shows the intersection of ESG topics most important to both, as ranked by stakeholders in the Philippines and overseas. Our performance on these material issues are discussed in this report.



Stakeholder Engagement

102-40, 102-42, 102-43, 102-44

Stakeholder Group	Relevance	Channels of Engagement	Relevant Topics	Our Commitment
Shareholder or Investor	Providers of resources essential to BDO's goal to deliver results, enhanced economic returns, and shared value	Annual Stockholders' MeetingInvestor meetings	Access and AffordabilitySystemic Risk Management	 Continue to promote the financial inclusion and financial literacy of the unbanked, underbanked, or underserved Enhance embedded environmental and social criteria in credit risk and operational risk systems
Employee	■ Proponent of BDO's vision, mission, and objectives	Face-to-face meetingsAnnual performance appraisals	Employee Health & SafetyCustomer Welfare	 Prioritize occupational health and safety at all times Provide timely feedback to customer concerns
Customer or Client	 Patrons of BDO's products and services 	Customer touchpointsRegular visits and briefings	Customer PrivacyData SecurityGreenhouse Gas Emissions	 Provide guardrails to manage risks related to customer or user data Safeguard the privacy and security of financial data against emerging cybersecurity threats and technologies Disclose our Scope 1, 2 and 3 emissions
Creditor	 Source of assets that support BDO's business 	 Regular correspondence and updates 	Business EthicsFinancing Sustainable Development	Meet our contractual obligations
Service Provider or Supplier	 Suppliers and service providers vital to BDO 	Vendor accreditation processRegular	Business EthicsSupply Chain Management	 Continue to operate on principles of accountability, transparency, integrity, and fairness Manage ESG risks within our supply
Regulator or Policy Maker	 Driver of regulations and policies that aid BDO in achieving its goals 	correspondence Formal and informal correspondence Regular audit	 Data Security Access and Affordability Business Ethics 	 chain, in partnership with suppliers Safeguard the privacy and security of financial data against emerging cybersecurity threats and technologies Continue to promote the financial inclusion and financial literacy of the unbanked, underbanked, or underserved Continue to operate on principles of accountability, transparency, integrity,
Community Beneficiary	 Partners in community development and local economic growth 	 Community engagement dialogues Meetings for program implementation 	Customer PrivacyHuman Rights and Community Relations	and fairness Provide guardrails to manage risks related to customer or user data Protect human rights in our operations, including our socio-economic community impact and engagement
Analyst or Research Organization and Media	 Partners in accurate reporting, upholding transparency and integrity 	Analysts' briefingsMedia events	Financing Sustainable DevelopmentPhysical Impacts of Climate Change	 Continue to support sustainable financing and sustainable development Incorporate climate change into lending analysis and risk mitigation in our businesses to protect shareholder value



Product Sustainability Strategy



BDO creates products and services that anticipate the ever-changing needs of customers; make financial inclusion possible for the unbanked and underserved; support the growth and expansion of businesses; contribute to the country's long-term economic development; and, ultimately, support the UN Sustainable Development Goals.

















Helping customers achieve their goals through innovation

BDO has a long history of pioneering innovative banking solutions that changed the way Philippine banks serve customers. The Bank introduced extended banking days and hours to meet the needs of business owners and entrepreneurs. It lowered minimum initial deposits to encourage more people to engage in banking transactions. It offered affordable and flexible consumer loan packages to support consumer spending. BDO also leveraged the retail experience and reach of SM companies to establish bank branches in malls for greater customer convenience. It was the first to promote digital and mobile banking to save paper while making bank transactions faster and more convenient. BDO was the first local bank in the country to roll out a debit card with an embedded Europay Mastercard Visa (EMV) chip to protect against electronic banking fraud, as well as first to fully retrofit its Automated Teller Machines (ATM) network to allow EMV chip debit card transactions.

In 2021, BDO continued to introduce new products and enhance its services, to address the evolving needs of customers during the pandemic and to pursue opportunities to be more sustainable in its practice. Financial inclusion initiatives made banking at its easiest, with zero initial deposit and zero minimum maintaining balance. The Bank also intensified efforts to offer financial services with non-financial support through financial education programs across various sectors of society, particularly in supporting women entrepreneurs post-COVID-19. BDO found ways to operate on business-as-usual mode in the most unusual circumstances to bring its products and services to where they were needed most.

Finding ways to serve through digital banking

With lockdowns in place that restricted movement and industrial activity, the earth's carbon footprint reached record lows. What reached record highs was the volume of online transactions, as people shifted to digital technology for their regular everyday needs. This was particularly true for the finance sector as consumers embraced e-wallets and similar virtual options.

In 2021, this led to a 31% rise in digital banking from the previous year for BDO. The impact was universal, cutting across personal online banking channels as well as new payment solutions for merchants.

BDO's digital platforms allowed customers to continue going about their business and personal financial responsibilities despite the pandemic. They gave a semblance of the old normal, but offered the assurances demanded by the current pandemic situation:

- Convenience. Customers can transact 24/7 anytime, anywhere even in the comfort of their most private spaces.
- **Safety.** Digital platforms eliminate the need to go out and use potentially contaminated machines, reducing the risk of catching the virus.
- **Security.** The new BDO digital channels make use of technology such as biometrics and multi-factor authentication for secure transactions.
- **Reduced carbon footprint** as a result of decreased travel for bank or business transactions.

BDO Pay and BDO Pay Account

BDO Pay, launched in March 2021, is a payment app that provides BDO depositors a seamless experience for everyday financial transactions. Linked to customers' BDO savings account and credit cards, the app eliminates the additional cash-in step and gives users an easier way to send money to loved ones, pay their utilities and other bills, and pay for purchases at over 12,000 acceptance points nationwide by simply scanning a Quick Response (QR) code.

Despite fierce competition, BDO Pay made big inroads in the digital banking category, leveraging on BDO's large client base and attracting non-BDO depositors as well. The BDO Pay Account was subsequently launched, allowing non-BDO customers to open an account anywhere and anytime through the app. Requiring only one ID and with zero initial deposit and zero minimum maintaining balance requirements, BDO Pay Account is the easiest way to start banking with BDO.

BDO Pay Account is in line with the digital transformation roadmap of the Bangko Sentral ng Pilipinas (BSP) to provide bank accounts to at least 70% of Filipinos by 2023. It was, in fact, developed to primarily serve the unbanked sector, including consumers in rural and remote areas.

By the end of 2021, BDO recorded a 33% growth in transactions through BDO Pay and BDO Website, with a total value of over ₱1.5 trillion. This growth was largely fueled by send money transfers, both to BDO accounts and other banks, as well as bills payment transactions.

BDO Checkout

BDO's digital innovations extended to its merchants whose needs were addressed by the launch of BDO Checkout, an online payment solution that allows businesses of all sizes to accept credit card, debit card, and mobile wallet payments even without a website or outside of the large e-commerce platforms. This was particularly helpful for individual sellers and other micro, small and medium enterprises that make up 90% of the onboarded merchant partners in 2021. By year-end, total transaction value through BDO Checkout was over \$\bigselow{100}{\infty}0000 million.

Through its ongoing digital banking initiatives, BDO finds ways to make the business work for its clients.

Another BDO First: Biometrics-enabled ATMs

BDO was once again the first bank to fully retrofit its ATMs to enable the processing of unique individual biometrics data, using fingerprint and face recognition technology in authenticating transactions for balance inquiry and cash withdrawals. In addition to biometrics, BDO ATMs also allow customers to provide specific data (account name, account number, mobile phone, number, and/or email address) in each transaction to maintain multi-factor authentication in compliance with the Bangko Sentral ng Pilipinas Circular No. 958, Series of 2017 on Technology Risk Management. The ATMs also allow the use of QR codes to validate transactions.

₱1.5
trillion
BDO Pay Transactions
(33% Growth)

BDO Pay
Account
Zero Initial Deposit
Zero Minimum
Maintaining Balance

1,205
Biometrics-enabled
ATMs Nationwide

The ATM innovation serves to enhance both customer experience and security, as well as reduce plastic waste. Customers no longer need to have or bring plastic ATM cards and memorize their Personal Identification Numbers (PINs). The biometric ATMs also protect customers from unauthorized withdrawals due to card skimming or cloning. Popularizing the use of biometric features in ATMs likewise aims to bring down the amount of plastic generated for ATM card production.

As of end 2021, BDO has deployed a total of 1,205 biometrics-enabled ATMs, with majority of the retrofitted machines located in the National Capital Region and the rest deployed in large provinces nationwide. BDO aims to retrofit an additional 795 ATM for biometrics capabilities in 2022.

Customer response to the biometrics-enabled ATMs has been very positive and in favor of security measures and convenience. The ATMs also reinforced BDO's reputation as the innovative bank that lives up to the "We find ways" philosophy in service of its customers' needs.

Agency banking with Cash Agad

Cash Agad is a banking solution which allows debit and prepaid cardholders to perform banking transactions through point-of-sale (POS) machines deployed to Cash Agad partner agents, such as *sari-sari* stores, groceries, hardware shops, pawnshops, cooperatives, and other local establishments. Due to the limited mobility brought about by COVID-19 lockdowns during virus surges and the lack of public transportation, Cash Agad agents in the provinces and remote areas became the main option for people to withdraw cash from their bank accounts.

In 2021, Cash Agad continued to grow, with increased transactions at 60.6 million from the previous year's 41.4 million. Total cash withdrawals also went up to \$\mathbb{P}\$262 billion, from 2020's \$\mathbb{P}\$176.5 billion. Cash Agad's agent network in 2021 was at 9,530, compared to 8,872 previously, and covered 88% of the total municipalities in the country, compared to last year's 86%.

Just as the year was coming to a close, a week before Christmas, Super Typhoon Odette (international name: Rai) hit the Visayas and Mindanao regions in Southern Philippines, affecting 1.8 million people and displacing 600,000 from their homes and places of business. BDO's Cash Agad partner agents once again pulled through for their communities. With many bank branches and ATMs damaged by the super typhoon, top partner stores provided critical withdrawal services to cash-strapped families across calamity-stricken regions for food, water, medicine, transportation out of danger zones, and immediate home repairs. Cash Agad allowed families to survive the first week of the devastation, while awaiting relief and recovery assistance, particularly in the rural areas on the outskirts.



Cash Agad promotes sales for partner MSMEs in the community

60.6
million
Cash Withdrawal
Transactions

9,530
Partner Agents

88% Philippine Municipalities Covered

Improving financial wellness through investing

BDO Trust continues to support the bank's advocacy for financial inclusion and responsible investing through its continuing financial literacy campaign, BDO Easy Investment Plan, PERA, and the BDO ESG Equity Fund.

BDO Trust prides itself in having a dedicated team that provides financial education programs to clients for over a decade before the inception of the Sustainable Development Goals. BDO Trust teaches proper budgeting, wise investing habits, and retirement planning to different audiences: clients, employees, teachers, and blue-collared workers, to name a few. The group's advocacy for financial wellness led to the development of the BDO Easy Investment Plan (EIP) which allows clients to invest in Unit Investment Trust Funds (UITFs) for minimum investment amounts of ₱1,000 (US\$20) for peso-denominated funds and US\$200 for United States dollar-denominated funds. Through the EIP, clients build up their emergency fund or invest for their financial goals affordably. BDO also became the first institution to offer the Personal Equity and Retirement Account (PERA) to Filipinos to help them augment their retirement pay and plan for a comfortable retirement. By providing financial education and offering BDO EIP and PERA, the Bank makes it possible for Filipinos to have better access to financial products and services. These initiatives help promote social and economic inclusion in the country.

Throughout 2021, BDO Trust conducted several live and recorded webinars teaching both clients and potential clients proper budgeting, wise investing habits, and retirement planning. The use of technology enabled BDO Trust to carry out its training and educational activities despite limited mobility. This also allowed us to reach 1,779 participants across the country. BDO Trust runs different types of seminars to cater to the different investment needs of Filipinos: **Start** (on the basics of investing), **Fit** (on how to create a simple and effective financial plan), **Move** (on understanding how to diversify your investment portfolio), and **Forward** (on how to prepare for your retirement). BDO Trust also offered special webinars on demand for clients interested to invest in PERA or to know more about the benefits and features of BDO Easy Investment Plan.

Webinars Held in 2021	Total Number of Financial Literacy Talks Conducted	Total Number of Participants
Start (Basics of investing)	13	1,129
Fit (How to create a financial plan)	3	165
Move (How to diversify your investment portfolio)	2	33
Forward (How to prepare for your retirement)	6	425
Special Webinars	16	791
Total	40	2,543

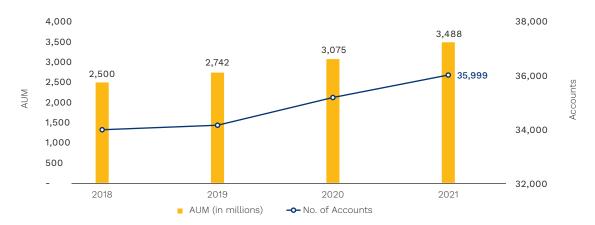
BDO Easy Investment Plan

The BDO Easy Investment Plan (EIP) serves both novice and savvy investors who have increasing interest in the EIP. This is evident through the consistent growth of Assets Under Management (AUM) for the past three years, resulting in AUM almost reaching the ₱3.5 billion mark. Almost 36,000 clients have EIP accounts with BDO Trust.

₱3.5 billion EIP Assets Under Management

36,000 EIP Clients

BDO Easy Investment Plan



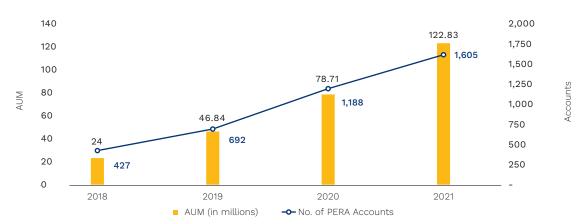
BDO Personal Equity and Retirement Account (PERA)

BDO Trust was the first trust entity accredited by the Bangko Sentral ng Pilipinas and the Bureau of Internal Revenue to become an administrator for PERA, a voluntary retirement savings account. Since December 2016 when PERA was launched, BDO Trust has continued to push for PERA through free retirement seminars to both clients and the general public. As of December 31, 2021, BDO Trust serviced 1,605 PERA individual contributors with a total investment of ₱122.83 million in BDO PERA UITFs, up from ₱84 million the previous year.

₱122.83 million

1,605
PERA Individual
Contributors

PERA



BDO ESG Equity Fund

The BDO ESG Equity Fund was created in 2015, the country's first ESG-themed UITF to support and promote local companies supportive of societal and sustainability goals, primarily defined through exemplary environmental, social, and good governance attributes — factors that measure the sustainability and ethical impact of an investment.

The BDO ESG Equity Fund subscribes to specific guidelines based on the International Finance Corporation's (IFC) criteria for ESG investing — an advantage of the Bank's longtime productive partnership with the IFC. The Fund does not invest in companies with the primary business of selling alcohol or tobacco, or engaging in gaming or mining.

The Fund has the potential to grow exponentially in size and importance as more investors start to see value in socially responsible investing. More clients prefer companies that manage their environmental and social risks and practice good governance which they believe create positive contributions to society. BDO has taken a more active approach in promoting the BDO ESG Equity Fund to both retail and institutional clients.

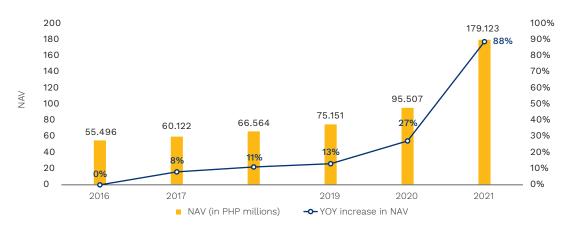
In the past five years since it was first launched, the BDO ESG Equity Fund Net Asset Value (NAV) has grown considerably. As of end December 2021, the Fund's NAV is at ₱179.12 million or approximately US\$3.5 million. That's a 223% increase or an average growth of 29% in NAV per year for the past 6 years. Year-to-date, the Fund has grown by 88% mainly due to clients starting to consider sustainable investing and also due to its outstanding performance. The Fund has returned 5.89% to investors in the past year, outperforming the Philippine Stock Exchange index (PSEi), by more than 5%. The Fund also provided robust long term returns, outperforming the PSEi by more than 3% in a 5-year period and since its inception. The BDO ESG Equity Fund posted 1.44% Compound Annual Growth Rate (CAGR) since its inception compared to the benchmark CAGR of 0.93%.

223% Net Asset Value Growth from 2016-2021

88% BDO ESG Equity Fund Growth

5.89%
Return On Investments in 2021

BDO ESG Equity Fund



BDO's Cash Management Footprint

As a full-service universal bank with the widest branch network, BDO has become one of the biggest providers of Cash Management Services (CMS) in the country. This remained true all throughout the pandemic as BDO facilitated both non-digital and digital CMS. Clients appreciated how BDO was able to operate even during weekends and, whenever possible, during extended banking hours. Access to cash, especially via payments and collections, became crucial to the survival and recovery of businesses and individual customers during the pandemic crisis.

BDO provides CMS in all major cities including cash pick-up and delivery, checks printing and releasing, and postdated checks warehousing. The Bank's corporate online banking platform, Business Online Banking (BOB), provides banking convenience in a secure way, wherever the customer is located.

In 2021, BDO Cash Management's total client base reached 61,277 corporate names. Of this total, 42% were either newly on-boarded into Cash Management Services (CMS), or expanded their CMS business by signing up for additional CMS products. Total CMS transaction volume in 2021 was a little over 100 million, with value of more than ₱8 trillion in processed transactions for collections and payments combined.

With the continuing impact of the pandemic in 2021, BDO CMS focused on introducing, educating, and migrating customers to its digital products and services. The CMS team continued to leverage on the strength and convenience of BDO channels in providing digital solutions so that customers can continue to bank safely from their homes or offices.

Recognizing that small and medium enterprises (SMEs) were hit hardest by the pandemic, BDO CMS focused its efforts in supporting this market segment. The move resulted in significant percentage gains from both new clients or new availments from current clients by 83% in 2021.

Product sustainability via partnership

Apart from the CMS team's own efforts to deliver Cash Management, they also forged partnerships in support of the Bank's Product Sustainability Strategy that commits to provide banking access to the underserved. BDO CMS provided access to cash machines in partnership with ATM providers who have the capability to install ATMs at an accelerated pace and use cash recycling, reducing efforts, and optimizing cash servicing. CMS also sponsored the settlement requirements of fintech companies or e-Money providers to further accelerate financial inclusion. The CMS team now consciously seeks out business partners with particular objectives that are in line with the principles of BDO's Sustainability Framework.

₱8
trillion
CMS Transactions
Processed

100 million CMS Transactions Volume

42%
CMS Deals Growth

CASE STUDY

Harvesting success for East-West Seed Company

East-West Seed (EWS) is a global seed company that develops, produces, and markets hybrid tropical vegetable seeds to some 20 million smallholder farmers worldwide. Founded in 1982 in Lipa City, Batangas, Dutch seedsman Simon Groot and Filipino seed trader Benito Domingo had a vision to improve the income of smallholder farmers in the tropics through its high-quality seeds. But just like a seed that began seeking fertile ground to thrive in, EWS struggled at first to gain the confidence of the Filipino farmers.

EWS has since grown to become one of the 10 largest vegetable seed companies in the world. Using superior vegetable breeding combined with a carefully cultivated nurtured relationship with local farmers wherever it operates, East-West Seed has grown exponentially over the many years and holds market leader position in not just the Philippines but also Thailand, Indonesia, Myanmar, and Sri Lanka, while also expanding its business activities in India, China, South America, and Africa.

Amid the pandemic, East-West Seed also hit a milestone on the financial side of things: the company recently switched to digital platforms in handling most of their financial transactions and processes. According to Julius Sulit, Country Finance Head for East-West Seed Philippines (EWPH), the pandemic posed constraints on the way the company accessed its funds, collected payments, and issued checks. Before the pandemic, a lot of these processes were done manually by him and his team. But when the pandemic hit, many bank branches were closed; it was no longer possible to physically transact with banks.

The CMS provided by BDO to East-West Seed Philippines included the automated check writing facility that allowed the company to hand over the tasks of check writing to BDO.

Switching to automated check writing also meant that the record-keeping and access to financial information became digital as well. Julius said that this is more convenient since he could now quickly access the information he needs on his laptop with just a few clicks. Once the nominated authorizer of the company approves the transactions, the checks are printed by BDO and then picked up by the payees at a BDO branch, making for a convenient and stress-free customer experience. Even processing of customer payments is made so much easier.

"Overall, BDO cash management helped us become more efficient in terms of time and monetary cost for our financial operations. We save so much time, money, and effort now that many of these financial administrative tasks were integrated into a cash management system," said Julius.



East-West won over Filipino farmers with higher returns from hybrid seeds tailored to local farming conditions

Finding ways for Filipino workers overseas

Despite the spread of new and more contagious variants of the COVID-19 virus in 2021, BDO Remit successfully expanded its business and greatly increased its transactions volume globally, thanks to its ability to sustain 24/7 operations facilitating remittance transactions from Overseas Filipinos Workers (OFWs) worldwide.

Amid the pandemic, BDO Remit offices remained open, while its marketing representatives in Asia, Middle East, North America, and Europe continued to serve their clients who were in dire need to send money as emergency assistance to their loved ones in the Philippines. The Bank even opened an office in Dubai, one of its largest markets in the Middle East, which served as an OFW hub to assist customers on their acounts and other financial queries.

Sustaining its presence and operations served the Bank well, as it facilitated thousands of overseas accounts in 2021, representing an 84% increase from the previous year. BDO remittance transactions grew by 17%, while its remittance volume also grew by 18% as of December 2021. This is a remarkable accomplishment as the remittance industry volume grew by only 5% as of the same period (per BSP data).

Sailing through rough times

BDO Remit clients who maintain a Kabayan Savings account benefitted greatly from the Bank's sustained operations as they were able to receive remittances easily. Cash was always available at ATMs that were open 24/7. ATMs were also a safer way to claim money as they were less crowded than other cash pick-up locations. Among the OFWs who very much needed assistance during the pandemic were Filipino seafarers. As they worked through different time zones, they needed financial service providers that can support them at any given time. BDO Remit received recommendations from its manning agency partners for its round-the-clock service dependability that ensured remittances were credited on time, particularly during lockdowns. As manning agencies continued to trust BDO Remit, some of them even required their seafarers to open BDO accounts before boarding.

17%
Growth in
Total Remittance
Transactions

18% Growth in Total Remittance Volume



The new BDO office in Dubai

"We appreciate that BDO was the only bank catering to our needs during the height of the pandemic, especially during the early months of the lockdown."

Magsaysay Maritime Corporation

Championing the countryside

Most OFW family beneficiaries are based in the provinces, with limited to zero access to banking services. To enable OFW family beneficiaries to easily encash their remittances, BDO Remit campaigned for greater awareness of the Bank's Cash Agad banking solution in areas with high concentration of OFW families. Where bank branches or ATMs are too far and too expensive to travel to, Cash Agad partner agents such as sari-sari stores, pharmacies, groceries, hardware stores, and other establishments in the community can cash out though point-of-sale machines. BDO Remit also collaborated with local government units for the use of basketball courts and waiting sheds for visible marketing space. BDO Remit also conducted a parallel campaign abroad to inform OFWs themselves of the Cash Agad service.

Withdraw in as Cash Agail BDO BRGY, APA

A Cash Agad partner agent in Barangay Apalit, Pampanga, Northern Luzon, 12 kilometers away from the closest city

Together apart

While other banks' remittance services were disrupted due to the pandemic, BDO Remit continued with its Pre-Departure Orientation Seminars (PDOS), in collaboration with the Overseas Workers Welfare Administration (OWWA). As the PDOS shifted from face-to-face to virtual, BDO Remit provided support to OWWA by quickly implementing enhanced internet connections in its classrooms at United Nations Avenue and Padre Faura in Manila as part of efforts to help the government agency achieve continuous deployment of Filipinos overseas. As of December 2021, some 173,737 participants benefitted from 3,762 financial literacy lessons conducted by BDO Remit as part of the PDOS.

BDO Remit hoped to hold its annual *Pamaskong Handog* (Christmas Treat) concert in the traditional face-to-face manner similar to previous years. However, due to the surge in COVID cases in the Philippines, the team instead held a *Salu-salo* (Christmas gathering) in its offices in Hong Kong, Macau, Japan, United Arab Emirates, the United States, Canada, Italy, France, and the United Kingdom.

BDO Remit invited its long-time, valued clients and treated them to a "Filipino Christmas" get-together with lots of food and fun games with their countrymen. The clients were grateful for a very meaningful celebration and expressed their heartfelt appreciation to BDO Remit for making them experience the Filipino Christmas spirit after being on lockdown for several months.

173,737 OFWs

Financial Literacy Lessons Participants

3,762
Financial Literacy
Lessons Conducted



BDO Remit held get-togethers for clients at its overseas offices



Scan to view Pamaskong Handog videos online

CASE STUDY

Achieving golden hopes with financial management

Adding to the OFWs' models of inspiration is Hidilyn Diaz, the Philippines' first-ever Olympic gold medalist, who joined BDO's family of brand ambassadors in October. The Bank tapped Hidilyn as its advocate for financial literacy for the underserved and unbanked markets.

Hidilyn's experience resonates with OFWs, as she trains abroad for various weightlifting competitions to represent the country and receives allowances while she is away from home.

During her introductory press conference, Hidilyn — who once wanted to work as a bank teller — shared the lessons she has learned from handling her finances after receiving financial incentives.

"Mahalaga ring may relationship at tiwala tayo sa bangko kung saan natin ilalagay ang ating mga pinaghirapan. Tiwala tayo sa kanila kasi expert sila sa pagtulong palaguin ang ating mga finances. Halimbawa, kung gusto kong magtayo ng negosyo pagkaretiro ko, o bigyan ko ng retirement ang aking mga magulang, alam nila kung paano nila ako gagabayan. Importante ring may serbisyo sila kung saan ako makakapagpadala ng pera sa pamilya ko sa Zamboanga habang nagte-training ako sa abroad. Nakita ko lahat 'yan sa BDO," she said. (It's also important to have a relationship and trust in the bank where we deposit the fruits of our labor. We should be able to trust them in growing our finances. For instance, if I want to start a business when I retire or provide retirement funds for my parents, the bank should have the expertise to advise and guide me. It's also important that they can provide services wherever I am training abroad so I can send money to my family in Zamboanga. I found all these in BDO.)

Hidilyn's narrative is a microcosm of the dilemmas facing OFWs and their families when it comes to managing hard-earned money from working overseas. Her testimonial serves as a powerful advocacy for the Bank and the importance of personal financial management among millions of OFWs worldwide.



Heavyweight lifter Hidilyn Diaz, the Philippines' first Olympic gold medalist and BDO brand ambassador



Financial literacy for OFWs is one of Hidilyn's advocacies

Sustainability Contribution Strategy



BDO supports the Philippine economic development goals through financial inclusion and impact financing in renewable energy, infrastructure, eco-friendly solutions, green facilities, and disaster resilience initiatives.

BDO contributes to the country's sustained economic growth through delivering various banking products and services that help create a dynamic business environment, promote local and foreign investments, and accelerate economic activities.

BDO Foundation champions financial inclusion as one of its two key advocacies. The Foundation partners with various institutions to bring financial education and scale it to large target sectors, from public school students, teachers and non-teaching personnel to Overseas Filipino Workers to members of the Armed Forces to police personnel nationwide.

















Economic Impact

Over the years, BDO has strengthened its position as the country's leading full-service bank with capabilities to serve every Filipino's banking needs. The Bank continues to expand its business franchise through sustained branch expansion focused on provincial areas, supplemented by Automated Teller Machines (ATMs), digital channels and agency banking, as well as increased market coverage to include the unbanked and underserved segments of the population in support of financial inclusion. These initiatives have allowed BDO to generate and distribute economic value, supporting economic activity in the country.

As COVID-19 infection cases fell with rising vaccination coverage, the Bank continued to safeguard the health and well-being of its employees and clients through sustained health and safety protocols, regular testing, and active vaccination campaign; ensure the availability of its products and services through branches and digital channels despite recurring lockdowns; and support communities through quick disaster response and financial inclusion initiatives.

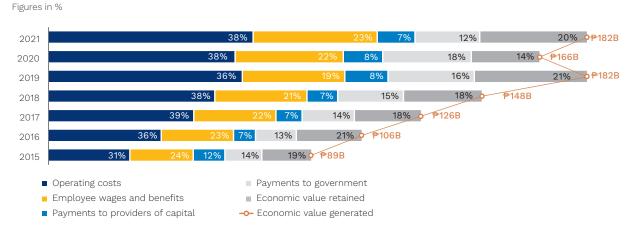
Economic Value Table Brief

Increased economic activities following the easing in mobility restrictions and gradual economic re-opening allowed the Bank to post a 9% increase in its direct economic value generated to \$\mathbb{P}\$182 billion in 2021, almost back to pre-pandemic 2019 levels after the 9% decline in 2020. Over the last five (5) years, the Bank's direct economic value generated went up by 11% on a CAGR basis, notwithstanding the negative impact of the pandemic on Bank operations in 2020.

Of the total direct economic value generated, about 80% or ₱145 billion went to direct economic value distributed, marking a slight increase over 2019-2020 levels. Wages and benefits increased by 12% to ₱42 billion, representing nearly 29% of total economic value distributed, and effectively benefitting more than 38,000 BDO employees, helping create multiplier impact on domestic demand/consumption. Meanwhile, other operating costs rose by 9% to ₱69 billion, including expenses incurred to keep both BDO clients and employees safe through various measures, including regular antigen testing of employees.

The Bank's total tax payments amounted to almost ₱22 billion, representing its contribution in government's efforts to revive economic activity following the country's deepest contraction in 2020. In addition, the Bank's community investments amounted to ₱86 million as BDO actively carried out its corporate social responsibility through BDO Foundation, by providing relief, funding rehabilitation, and helping advance the recovery of disaster-stricken communities in the country, as well as supporting the government's vaccination drive through the donation of vaccines to identified sectors.

Economic Value Table



Managing Climate Change Risks and Opportunities

BDO recognizes that climate change brought about by accelerated economic growth and globalization is a planetary issue that requires an urgent global, coordinated response. To this end, BDO supports the landmark 2015 Paris Agreement between the world's governments that commits to the common goal of limiting global temperature increase to well below 2 degrees Celsius, while pursuing efforts to limit the increase to 1.5 degrees. BDO also supports the Philippines' nationally determined contribution to the Paris Accord to reduce its greenhouse gas (GHG) emissions within the coming years leading up to 2030.

BDO recognizes that increased carbon emissions result in heightened environmental and social risks — in particular, transition risks and physical risks than can directly impact the Bank's financial value chain. The Bank recognizes that it plays a critical role in the Philippines towards contributing to a global low carbon economy pathway primarily through utilizing its financial resources, extensive operations and network, and access to millions of Filipinos worldwide.

Managing our Environmental, Social, and Governance impact

Over the years, the Bank has adhered to sustainable finance practices that long incorporated Environmental, Social, and Governance (ESG) in a way that it conducts business as an organization and as a bank committed to sustainability.

From a risk perspective, the Bank has abided by its Social and Environmental Management System (SEMS) Policy that risk-categorizes all corporate and commercial borrowing accounts according to their social and environmental impact since 2010. The Bank's SEMS was co-developed with the International Finance Corporation (IFC) and based on IFC's ESG standards. SEMS categorizes ESG risks as High, Medium, and Low, based on type (sector/industry), location (proximity to environmentally and socially sensitive areas), sensitivity (potential impact whether irreversible/reversible), and extent of environmental/social issues.

The Bank's SEMS policy prohibits financing of any activity engaged in the following:

- production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international bans,
- production or trade in weapons and munitions, gambling, online gaming and equivalent enterprises,
- any business related to pornography and/or prostitution,
- production or activities involving harmful or exploitative forms of forced labor/harmful child labor,
- commercial logging operations in primary tropical moist forest,
- production or trade in wood or other forestry products other than from sustainably managed forests, among others.

This early integration of ESG risks in the lending practice shows the Bank's adoption of sustainability in its business operations to achieve stability and resilience in the financial value chain. It also antedates any global, regional or local regulations or incentives for sustainable finance from a risk perspective.

Pioneering Sustainable Finance

Simultaneously, BDO also instituted its Sustainable Energy Finance (SEF) Program in 2010, in partnership with the IFC to leverage on its global experience in green finance particularly in the technical evaluation of renewable energy, energy efficiency and green building projects. In the same year, BDO created the Sustainable Energy Finance Desk, later renamed the Sustainable Finance (SF) Desk, to strengthen its internal capabilities in financing opportunities within the spectrum of sustainable energy projects and provide value-added technical advisory to clients to ensure the projects' viability.

The SF Desk has conducted intensive capacity building among BDO lending, credit, and branch officers to raise awareness on the economic, environmental, and social benefits of financing sustainable energy projects. Apart from renewable energy, the trainings built the knowledge and confidence of branch officers and staff to engage clients in looking into their business operations and finding opportunities to improve energy savings through options such as retrofitting buildings, adapting energy efficient lighting and air-conditioning systems, and developing green buildings.

The SF Desk also authored the BDO Sustainable Finance Framework (SFF) for the use of financial instruments to fund responsible projects that facilitate climate resilience and promote inclusive economic growth. The SFF ensures the strategic resilience of financial products and services in accordance with BDO's five Sustainability Strategies and aligned with UN Sustainable Development Goals (UN SDGs).

The BDO SFF was certified and endorsed by Sustainalytics, a leading and independent ESG research and ratings provider based in New York. In its Second Party Opinion (SPO), Sustainalytics expressed that "BDO's Sustainable Finance Framework is credible and impactful, and aligns with the Sustainability Bond Guidelines of 2018, Green Loan Principles 2020, and the ASEAN Sustainability Bond Standards 2018." Sustainalytics also stated that the SFF's eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 2, 6, 7, 8, 11, 12, and 15. The SPO paved the way for BDO to announce its plan to offer its first ASEAN Sustainability Bond in early 2022.

Regulatory mandate for a Sustainable Finance Framework

On June 26, 2021, the BDO Board of Directors approved the BDO Group's transition plan towards a Sustainable Finance Framework (SFF), in compliance with the Bangko Sentral ng Pilipinas (BSP) Circular 1085 of the same name.

Not to be confused with the BDO SFF for bonds issuance, the BSP-mandated SFF compels all Philippine banks to embed sustainability principles, including those covering environmental and social risk, in the following areas: Corporate Governance Framework; Risk Management Systems; Strategic Objectives; and Bank Operations. The transition is set within a 3-year period, from 2020 to 2023. BSP 1085 also mandates the integration of environmental and social (E&S) risks in the enterprise-wide risk management frameworks of banks into the Environmental & Social Risk Management System (ESRMS). BSP Circular 1128 on the particular guidelines for the ESRMS was released in October 2021.

The Board deliberations and final approval of the transition plan took place in both the May and June 2021 full Board meetings. With key discussions led by the BDO Chairperson and the President & CEO, the Board set out the following directions for the Bank's transition:

- Sustainability at BDO is a journey that takes into consideration the Philippine context and the complexity and scope of BDO operations. The Bank will continuously assess and find the optimal mix of trade-offs to strike a balance between national economic development that requires affordable energy and the broader goal of climate sustainability. The Bank also recognizes that the transition will not happen overnight, but BDO is committed to keep moving forward to achieve its sustainability goals and be responsible for its economic, environmental, and social impact to clients, communities, and the country.
- BDO will take an institutional approach to Sustainability. The Transition Plan covers the whole BDO Group and prioritizes 7 Key Focus Areas where BDO can make the most significant environmental, social, and governance impact as a conglomerate. These Focus Areas were aligned with the five BDO Sustainability Strategies, the BSP Circular 1085, and the UN Sustainable Development Goals.

BDO Transition Plan to a Sustainable Finance Framework: Key focus areas

Objective	Focus Area	ESG Impact
Ensure that the counterparties follow Sustainability principles and apply environmental and social (E&S) criteria in their governance, conduct of business, and operations	Counterparties	BDO: Sustainability Strategies 2, 5 BSP: Sustainable Finance Framework feature: E&S principles embedded in bank operations UN: Sustainable Development Goals (SDG) 1, 8, 10, 12
Ensure that we embed E&S criteria in existing and future products and services, and map these against the 5 Sustainability Strategies and 17 Sustainable Development Goals	Products and Services	BDO: Sustainability Strategy 1 BSP: Sustainable Finance Framework feature: E&S considered in bank products and services UN: Sustainable Development Goals (SDG) 9, 10
Ensure that E&S impact is a key consideration in the execution of key operational processes	Key Processes	BDO: Sustainability Strategy 2 BSP: Sustainable Finance Framework feature: E&S embedded in bank operations UN: Sustainable Development Goals (SDG) 12
Enhance alignment of HR Policies with equitable and inclusive workplace practices that promote a sustainable mindset among employees	HR Policies	BDO: Sustainability Strategy 3 BSP: Sustainable Finance Framework feature: E&S embedded in bank operations and governance UN: Sustainable Development Goals (SDG) 5, 8, 10
Ensure that Facilities Management systems mitigate Environmental Impact and support sustainable practices	Facilities Management	BDO: Sustainability Strategy 2 BSP: Sustainable Finance Framework feature: E&S embedded in operations UN: Sustainable Development Goals (SDG) 6, 12
Ensure that Strategic Focus Areas support the Bank's Sustainable Finance Framework	Strategic Focus	BDO: Sustainability Strategies 2, 4 BSP: Sustainable Finance Framework feature: considered in Strategic Objectives UN: Sustainable Development Goals (SDG) 1, 2, 5, 9, 13, 17
Strengthen Board Governance with E&S risk-based oversight to promote a sustainability culture and mindset	Board Governance	BDO: Sustainability Strategy 5 BSP: Sustainable Finance Framework feature: E&S as part of risk management discipline and corporate governance UN: Sustainable Development Goal (SDG) 16

Earlier in the year, BDO engaged the services of Ernst & Young (EY) Philippines/SGV to assist in crafting the transition plan and ESRMS for the BDO Group. The Focus Areas were identified after EY/SGV's Group-wide gap assessment of BDO's ESG maturity and ESG impact based on BSP 1085 requirements. To implement the plan, BDO established its Sustainability Governance Structure (see pages 14 and 15), which identified Technical Working Groups for each Focus Area, composed of representatives from concerned business groups, support groups, and subsidiaries whose expertise were critical in achieving their focus area objective. Each Working Group was tasked to review and enhance existing policies, craft policies currently not covered by the Bank, identify practices that needed to be articulated as policies, and create programs to bring the policies and practices to life.

Working Group members also engaged in data gathering and research to use as baseline for crafting draft policy, programs, and processes. Data gathering across the Bank's operations and supply chain proved to be a major challenge, given the Bank's scope and complexity. As the Working Groups engage more closely with employees on the ground and support suppliers in their own sustainability journey, data and analytics will be critical in tracking the Bank's progress and identifying metrics and sustainability goals for the short, medium, and long term. In 2022, the Working Groups will continue to focus on achieving these and regularly reporting to the Board Committees on progress.

Environmental & Social Risk Management System (ESRMS)

BDO will build on its SEMS Policy for its ESRMS, based on the BSP expectations. In consultation with EY/SGV, the Bank has identified opportunities to further embed E&S criteria in credit and operations, along with an ESRMS responsibility matrix and structure.

EY/SGV is currently conducting an E&S risk assessment of the BDO loan portfolio based on the Philippine Standard Industrial Classification (PSIC), the prevailing industry taxonomy in the Philippines.

BDO Unibank Group Loan Portfolio (Consolidated)

Industry/Sector	Percent of Loan Portfolio
Financial and Insurance Activities	16.6%
Activities of private household as employers and undifferentiated goods and services and producing activities of households for own use	14.8%
Real estate activities	12.8%
Wholesale and retail trade	11.8%
Electricity, gas, steam, and air conditioning supply	11.8%
Manufacturing	8.6%
Transportation and storage	3.7%
Arts, entertainment and recreation	3.2%
Construction	2.9%
Information and communication	1.8%
Accommodation and food service activities	1.7%
Education	1.5%
Human health and social work activities	1.3%
Water supply; sewerage, waste management and remediation activities	1.1%
Agriculture, forestry and fishing	0.6%
Mining and quarrying	0.4%
Professional, scientific and technical activities	0.4%
Administrative and support service activities	0.3%
Public administrative and defense; compulsory social security	0.0%
Activities of extraterritorial and organizations and bodies	0.0%
Other service activities	4.70%
Total	100%

Source: BDO Audited Financial Statements 2021, Notes to Financial Statement 36.c Significant Credit Exposures for Loans

Sustainable Finance: Catalyst for ESG Transition

For more than a decade, BDO Sustainable Finance has led the Bank's financing of eligible green and social impact projects.

This includes business activities such as renewable energy, energy efficiency, green building, clean transportation, pollution prevention and control, sustainable management of natural resources and land use, eco-efficient technology, sustainable water and waste water management, terrestrial and aquatic biodiversity conservation, climate change adaptation, affordable housing, access to essential services, employment generation and food security.

As a pioneer in Sustainable Finance since 2010, BDO has achieved significant experience and a robust portfolio of eligible projects with quantifiable positive economic, environmental and social impacts. This has become the Bank's baseline in developing the BDO Sustainable Finance Framework (BDO SFF) which serves as its guidepost in issuing Green, Social and Sustainability Bonds and other debt financing instruments that allow the bank to diversify funding sources and broadens investor base to include ESG-focused investors.

Under the BDO SFF, eligible projects are expected to reduce the Philippines' environmental footprint and assist in the energy transition towards a low-carbon economy, as well as drive socio-economic development nationwide.

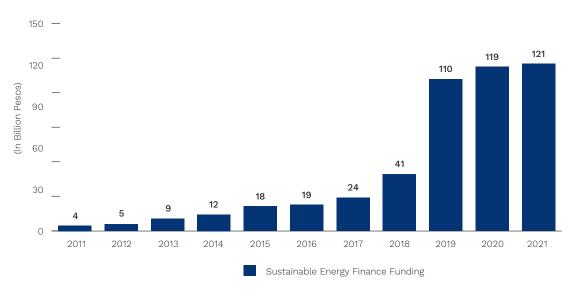
Eligible green projects require environmental benefits such as a reduced carbon footprint and vulnerability of communities to climate change. Eligible social projects require positive social outcome for the impoverished, excluded, marginalized, vulnerable, disabled, undereducated, underserved and unemployed populations.

The BDO SFF identifies the following activities as ineligible for financing:

- Production or trade in weapons and munition
- Online gaming and equivalent enterprises
- Hydroelectric plant with weir height of over 50 meters
- Illegal logging, illegal mining, illegal fishing, forced labor, child labor
- Production of tobacco products and palm oil
- Fossil-fuel power generation or transmission, and activities dedicated to support expansion of fossil fuel-based technologies

BDO Sustainable Finance catalyzes accelerating green recovery by financing resilient and pandemic-ready projects that aim to achieve a sustainable financial value chain. As of December 31, 2021, BDO financed 54 Sustainable Energy projects, with total Sustainable Finance funded to date at ₱548 billion.

BDO Sustainable Energy Finance



CASE STUDY

Harnessing energy from biomass

The United States Energy Information Administration (US-EIA) defines biomass as "renewable organic material that comes from plants and animals." The EIA states that biomass can be burned directly for heat or converted to renewable liquid and gaseous fuels through various processes. Firewood is one example, while animal or human waste processed chemically or biologically is another.

As a renewable energy source, biomass offers huge clean energy capacity opportunities for the Philippines, where there is an abundant supply of biomass resources. These include agricultural crop residues, forest residues, animal wastes, agroindustrial wastes, municipal solid wastes, and aquatic biomass. Agricultural waste products as biofuels offer an abundant, stable, and environmental alternative for fossil fuels energy sources.

Grass Gold Renewable Energy Corporation (Grass Gold) is among BDO's clients engaged in renewable energy power generation. Its first power plant project is the construction and operation of a 12MW (gross) Napier grass-fired plant in Llanera, Caridad Sur, Nueva Ecija province which started commercial operations in December 2019.

Grass Gold utilizes napier grass, known locally as "buntot-pusa" for its stalk that closely resembles a cat's tail. Napier grass is a perennial tropical grass used as feedstock and also found in abundance in the Philippines. Recent studies show that it is also an ideal crop for renewable energy power generation since it produces huge biomass and can be harvested multiple times a year. It has very low water and nutrient requirements and can be grown in marginal or uncultivated land. It also planted on slopes to increase soil fertility and reduce soil erosion. (Source: https://plantvillage.psu.edu/topics/napier-grass/infos.)

BDO supports Grass Gold's biomass power plant project as part of its sustainable finance projects for renewable energy. The Bank is a pioneer in financing biomass power plants, having financed the country's first Rice Husk-fired Biomass Power Plant in 2013. To date, BDO has financed 164 megawatts (MW) of biomass power plants that have resulted in significant positive environmental and social impacts in the Philippines.

In 2021, biomass power plants funded by BDO generated employment for 170,915 farmers nationwide. The projects also resulted in the avoidance of greenhouse gas emission of 487,250 metric tonnes by converting 1,583,082 tonnes of agricultural waste to feedstock or raw material fuel for biomass power plants.



Economic, Environmental, and Social Impact

Description	2020	2021
Total Sustainable Finance Funded to Date	₱400.9 billion	₱548 billion
Total installed Renewable Energy Capacity (SDG 7: Affordable and Clean Energy)	2,184 MW	2,230 MW
Renewable energy projects funded to date	50	54
Carbon dioxide avoided per year by funded renewable energy projects (SDG 13: Climate Action)	4,170,744 tonnes	4,266,687 tonnes
Equivalent passenger vehicles taken off roads yearly	885,381	905,887
Equivalent tree seedlings grown over 10 years	68,953,558	70,550,565
Families Served by Renewable Energy Projects	1,968,067	1,994,189
Loans disbursed in the past 5 years for national projects	₱32.9 billion	₱39.5 billion
Loans disbursed in the past 5 years for airports	₱12.4 billion	₱12.4 billion
Loans disbursed in the past 5 years for road networks	₱18.4 billion	₱18.4 billion
SDG 2: Zero Hunger	3,052 smallholder farmers, 47 public webinars conducted on vegetable farming	3,052 farmers
Road Network Development	152.23km	167.73km
Financing Facilitated (Roads)	₱18.4 billion	₱19.3 billion
Vehicles Served	136.9 million	138.1 million
Carbon emissions annually reduced through efficient roadways	4,260.09 tonnes	4,260.43 tonnes
Biomass Capacity	164 MW	164 MW
Geothermal Capacity	1,189 MW	1,189 MW
Mini Hydro Capacity	431 MW	433 MW
Solar Capacity	339 MW	369 MW
Wind Capacity	62 MW	75 MW
Disbursed Loan Amount per RE Technology Type	Biodiesel: ₱68.5 million Bioethanol: ₱201 million Biomass: ₱16.7 billion Geothermal: ₱4.3 billion Hydro: ₱15.7 billion Solar: ₱12.5 billion Wind: ₱2.9 billion	Biodiesel: ₱137 million Bioethanol: ₱570 million Biomass: ₱22.5 billion Geothermal: ₱17 billion Hydro: ₱28.1 billion Solar: ₱12.6 billion Wind: ₱2.9 billion
Bioethanol Production	44.12 million liters per year	44.12 million liters per year
Biodiesel Production	60 million liters per year	60 million liters per year

Biodiesel

Installed Capacity 60 ML/Y* based on Gross

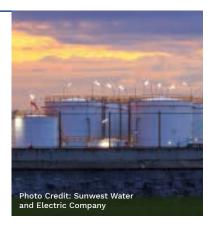
Disbursed Loan Amount ₱137 million GHG avoidance per year based on Net (in tonnes CO₂e)

12,000

GHG avoidance per year Equivalent passenger vehicle off the road (in tonnes CO2e) per year 32,640 153,732

Equivalent tree seedlings grown for 10 years

2,541,996



Bioethanol

Installed Capacity 44.12 ML/Y* Disbursed Loan Amount ₱571 million GHG avoidance per year based on Net (in tonnes CO₂e)

35,296

GHG avoidance per year based on Gross (in tonnes CO2e) 49,540

Equivalent passenger vehicle off the road per year

10,518

Equivalent tree seedlings grown for 10 years

819,153



Gross Energy Generation

(MWh/year)

Biomass

Installed Capacity 164 MW

Value of energy

Disbursed Loan Amount

₱22.5 billion

(MWh/year) 1,013,497

Net Energy Generation

GHG avoidance per year based on Net (in tonnes CO₂e)

GHG avoidance per year based on Gross

(in tonnes CO2e)

487,250

generation per year (Php/year) ₱4.9 billion

> Equivalent tree seedlings grown for

410,604

10 years 8,056,785 No. of households/ families (average of 6 persons per family) supplied by RE

230,131

Equivalent passenger vehicle off the road per year

Amount of agricultural

wastes converted to

103,451

No. of farmers supported

feedstock/power T/Yr 170,915 1,583,082

1,202,683

Geothermal

Installed Capacity 1,189 MW	Disbursed Loan Amount ₱17.0 billion	Net Energy Generation (MWh/year) 5,848,520
Value of energy generation per year (Php/year) ₱28.7 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 2,369,446	GHG avoidance per year based on Gross (in tonnes CO₂e) 2,632,717
Equivalent passenger vehicle off the road per year 558,969	Equivalent tree seedlings grown for 10 years 43,532,535	No. of households/ families (average of 6 persons per family) supplied by RE 1,328,002

Gross Energy Generation (MWh/year) 6,498,355



Hydro

Installed Capacity 433 MW	Disbursed Loan Amount ₱28.1 billion	Net Energy Generation (MWh/year) 1,255,024
Value of energy generation per year (Php/year) ₱6.1 billion	GHG avoidance per year based on Net (in tonnes CO₂e) 508,455	GHG avoidance per year based on Gross (in tonnes CO ₂ e) 562,104
Equivalent passenger vehicle off the road per year 119,344	Equivalent tree seedlings grown for 10 years 9,294,506	No. of households/ families (average of 6 persons per family) supplied by RE 284,974

Gross Energy Generation (MWh/year)
1,387,445



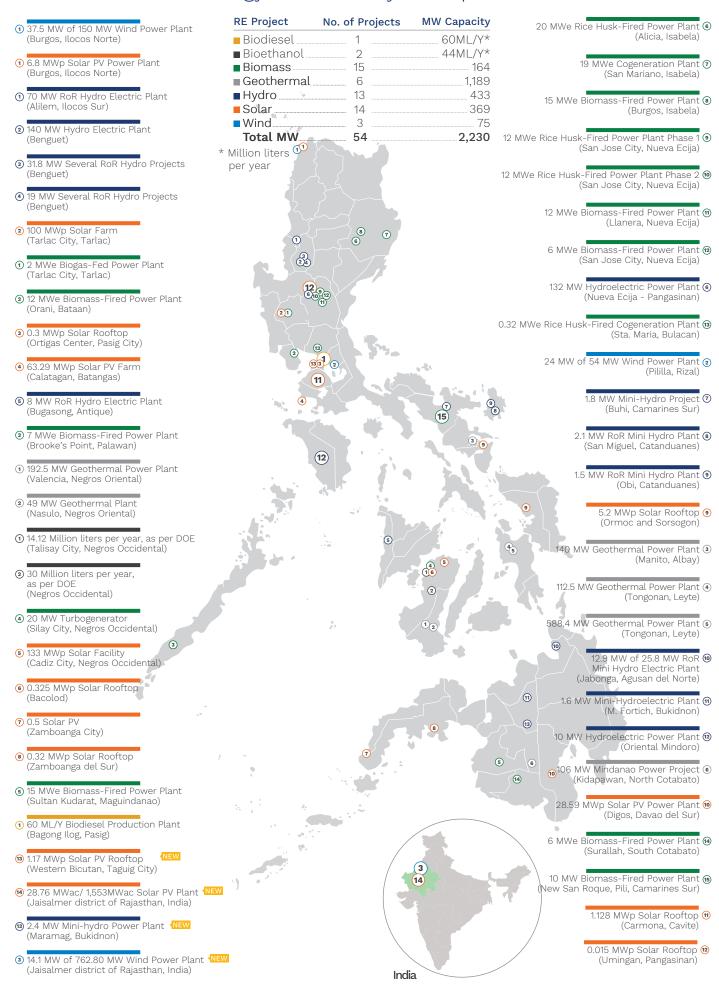
Solar

Installed Capacity 369 MW	Disbursed Loan Amount ₱12.6 billion	Net Energy Generation (MWh/year) 458,950	Gross Energy Generation (MWh/year) 549,141
Value of energy generation per year (Php/year) ₱2.2 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 228,086	GHG avoidance per year based on Gross (in tonnes CO ₂ e) 270,230	
Equivalent passenger vehicle off the road per year 57,374	Equivalent tree seedlings grown for 10 years 4,468,307	No. of households/ families (average of 6 persons per family) supplied by RE 104,212	Photo Credit: Rodel Diaz, Solar Philippines, Calatagan

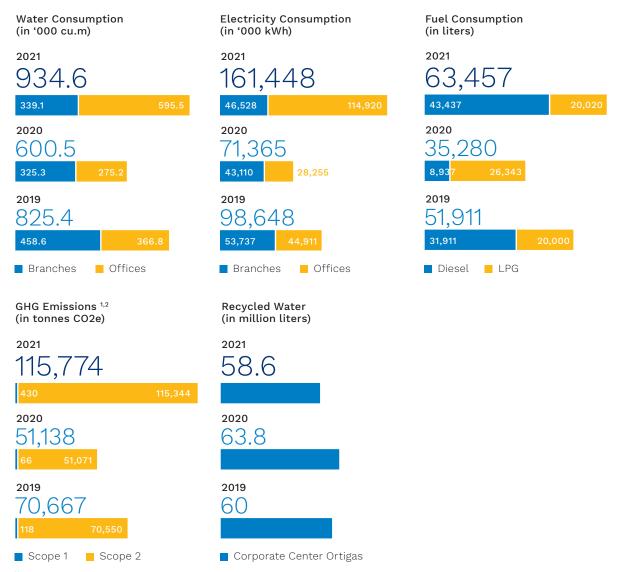
Wind

Installed Capacity 75 MW	Disbursed Loan Amount ₱2.9 billion	Net Energy Generation (MWh/year) 206,419	Gross Energy Generation (MWh/year) 218,620
Value of energy generation per year (Php/year) ₱1.0 billion	GHG avoidance per year based on Net (in tonnes CO₂e) 104,525	GHG avoidance per year based on Gross (in tonnes CO ₂ e) 111,113	盡
Equivalent passenger rehicle off the road per year 23,591	Equivalent tree seedlings grown for 10 years 1,837,284	No. of households/ families (average of 6 persons per family) supplied by RE 46,871	

BDO Sustainable Energy Finance Project Map



BDO Resource Consumption



⁽¹⁾ Calculated following the operational control approach of the Greenhouse Gas Protocol. Moreover, Scope 2 emissions were computed using the 2015-2017 National Grid Emission Factors provided by the Department of Energy.

BDO's resource consumption in 2021 continued to be directly impacted by government-imposed lockdowns during the pandemic. Three particular factors account for the increased consumption from both pre-pandemic 2019 figures and the 2020 consumption figures: lockdowns, BDO's split operations strategy, and the temporary relocation of BDO offices in Makati City.

Lockdowns and prolonged high alert levels were more frequent in 2021 due to the Delta surge. Offices and branches observed shortened work hours and more groups implemented work-from-home arrangements which meant lower electricity use and water consumption. However, these were also offset by the continuous implementation of the Bank's business continuity strategy for Split Operations, where business groups and support groups maintained physical presence in both corporate hubs at Makati City and Ortigas Center in Mandaluyong City, along with other key sites in Metro Manila. Split operations effectively doubled the office space needs for business and support groups in these locations.

⁽²⁾ Scope 1 emissions were based on the fuel consumption of the company, while Scope 2 emissions were based on the purchased electricity of the company

At the same time, BDO implemented temporary office transfers throughout 2021, as it emptied the BDO Corporate Center Makati's (CCM) North and South Towers to clear the way for the planned construction of a new BDO CCM campus in the same location. Business groups and support offices were relocated to several buildings nearby (BDO Towers Valero, BDO Towers Paseo, BDO Salcedo Tower, and The Podium West Tower), while both North and South Towers were still in operation.

BDO also opened 12 additional branches nationwide to better serve clients in areas where financial services were greatly needed.

The Bank remains committed to measuring its resource consumption and managing its carbon footprint as it continues to grow as the country's largest bank with the most number of branches and corporate facilities.

Resilient Recovery for Economic Frontliners

On the second year of the COVID-19 pandemic, BDO branches — the Bank's frontline unit — showed that continuous operation was not just about survival, but also about the agility to embrace and thrive in the new normal. True to the Bank's Customer-Focused value, branch frontliners took on the critical task of providing uninterrupted access to financial services, in order to address BDO customers' most pressing and evolving financial needs, and to keep the economy going with much needed cash.

BDO branches continued to operate even during higher alert level periods by strictly observing mandatory health protocols to keep both employees and customers safe. The Bank's manpower resources were adjusted based on the community quarantine classification and COVID-19 status in areas where they operate, and this was communicated widely to customers so they can plan and prepare for their transactions accordingly.

The value of vaccination

To protect the Bank's frontliners, BDO prioritized weekly COVID-19 testing for branch employees. Once vaccines became available, BDO launched its vaccination program for employees and their families, once again prioritizing branch frontliners. Regular COVID-19 screening tests were held at BDO corporate offices and large office hubs, while vaccines and boosters were administered in coordination with the branches' respective local government units.

As a result, 98.2% of branch personnel were vaccinated in 2021, enabling them to be fully prepared and protected to serve the needs of our customers wherever and whenever face-to-face transactions were possible and necessary.

Other prevention measures observed at BDO branches were the following: 1) a mandatory temperature check for all upon entering bank premises, and a second mandatory check for employees at midday; 2) wearing of face masks and face shields; 3) provision of health kits to employees, specifically alcohol for hygiene and vitamins for personal consumption; 4) provision of alcohol and sanitizers for the use of customers; and 5) imposed physical distancing inside branch premises.



Throughout the pandemic, 99% of BDO branches remained open and ready to provide banking services, albeit with reduced manpower and shortened bank hours.

In terms of infection control, COVID Care telemedicine facilities were made available to employees for consultations with doctors and health diagnostic services. COVID-19 tests were done weekly during surge periods, such as during the Delta variant surge from July to October 2021. Otherwise, testing was conducted twice monthly for client-facing employees and once for those working in the backroom. Employees who turned out to be close contacts of a confirmed positive case were automatically scheduled for a Reverse Transcription Polymerase Chain Reaction (RT-PCR) test for COVID-19. Upon testing, the concerned employees were required to go on home quarantine and advised to isolate from other household members, while awaiting test results. Employees who tested positive were given a complete health kit containing a thermometer, a pulse oximeter, medicines for colds and cough, a gargle solution, and vitamins. Contact tracing was conducted through the QSafe app.

Branches with COVID-positive cases were disinfected through daily misting done by accredited service providers that adhere to Occupational Safety and Health Standards on disinfection methods. In addition, workstations and high-touch areas were subject to regular deep cleaning and disinfection.

To supplement the branches' prevention and infection control measures, employees were kept informed on proper safety and hygiene practices via email and on-site posters. The vaccinations, as well as related policies and programs to help prevent the virus from spreading, are aligned with the UN Sustainable Development Goal (SDG) 3 on ensuring Good Health and Well-being.

Keeping the economy running

Demonstrating its commitment to support the country's economy during the pandemic, the bank kept 99% of its branches open, with some branches able to resume Saturday banking despite reduced manpower. A "buddy branch" system was also implemented to support transactions for clients of closed branches or those with shortened hours. BDO opened 12 new branches in 2021 — proof that presence and access for clients remained a top priority.

While some clients chose to do banking transactions in the comfort of their homes, there were still a substantial number of clients who preferred or needed to transact at branches.

For clients who have shifted towards convenient and safe online banking, BDO promoted the features of its digital channels. Online transactions and services include viewing of account balances and transaction details, sending money and paying bills, and new account opening. As online payment activity soared during the pandemic, BDO branches also took the opportunity to promote BDO Pay. Developed by the Bank's digital banking group, BDO Pay enables customers to make payments using a QR code, request funds, and split bills.

At the branches, a new Customer Relations Management (CRM) system for onboarding new clients was implemented as part of the branch transformation initiatives of the bank. Clients could open a new account in these convenient ways. First, clients submit the new account application form online without visiting the branch. Clients are then

98.2%
BDO Branch
Personnel Vaccinated

New BDO
Branches Opened

invited to a virtual interview, for the Bank to perform the Know-Your-Customer validation process. Another way to open accounts would be using a dedicated laptop or using the client's own digital device, all inside the branch; hence without need for filling up of paper forms.

Branches also adopted a new queue management system that offered paperless transactions processing where clients can input their transactions in a kiosk in the branch, instead of filling up forms. For a more seamless and safer customer experience, clients have the option to book an appointment online for their branch visits, receive a QR code to be scanned once they reach the branch, and immediately fall in queue. This new customer experience generated positive response in lesser physical interactions, time-saves and an efficient digitized way of banking.

With continuous operations throughout the year, BDO branches showed consistent growth in deposits, with peso savings and current accounts posting 14% growth in 2021. Foreign currency denominated savings accounts growth was at 11% and total funds grew by 8%.

These services not only paved the way for clients to have better financial access when they needed it most, but they also support SDG 17 on Partnerships for the Goals, specifically target 17.8, which aims to "fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology."

BDO Network Bank

As the Philippines' largest community bank, BDO Network Bank (BDONB) brings modern and relevant banking services to unbanked and underserved communities. Unbanked Filipino adults are at 51.2 million, out of a total 72 million adults, according to the latest financial inclusion survey report of the Bangko Sentral ng Pilipinas (BSP). BDONB aims to fill this gap with a wide range of banking products that include loans, deposits, remittances, bills payment and other banking services through its network of 351 branches and loan offices, and 334 Automated Teller Machines across the Philippine archipelago. In 2021, BDONB marked a 34% increase in its number of branches and loan offices compared to pre-pandemic numbers in 2019, and a 20% increase from the previous year.

MSME Financing

BDONB focuses on the development of the Micro, Small, and Medium Enterprises (MSME) market segment. In 2021, MSME loan bookings rose 75% from the previous year and MSME loans were made available in 45 new offices. MSME standalone offices increased by 23% compared to 2019 and an increase of 16% in 2021 compared to 2020. BDONB personnel servicing this market segment likewise grew by 13%. MSME teams drive financial education by advising clients on how to improve their businesses, and reinforcing the importance of saving and connecting with the bank to manage their finances. BDONB teams also led various outreach initiatives to communities affected by the pandemic and natural disasters.

14% CASA Deposit Growth

11% Foreign Currency CASA Deposit Growth



Rose Joy Reyes, BDO Network Bank depositor in Naga. BDONB made it possible for her to continue her business during the pandemic, ensuring ease of transactions from Luzon to Mindanao.

75% MSME Loan Booking Growth

Client Success Stories



Merlinda Coronado, is a persistent business owner from humble beginnings. She started selling two sacks of sweet potatoes in the wet markets of Nagcarlan, and eventually grew her business up to a point where she now delivers tons of sweet potatoes from Tarlac, Zambales, and Bataan to the provinces of Cavite and Batangas. The loan granted to her by BDONB helped her buy additional sweet potatoes to supply her growing number of clients. Because of the continuous growth of her business, she was also able to buy a truck to help her with her deliveries and employ 15 employees who also have their own families to support.

Arlene Gener expressed her gratitude to BDONB for her access to additional inventory after she applied for and received a business loan in 2020. She is a widow, mother of two kids, and a former overseas Filipino worker in Dubai where she served as a family driver for three years. She returned to the country and became an entrepreneur in 2017. Using the money she saved from working abroad, Arlene started her rice retailing business in the Sta. Maria, Bulacan Public Market. Today, she is one of its biggest retailers, selling an average of 500 sacks of rice per week, and providing work for her three employees.





Dranreb Magpoc is a former OFW who worked in Riyadh at a banking institution for two years. He left this stable job because he couldn't stand being away from his family, and returned to the Philippines to support his wife who manages their grocery store in Cainta, Rizal. The couple availed of the BDONB business loan that helped their business grow as they were able to open another stall. The additional income produced from their business helped them cover the tuition of their children. He and his family are grateful for their situation given that many lost their jobs during the pandemic.

Liza Castro is a single mom to two kids and a Master Teacher at Batad Central School in Iloilo province. A client since 2016, Liza is thankful to BDONB for helping her open various businesses such as online selling of health products and a pisonet business. Pisonet was coined from the words peso (piso) and internet (net), and refers to vending machine-type computer kiosks that allow users to access the internet in small increments of time. The business addresses the needs of gaming enthusiasts, students, or professionals who cannot afford the minimum hourly rates of regular internet cafes or only need to use the internet for a short time. Liza's earnings made it possible for her to renovate her house and buy her own multi-cab, a small light truck for business. With advice from BDONB, she was able to consolidate her debt and manage her proceeds.





Leofer Alviola, married with two kids and a local government employee, started a meat dealing business at the Digos Public Market in Davao del Sur. She has been a BDONB client for over 15 years and has availed of loans multiple times. Her first loan was used for additional capital, while succeeding loans were used for business growth. During the height of the pandemic, she was able to expand her own meat corner. The expansion successfully addressed the needs of customers who wanted to avoid going to the more heavily populated public market.

Salary Loans for Public School Teachers

Of the salary loan releases in 2021, 58% were for teachers in Mindanao where the BDONB's main area of operations is located. In 2021, loan balance grew by 21.5%, the highest Accounts Receivable on record. Loan releases grew substantially by 40% compared to 2019 due to easing of pandemic restrictions. BDONB's customer base grew by almost 25% as it continues to expand in rural areas nationwide. In terms of Salary Loans reach, there was an increase of 26% in 2021 compared to 2019 and an increase of 20% in 2021 as compared to 2020 figures.

BDONB provides other support services for teachers. Bank employees arranged for financial wellness discussions to help teachers manage their finances. During the second year of the pandemic, BDONB continued to support the *Brigada Eskwela* (School Brigade) and *Balik-Eskwela* (Back to School) initiatives of the Department of Education by providing school supplies such as bond paper, pad paper, printers, and ink, and health protection supplies like alcohol and face masks to public schools in remote areas of the country. BDONB also closely worked with BDO Foundation and SM Foundation to donate laptops and computer equipment.

More than the provision of loans as start-up capital to small businesses and salary loans to public school teachers and government employees to fund their needs, BDONB's main campaign is to drive inclusive economic growth across all its market coverage. By teaching clients to borrow with purpose, BDONB forges strong and lasting banking relationships with the unbanked and underserved market so that they also understand the value of saving, investing, and growing their finances for a healthy financial future.

BDO Foundation: Financial Inclusion through financial education

As the COVID-19 pandemic continued to severely impact the economic well-being of Filipinos in 2021, BDO Foundation's efforts to promote financial inclusion gained greater significance and scale.

Working closely with the Bangko Sentral ng Pilipinas (BSP), BDO Foundation continued to collaborate with the Department of Education (DepEd), Overseas Workers Welfare Administration (OWWA), Civil Service Commission (CSC), and Armed Forces of the Philippines (AFP) for the implementation of financial education programs. Building on the success of these partnerships, the Foundation and the BSP also partnered with the Bureau of Fire Protection (BFP), Philippine National Police (PNP), Bureau of Fisheries and Aquatic Resources (BFAR), and Agricultural Credit Policy Council (ACPC) for the launch of new financial education programs in 2021.

The partnerships benefit public school students, teachers and non-teaching personnel; overseas Filipino workers (OFWs) and their families; civil servants; uniformed and civilian personnel of the armed forces; personnel of the government's fire service agency; the police; fisherfolk; and farmers.

The financial education programs, which support BDO Foundation's financial inclusion advocacy and BSP's National Strategy for Financial

21.5% Salary Loan Balance Growth

40% Salary Loan Releases Growth

25%
BDONB Customer
Base Growth



BDO Foundation has developed 26 financial education videos, all of which are available for viewing on the BDO Unibank YouTube channel.

Inclusion, help strengthen the capability of government agencies to provide financial literacy training to their beneficiaries. The programs are embedded and mainstreamed in the existing training and development initiatives of the partner agencies. They aim to equip the target audience with the tools, knowledge, and resources to make sound financial decisions through lessons on saving, budgeting and financial planning, debt management, entrepreneurship, investments, insurance, digital literacy, scam prevention, and retirement planning.

In 2021, several projects were completed to support the deployment of the programs nationwide.

- DepEd issued DepEd Order No. 022, Series of 2021, detailing its Financial Education Policy to ensure that financial education will be taught nationwide using the materials developed by BDO Foundation. The policy covers all learners, teachers, and non-teaching personnel from public and private elementary, junior and senior high schools, as well as learning centers for Special Education, Alternative Learning Systems, Indigenous Learning Systems, and the Madrasah Education Program covering Muslim culture, customs, and traditions.
- The Foundation and DepEd partnered with Huawei Philippines as sponsors for a teacher competition called the "Search for the Best Supplemental Learning Materials in the Teaching of Defined Key Concepts in Science and Mathematics." The nationwide contest was designed to encourage teachers to submit innovative learning modules that integrate financial literacy into the teaching of Science and Math subjects. The partnership with Huawei included the donation of 33 laptops to selected public schools.
- AFP officers conducted a focus group discussion funded by BDO Foundation, to identify the financial literacy lessons that the armed forces will cover in its training courses.
- The Foundation, BFAR, and BSP created the Fish N' LEarn game, an innovative gamified teaching tool designed to make financial literacy lessons engaging for fishers. Through the training intervention, participants are expected to learn lessons on conserving marine resources, saving for the future, expanding sources of income, proper use of insurance, and debt management. The target audience will be provided with instructional materials, cards, and play money produced by BDO Foundation.
- In partnership with BSP, CSC, AFP, BFP, and BFAR, four learning modules were drafted for civil servants, armed forces personnel, firefighters, and fishers. Three new financial education videos for the armed forces were produced. Five virtual learning sessions were conducted for DepEd, CSC, and BFAR personnel. An online training session was also facilitated for farmers in partnership with East-West Seed.

For the fourth consecutive year, BDO Foundation supported the BSP's Financial Education Stakeholders Expo, a five-day virtual event that gathered financial education advocates. Together with the BDO Trust and Investments Group, the Foundation featured the Personal Equity and Retirement Account or PERA in its virtual booth. Working with BDO Remit, film actor and BDO brand ambassador Piolo Pascual shared financial literacy lessons and his personal approach to money management in a plenary session on "Preparing the Filipino Youth for a Financially Healthy Future."



The financial education program for public schools, BDO Foundation's partnership project with the DepEd and BSP, aims to institutionalize financial education in the K to 12 curriculum and in the regular training programs for teachers and non-teaching personnel.

2,676,297

No. of beneficiaries reached to date through financial education programs



The Fish Right program of the United States Agency for International Development (USAID) supports the financial education program for fisherfolk.

Guided by the "We find ways" philosophy, BDO Foundation continues to serve communities in need despite the lockdowns and limited mobility during the pandemic, mindful of the Bank's commitment to sustainable development, social responsiveness, and nation-building.

Other projects

- Donation of 170 computers and ten scanners to public schools in partnership with BDO Network Bank in support of DepEd's Basic Education Learning Continuity Plan during the pandemic
- Donation of over 900 books to Caritas Manila and the Manila City Library
- Sponsorship of SEAMEO INNOTECH's "Digital Well-being of Filipino Learners: A Webinar on Youth Cybersafety and Digital Citizenship," an online event that featured discussions on how educators can cultivate a secure online environment for learners amid the pandemic

Sustainability Partnerships

BDO believes in the power of collective action to generate greater understanding and action for sustainability. Bearing in mind the environmental, social, and governance topics important to our stakeholders, the year 2021 saw the Bank engage in key partnerships to advance sustainability initiatives in the region and in the Philippines.

Regional Collaboration: Asian Transition Finance Study Group

The energy transition from fossil fuel to renewable sources of energy is key to the global response to climate change. For financial institutions, this means divesting from fossil fuel financing and shifting to renewables, while encouraging enabling technology and supporting clients throughout the transition. In Asia, the transition journey takes on a complexity of its own, given, among others, the lack of a common framework to enable financial support for transition to happen in ASEAN countries.

The Asian Transition Finance Study Group was established in September 2021, led by MUFG Bank of Japan, in pursuit of an Asian version of transition finance that is more realistic and achievable for Asian nations. The Study Group aims to supplement existing guidelines on transition finance to help financial institutions implement the guidelines. The Group recognizes that both private and public funds will be critical in achieving the transition, and thus, clear guidelines and approaches to transition finance will be instrumental in supporting the mobilization of private capital.

BDO joined regular meetings throughout 2021 and continuing in 2022, with other key financial institutions from Japan, Indonesia, Malaysia, Thailand, Singapore, and Vietnam, along with the International Finance Corporation, and other US and European financial institutions which invest and lend in Asia. The Study Group's recommendations and activities will be shared with key Asian economic and climate meetings, including the Asia Green Growth Partnership Ministerial Meeting.

BDO believes that its sustainability journey, along with other Asian financial institutions, will be more gradual in pace compared to counterpart banks in Europe and the United States. But in collaborating with others, BDO welcomes the opportunity to bring everyone towards the same direction and better manage the energy transition for Asian nations.

Business and Human Rights: Partnership with the Philippine Commission on Human Rights

BDO partnered with the Philippine Commission on Human Rights (CHR) to better understand and uphold the role of business, and in particular the Bank, in respecting and protecting human rights.

The partnership aims to build BDO's capacity to create and implement its own Human Rights policy across its operations; help BDO create its own Human Rights Impact Assessment Tool that can inform BDO's risk assessment for social risks; and overall, manage BDO's human rights impact and responsibility to respect and protect the human rights of its stakeholders.

The CHR has conducted sessions on the UN Guiding Principles on Business and Human Rights with BDO senior officers, and with a core group of key employees who are part of the Bank's technical working groups on ESG focus areas. In 2022, BDO and the CHR will continue to conduct learning sessions for key business units and support units, particularly in relation to human rights in the workplace, in lending, and in the Supply Chain.

Empowering Women in MSMEs: Financial Education with the International Labour Organization

Early in 2021, BDO participated in the study "Rebuilding Better: Assessment of Women Entrepreneurs' Needs and Available Support Services during COVID-19 in Malaysia, Philippines and Thailand" conducted by the International Labour Organization's (ILO) Rebuilding Better: Fostering Business Resilience Post-COVID-19 Project. Supported by J.P. Morgan, the Project aims to support women entrepreneurs to recover from the COVID-19 pandemic and adopt more sustainable and resilient business models by strengthening their access to training, finance and markets, while incorporating digitalization as a cross-cutting theme.

BDO shared financial inclusion initiatives that target micro, small, and medium enterprises: BDO Network Bank's focus on the unbanked and underserved in communities outside of urban areas, and BDO Foundation's financial education programs across various sectors of society. These sectors cover public school students, teachers, non-teaching personnel, Overseas Filipino Workers, government employees, military personnel, police personnel, firefighters, fisherfolk, and farmers.

The study, which aimed to inform the strategy and workplan of the Rebuilding Better Project, recommended that when it comes to access to finance, the Rebuilding Better Project should include financial and non-financial options for women entrepreneurs who do not want to take on debt, given that many entrepreneurs are hesitant to do so during the COVID-19 crisis, and should also seek opportunities to link financial support with non-financial support, such as through financial literacy training.

In 2022, BDO will collaborate with the ILO in a series of webinars for women entrepreneurs addressing their needs for financial products and services, as well as financial advice on budget management, savings, credit, and investments.





Human Capital Sustainability Strategy



Sustainability is everyone's responsibility at BDO. The Bank aims to develop a "can lead" workforce with a sustainability mindset that BDO bankers can bring to work, at home, and wherever they find themselves in the world. BDO bankers strive to live the core values of Customer Focus, Out-of-the-Box Thinking, Right Attitude, and Excellent Execution with a sustainability perspective embedded in everything they do.









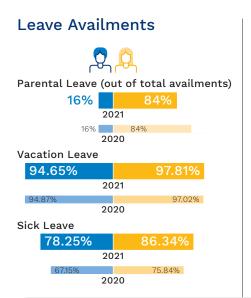


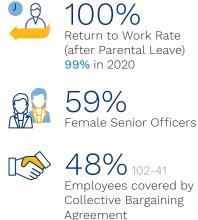
Employee Profile







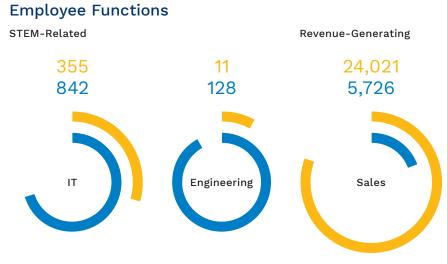




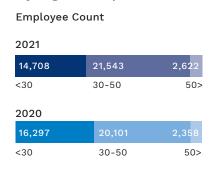
50% in 2020

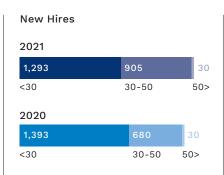




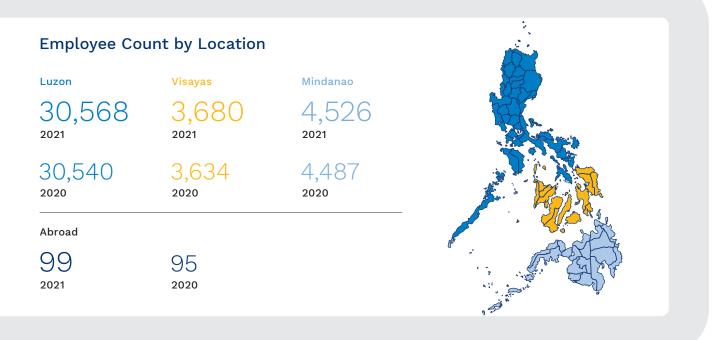


By Age Group

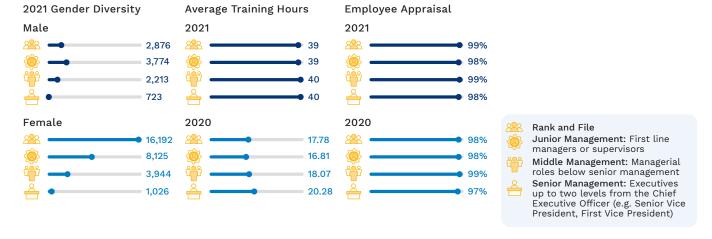








By Level



The second year of the pandemic brought new challenges for the BDO organization on top of already existing ones. But this period also presented new opportunities that allowed the Bank to enhance existing workplace policies and procedures in order to better provide for employees' needs, and at the same time promote workplace effectiveness and efficiency.

Equal Opportunity Employer

BDO is committed to promote a work environment that fosters diversity, equity, and inclusion, where everyone receives fair and equal treatment, equal rights, and opportunities regardless of gender, ethnicity, race, age, religion, sexual orientation, and disability, and are valued for their unique contributions to BDO's success.

The Bank ensures that employment practices and policies are in compliance with labor laws, regulations, and standards in countries where it operates. BDO seeks the best talents who are selected, engaged, compensated, and promoted, as the case may be, based on merit and performance.

BDO Culture and Values

"We find ways" is at the heart of BDO's culture of service, excellence, and innovation. Our employees share and live up to our common C-O-R-E values as BDO bankers.

Customer-Focused. Everything each BDO banker does is in the service of the customer's financial objectives and interests. This redefines the Bank's role beyond simply providing financial services, to a driver of financial inclusion. The Bank reaches out to current clients and the large number of unbanked and underserved Filipinos, and partners with them to fulfill their aspirations toward a more sustainable financial future.

Out-of-the-Box Thinking. Every BDO banker is encouraged to challenge conventional banking practices, beliefs, and processes for a better way to achieve client's objectives, without compromising quality, ethics, or good governance. As the country's largest bank, innovation and ideation are born out of the Bank's drive to think differently and from diverse perspectives.

Right Attitude. All BDO bankers are encouraged to go the extra mile to meet the client's objectives. This is demonstrated in every BDO banker's commitment to excellent customer service and strong customer relationships. Incorporated in BDO's human resource trainings is the development of values such as integrity, team spirit, hard work, and service. Complementing BDO's commitment to build long term relationships with customers is the bank's efficient business processes and user-friendly digital tools.

Excellent Execution. As the largest full-service financial institution in the Philippines, BDO is committed to doing it right, on time, and according to expectations each and every day.



BDO is an equal opportunity employer and values employees' unique contributions to the Bank's success.

Employee Safety and Well-being

BDO is committed to ensuring the physical, social, and mental well-being of its more than 38,000 employees in the Philippines and abroad, and prioritizing occupational health and safety at all times. The Bank abides by the general labor standards and the occupational health and safety standards, in all the countries where it operates.

BDO's Health & Safety Committee is composed of Senior Management Team members from Premises and Facilities Management, Security & Investigation Division, Human Resources, Branch Banking Group, Consumer Banking Group, and the bank employees' labor union. The Health & Safety Committee manages and drives the Health & Safety Program of the Bank. Documents of the Committee activities are submitted on a regular basis to the DOLE, which in turn, audits the Bank with the same regularity.

The COVID-19 pandemic continued to be the greatest challenge to BDO bankers' health and safety, as the pandemic entered its second year in 2021. The Bank's mandate remained clear: mitigate the rising number of COVID-19 infections nationwide as it impacts employees, and within the Bank, achieve herd immunity with at least 70% vaccination among employees.

To address this critical task, the Human Resources (HR) Group provided continuous HR services that made sure employees had access to necessary healthcare, particularly amid the surge of the COVID-19 Delta variant. Employee safety was reinforced and maintained through (1) regular and more frequent antigen testing and PCR-testing; (2) contact tracing of affected employees; (3) quarantine and isolation monitoring; (4) health care assistance; (5) additional leave benefits; and (6) financial assistance. The Bank also distributed COVID-19 health kits among employees, and set-up additional PCR testing sites nearer to branches and offices. These efforts effectively identified emerging cases among employee clusters and helped mitigate spread through immediate quarantine and isolation.

In terms of vaccination, the biggest challenge was to convince employees to get inoculated, given varying levels of anxiety on the safety, effectiveness, and side effects of various vaccines made available in the country. HR collaborated with concerned business groups within BDO and the SM HR Group in the roll-out of an Employee Vaccination Program that would allow employees and bank custodials throughout the country to have access to COVID-19 vaccines. BDO partnered with local government units and with SM Malls that served as vaccination venues, to facilitate employee vaccination for two vaccine doses and a first booster towards the end of the year. The Vaccination Program was also promoted through widespread dissemination of health advisories, active monitoring of unvaccinated employees in different business units, and management encouragement during team meetings. Employees were also allowed to go on leave if their vaccination appointment fell on a workday. By the end of 2021, all these efforts resulted in a 97% vaccination rate for the Bank's total population, exceeding its initial target of 70%.

97%
BDO Employees
Vaccination Rate



In the 4th quarter of 2021, the Vaccine Program was extended to employee dependents, both adults and minors. Employees were also allowed to donate vaccines to their preferred beneficiaries through BDO Foundation. By December 2021, booster vaccination was implemented for BDO senior employees and those with co-morbidities, following government guidelines on priority groups.

A major component of the Bank's COVID-19 response was also providing the following additional accommodations for employees;

- Additional sick leaves for COVID-19 quarantine / isolation
- Official business leave for vaccination day
- Official business leave for those who had close contact with a positive case, while waiting for test results
- Flexibility to work from home based on the employee's role and business units' function,
- Rotational Team A and Team B reporting on site
- Split of critical teams into dual reporting sites

All these efforts made BDO bankers feel safe and well-protected in the workplace and at home, given the extended vaccine coverage for their family members. Employee attendance improved overall and employees learned to adjust their work load capacity to continue to deliver services, in situations where a skeletal workforce had to be enforced due to quarantine requirements. Employees also showed willingness to go the extra mile in ensuring that critical activities in their respective teams were prioritized.

Having peace of mind helped employees maintain their productivity and effectively allowed continuous delivery of essential services to customers and clients, even with limited manpower capacity and changing pandemic policies mandated by the government.

Employee Rights 102-41

The pandemic presented a unique set of challenges and opportunities for BDO's Labor Union. In 2021, a new set of officers was elected to represent employee members in the Labor Management Council. Much of the Council's work focused on employee health and safety, as the country entered a different phase of the pandemic marked by the prolonged Delta surge. Communication lines were strengthened and discussions were made more open as Management and the Union worked hand-in-hand to protect employees and maintain industrial peace and harmony at the Bank, while meeting its commitment to the public to deliver essential services.

Employee Training and Development

Among the changes that became necessary as a result of the pandemic was shifting from face-to-face into virtual training. Despite social distancing restrictions, employees are enabled to pursue continuous learning through online courses and virtual instructor-led classroom trainings. One of the urgent needs was to develop virtual learning courses that supported sales and marketing efforts, through virtual selling and virtual targeted communication to customers.

The Bank also pursued blended learning opportunities where virtual learnings were complemented with manager coaching and hands-on training for new hires. This approach strengthened team relationships and facilitated knowledge transfer more efficiently.

Throughout 2021, the Bank continued to offer online courses related to Regulatory/ Mandatory topics, Products and Services, Systems and Processes, Soft Skills, and Development Programs. Mandatory courses include the Code of Business Ethics and Conduct, Anti-Money Laundering Act, Data Privacy Fundamentals, Operational Risk Management, Business Continuity, Anti-Sexual Harassment in the Workplace, Social Media Awareness, and Social Engineering Attack.

HR also continued to drive the Bank's flagship leadership development programs — the Officership Development Program (ODP) and Management Development Program (MDP) — with all classes held virtually. The MDP equips leaders with skills to develop high potential employees to take on managerial roles and enhances the productivity of their teams. The ODP is a full-time training program that aims to equip aspiring junior officers with the technical knowledge, as well as leadership, communication, and customer service skills in performing their new role as Junior Assistant Managers in the Bank. It enables individual contributors to develop the mindset and behaviors of a leader. In 2021, a total of 416 employees participated in the MDP compared to 215 the previous year, while 419 trained for the ODP in 2021, compared to 214 in 2020. Passing these leadership programs is one of several criteria that makes an employee eligible for promotion.

On the other hand, business skills training courses effectively equip employee learners with updates on products, services, systems and processes, while consultative selling workshops enable client-facing learners to offer clients with the appropriate financial solutions they need. Leadership workshops continue to focus on coaching and communication. Overall, these courses enable employees to effectively perform their respective roles in supporting the business and responding to customer's needs in the context of "We Find Ways," particularly during challenging business conditions, such as the ongoing pandemic.

In 2021, HR-Training also created a series of eLearning courses on Sustainability at BDO for employees bank-wide. Sustainability Consciousness 101 was designed for onboarding new employees and officers, Sustainability 102 was for all incumbent employees, while Sustainability 103 was tailor-fit for people managers who are expected to be role models and to promote the sustainability mindset among teams they manage. All courses provide an overview of BDO's sustainability philosophy and framework, current initiatives based on the latest BDO Sustainability Report, and expectations for BDO bankers in collectively driving sustainability in the work they do at the Bank and as individuals at home or anywhere outside the Bank. These courses will be rolled out in 2022.

Digitization

In line with the digital transformation that was made more urgent by the pandemic, HR fast-tracked the transformation of its processes and systems of core HR functions into one integrated digital system to standardize and improve efficiency. HR migration and implementation of the employee data management system was successfully conducted in July 2021. Other core HR functions on Recruitment and Performance Management are next in line for digitization and targeted for release in the new HR System in 2022.

All these accomplishments and strides in 2021 have made BDO more resilient and responsive to the needs of both its employees and clients. The Bank is now poised to transition to the next normal with a strong foundation to continue finding ways to make life better for all its stakeholders.

BDO Green Champions at work and at home 102-43

At BDO, sustainability begins at home, literally and figuratively. While the Bank ensured that sustainability is an integral part of its business, it also made sure that employees, who are BDO's main brand ambassadors, adopted and practiced the same sustainable mindset.

The Bank continuously promoted its initiatives through various internal communication channels, including its employee newsletter, The Wayfinder, and an emailer called eNewsgram. It also enjoined employees to share their own sustainability initiatives so colleagues can draw inspiration from them.

In sharing their own journeys, BDO also encouraged everyone to participate in the SM Green Movement, an environmental project led by BDO's parent company, SM Investments Corporation. The SM Green Movement aims to lessen the SM Group's carbon footprint by promoting a greener lifestyle at home and at work among employees of the Group.

Launched in 2019, the SM Green Movement showcases how each company within the SM Group contributes to sustainability. More importantly, it also serves as a platform for employees to share their own green practices with everyone across SM's ecosystem.

In 2021, BDO bankers got to know more about their own sustainability advocates — the BDO Green Champions. Among them are Sharlene May Cua and Tonette Amistoso of the Institutional Banking Group; June Abigail Josue and Chiqui On of the Consumer Banking Group; Mark Rhyan Montenegro of Comptrollership; and Francis Tumpag and Renan Ferrer of the Branch Banking Group.

It's the little things that matter the most. Through their own small but meaningful actions, the BDO Green Champions are able to contribute to a greener, more sustainable world for future generations. Here, in their own words, are some of their green practices:



BDO bankers are the Bank's brand ambassadors in adopting and practicing a sustainability mindset.

Sharlene May Cua

China Desk, Institutional Banking Group

"Fostering sustainability may be a huge task, but starting it in our own little way makes it a lot easier. Not long ago, the topic of renewable energy and energy efficiency piqued my interest. That's when I started to participate in trainings and capacity-buildings tackling these topics. Listening to experts not only enhanced my knowledge on renewable energy and efficiency, but also allowed me to share my learnings with others.

Since we are also spending more time at home because of the pandemic, I became more conscious about the energy that I consume. I began to explore energy-saving smart appliances and made sure I have efficient cooling and lighting at home. In my own little way, I'm able to lessen our country's carbon footprint."





Renan Ferrer
BDO Aklan – CityMall Branch, Branch Banking Group

"In our home, I started a green living project by planting flowering trees and fruit-bearing trees such as Palawan Cherry Blossom, rambutan, santol, jack fruit, and a lot of ornamental plants. My other siblings also embrace the idea by growing organic backyard vegetables such as pechay, siling labuyo, okra, eggplant, patola, squash, calamansi, cucumber, and string beans for our family's consumption. We also sell our excess harvest in the market. The concept of farm-to-table has been a practice in most neighborhoods in our province. The idea of helping others and being a responsible individual for the benefit of the community and the environment is an efficient way of living sustainably and peacefully."

June Abigail Josue Service Fulfillment Unit, Consumer Banking Group

"I have been donating plastic materials to The Plastic Flamingo (www.theplaf.com), a social enterprise that aims to tackle marine plastic pollution in the country. They transform collected plastics into eco-lumbers: posts and planks. Since I discovered that group, I have been consciously avoiding buying grocery products made of plastic materials."





Chiqui On Collections Assurance, Reporting and Testing, Consumer Banking Group

"I am fostering sustainability by minimizing use of paper and plastic in my daily work and personal activities. I avoid printing reports if these can be submitted digitally. I also bring and use my own tumbler and utensils when buying takeout."

Mark Rhyan Montenegro Loans Administration, Comptrollership

"At work, I re-utilize used papers by printing on the clean side. It helps the Bank save on cost. Also, I manually shred used papers/ forms to save on electricity cost. At home, we use rain water to clean our toilets and water our plants. This practice has helped us save on water costs. We also use solar equipment to charge multiple devices instead of plugging them into electrical sockets."





Tonette Amistoso Commercial Banks, Institutional Banking Group

"We all know that climate change, global warming, and resource depletion are real and their impact on human and other living things can be devastating. It's high time that we grab any opportunity to help reduce our carbon footprint. As a minimalist, I make sure that everything I own and use are put to its maximum purpose. I am more mindful of the products that I buy, making sure that they are, as much as possible, recyclable. I try to repurpose most of the things that I buy so I am able to minimize our household's waste. I always bring a reusable shopping bag whenever I visit the grocery."

Francis Tumpag BDO Cebu Mandaue – North Branch, Branch Banking Group

"My household is practicing the 3 Rs (Reduce, Reuse, Recycle) to foster sustainability and protect the environment. To reduce waste, we buy only what is needed and select items with less packaging. Using eco bags while shopping at SM stores and other supermarkets allows me to use less packaging as well. We also repurpose used glass bottles as containers for staples like vinegar, soy sauce, salt, sugar, and we convert PET bottles into pots for our plants. We are also able to conserve water and other resources by ensuring that we fix leaking water pipes, managing the use of our LPG, and turning off electronic appliances when not in use, among others."



Some of the BDO Green Champions are also featured in the SM Green Movement website. To view the video interviews with Tonette Amistoso, Sharlene May Cua, Mark Rhyan Montenegro, Francis Tumpag, and other sustainability advocates of the SM Group, visit this link: www.smgreenmovement.com/our-green-champions/.

Disaster Response Sustainability Strategy



In identifying Disaster Response as one of its key sustainability strategies, BDO takes into consideration the physical risks that come with the geographical location of the Philippines that makes it vulnerable to climate change. Disasters critically impact the safety and wellbeing of our employees, customers, and communities, and pose disruption and damage to the bank's operations and facilities.

To best mitigate the environmental and social impact of natural and man-made disasters, the Bank chose to focus its resources on the aftermath of such events — to immediately provide relief, fund rehabilitation, and help advance recovery of disaster-stricken communities in the Philippines. This supports the United Nations Sustainable Development Goal 13 on Climate Action — to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.











BDO Foundation: Finding ways to serve the Filipino

As the coronavirus lingered and variants threatened the well-being of Filipinos, BDO Foundation, the corporate social responsibility arm of BDO Unibank, continued to find ways to make its disaster response programs more responsive to the needs of underserved sectors of society.

Pandemic response

In the second year of the pandemic, BDO Foundation continued to help control the spread of the virus, assist frontliners, and provide aid for people vulnerable to the effects of the health crisis. The Foundation helped communities cope with COVID-19 amid the surge in cases by supporting the healthcare programs of partner local government units.

BDO Foundation's pandemic response included the following:

- Distribution of food assistance in marginalized communities all over the country in partnership with Ako Bakwit,
 Caritas Philippines, Tanging Yaman Foundation, and social action centers
- Donation of hygiene kits to health workers and patients in Capiz, Iloilo, and Negros Oriental provinces
- Provision of manpower support nurses and medical technicians — for the vaccine rollout of General Santos City and Iloilo City to mitigate the surge in cases due to the Delta variant of the COVID-19 virus



BDO Foundation has donated vaccines for frontliners in key cities with the highest COVID-19 cases.

Relief Operations

Served more than

 $49,\!000$ calamity-stricken families

COVID-19 Pandemic Response

Sarvac

16,750 families

2,055
health workers
and patients

1,800 vaccinees













- Contribution to the Project Balik Buhay Salary and Bonus Assistance for our Bidas program, which provided financial incentives to nurses stationed in the intensive care units, emergency rooms, and COVID wards of hospitals in Cebu, an initiative supported by the Department of Health and Office of the Presidential Assistant for the Visayas
- Vaccination of beneficiaries nominated by vaccine donors from BDO

BDO Foundation's COVID-19 programs benefited 16,750 families, 2,055 health workers and patients, 1,800 vaccinees in General Santos and Iloilo, nurses in eight hospitals, and 1,066 vaccinees nominated by donors as well as people in 30 parishes and persons deprived of liberty in 48 prisons. The initiatives were backed by BDO Unibank and BDO Network Bank branches, local government units, medical organizations, hospitals, non-governmental organizations, and volunteers who provided logistical assistance on the ground.

Relief operations

In line with its disaster response advocacy and in the spirit of bayanihan or volunteerism, BDO Foundation provided relief aid and mobilized volunteers for provinces placed under a state of calamity due to typhoons, earthquakes, volcanic eruptions, and fires.

The initiative benefited more than 49,000 calamity-stricken families devastated by Typhoons Bising (international name: Surigae), Fabian (Cempaka), Maring (Kompasu), and Odette (Rai), as well as survivors of a fire incident in Occidental Mindoro and the Taal Volcano eruptions.



BDO Foundation provided food assistance to non-governmental organization Ako Bakwit for the benefit of economically disadvantaged and displaced persons affected by the pandemic.

Handog sa 'Yo ng BDO Foundation Food Assistance

Distributed food packs to

20,000 underserved families in 25 provinces





Rural Health Units (RHUs)

21 Rehabilitated RHUs

in the provinces

10

Previously rehabilitated RHUs, maintained and repaired

Helped improve delivery of primary patient care to more than

700,000 individuals

121
Renovated RHUs to date

Tech-Voc Training Facility

More than

140

students stand to benefit every year









The relief work was made possible with the support of BDO and BDO Network Bank branches. Volunteers from church groups, the military, local government units, and non-governmental organizations provided logistical support.

Handog sa 'Yo ng BDO Foundation

BDO Foundation provided food assistance for economically disadvantaged communities all over the country as part of a Christmas gift-giving initiative dubbed Handog sa 'Yo ng BDO Foundation. In partnership with Caritas Philippines, the social arm of the Philippine Catholic Church, the Foundation distributed food packs to 20,000 underserved families in 25 provinces in Luzon, the Visayas, and Mindanao.

Handog sa 'Yo was aimed at giving back to the community during the holiday season and supplementing the food supply of families during hard times. Implementation was made possible with the support of parishes and diocesan social action centers as well as BDO and BDO Network Bank branches.

Rehabilitation and upkeep of Rural Health Units

BDO Foundation intensified efforts to rehabilitate rural health units (RHUs) in economically disadvantaged and disaster-affected areas all over the Philippines to facilitate access to quality healthcare services during the pandemic. Despite logistical limitations caused by COVID-19, the Foundation renovated 21 RHUs in the provinces of Batangas, Bohol, Catanduanes, Ilocos Sur, Iloilo, Isabela, Masbate, Negros Occidental, Samar, and Surigao del Norte.

BDO Foundation improved the health centers' layout, interiors and exteriors, lobbies and waiting areas, offices, birthing clinics, consultation rooms and treatment rooms, pharmacies, and facilities. The Foundation also installed new furniture and fixtures to accommodate more patients. Construction also included breastfeeding stations for nursing mothers, play areas with books and toys for children, and comfortable waiting lounges for senior citizens. With renovations completed, rural doctors, nurses, and midwives are now better equipped to provide primary patient care to more than 700,000 individuals, many of whom cannot afford to go to hospitals.

In addition to the rehabilitation of RHUs, BDO Foundation also completed the maintenance and repair of 10 previously rehabilitated health centers in Agusan del Sur, Aklan, Biliran, Camarines Sur, Ilocos Sur, North Cotabato, Nueva Ecija, Samar, and Sorsogon provinces for the benefit of more than 560,000 people.

Officers from BDO Unibank and BDO Network Bank branches helped the Foundation identify RHUs that needed assistance.

Through its rehabilitation program, the Foundation contributes to the achievement of Sustainable Development Goal 3 to ensure healthy lives and promote the well-being of all people at all



Volunteers prepare to distribute food packs to underserved families in Zambales as part of the Handog sa 'Yong BDO Foundation Christmas giftgiving program.



According to Dr. Rachelle Jean Sanchez, municipal health officer of Placer in Surigao del Norte, "On behalf of Placernons, I would like to express our gratitude to BDO Foundation for finding ways for us amid this pandemic."

ages. As a pandemic response, the initiative is critical as RHUs support efforts to curb the spread of the coronavirus. Health centers provide free antigen testing and implement the vaccination programs of local government units.

Construction of Tech-Voc Training Facility

BDO Foundation continued to look after the welfare of disaster-affected Filipinos long after the typhoons have gone. Dumangas town in Iloilo province was hard hit by Super Typhoon Yolanda (Haiyan) in 2013. To help rebuild the community, the Foundation constructed a technical-vocational training facility at the Don Bosco Technical and Vocational Education and Training Center – Dumangas, in partnership with the Salesian Society of St. John Bosco.

The two-storey structure serves as a workshop, where senior high school students can learn technical-vocational livelihood skills. The building enables administrators to introduce new courses, accommodate more enrollees, and teach more learners.

It supports Don Bosco's mission to educate, evangelize, and capacitate Filipino youth. The Center educates economically disadvantaged and out-of-school youth for gainful employment in the Philippines and abroad. More than 140 students stand to benefit every year from the facility the Foundation built.

BDO Foundation's initiative in Iloilo contributes to the achievement of Sustainable Development Goal 8 to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

Other projects

- Distribution of food assistance to more than 2,200 underserved families in Aklan, Capiz, Cebu, Davao del Sur, Iloilo, Leyte, Metro Manila, Pangasinan, Rizal, and Samar in partnership with BDO Network Bank, Beiersdorf Philippines, Jesuit Communications Foundation, and U.S.-Philippines Society
- Donation of more than 1,400 healthcare products and other items to Ako ang Saklay Foundation for underserved families in Nueva Ecija
- Sponsorship of the sixth general assembly of Zero Extreme Poverty Philippines 2030 themed "Creating a Better Normal Towards Sustainable Communities", which served as a venue for discussions of efforts to address the effects of the pandemic



BDO Foundation built a technical-vocational training facility in Dumangas, Iloilo to support Don Bosco's efforts to educate disadvantaged youth in the Visayas.

Governance-based Sustainability Strategy



We continuously enhance our corporate governance framework to sustain superior business performance anchored on the principles of accountability, transparency, integrity, and fairness, together with our partners.





Good Governance to Create a Sustainable Future

Corporate governance in BDO is about effective oversight, strict compliance with regulations, and sustainable value creation to promote the best interest of its various stakeholders.

BDO affirms its deep commitment to the highest standards of corporate governance practice firmly anchored on the principles of accountability, fairness, integrity, transparency, and performance consistently applied throughout the institution. BDO's good market reputation has been built on the solid foundation of an ethical corporate culture and responsible business conduct, underpinned by a well-structured and effective system of governance.

BDO complies, where appropriate, with the Philippine Securities & Exchange Commission (SEC) Code of Corporate Governance for Publicly-Listed Companies and with the Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions. It follows relevant international best practices of corporate governance issued by globally recognized standards-setting bodies such as the Organization for Economic Cooperation and Development (OECD) and the ASEAN Corporate Governance Scorecard (ACGS) which serve as essential points of reference.

Our Board of Directors and Governance Structure

Responsibility for good governance lies with the Board. It is responsible for providing effective leadership and overall direction to foster the long-term success of the Bank. It oversees the business affairs of the Bank, reviews the strategic plans and performance targets, financial plans and budgets, key operational initiatives, capital expenditures, acquisitions and divestments, annual and interim financial statements, and corporate governance practices. It oversees management performance, the enterprise risk management, internal control systems, financial reporting and compliance, related party transactions, continuing director education, and succession plans for the Board and the Chief Executive Officer (CEO). It considers sustainability issues related to the environment and social factors as part of its sustainable banking practices.

The Board is composed of 11 seats, with one vacancy as of December 31, 2021 reserved for an independent director¹. The members of the Board are all professionals with various expertise in fields relevant to BDO's business and strategic plans such as banking, accounting and finance, law, merchandise marketing, strategy formulation, bank regulations, information technology, sustainability, and risk management. It is led by a Non-Executive Chairperson with five Independent Directors, three Non-Executive Directors, and two Executive Directors who are the Vice Chairman and the President & CEO.

The present composition of the Board exceeds the minimum regulatory standards which require that independent and non-executive directors account for the majority. Independent and Non-Executive Directors of the Bank comprise 82% (nine of 11) of the Board. With five of 11 Board seats allocated for independent directors, the Bank goes beyond the 1/3 minimum requirement of the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission. Independent Directors comprised the majority

¹ Atty. Gilberto C. Teodoro, Jr., Independent Director, resigned from the Board of Directors effective October 7, 2021. His replacement, Mr. Vipul Bhagat, Independent Director, was appointed by the Board of Directors on January 8, 2022.

(six of 11 or 54.50%) of the Board until April 2021², conforming with international best practices. Independent directors chair eight of nine Board Committees, namely Risk Management, Audit, Corporate Governance, Related Party Transactions, IT Steering, Nominations, Compensation, and Trust. This provides independent and objective judgment on significant corporate matters and ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed and rigorously examined.

The Board is aided by four advisors who are considered as integral parts of the Board and whose influence are akin to directors. Their opinions and recommendations are taken into consideration by the Board members. The presence of a female Board advisor provides an independent view of the Bank and complements the two female non-executive directors.

The Board is responsible for the screening of new directors through the Nominations Committee. The Nominations Committee leads the process of identifying and evaluating the nominees for directors. It evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Bank. The result of the evaluation determines the role and key attributes an incoming director should have. The Nominations Committee receives recommendations for potential candidates and uses, to the extent possible, external search firms or external databases in selecting the pool of candidates for the new members of the Board. The Nominations Committee recommends the most suitable candidate to the Board for appointment or election as director.

For reelection of incumbent directors, the Nominations Committee also considers the results of the most recent annual evaluation of the performance of the Board, Board Committees, and peer evaluation made by the Board members and advisors or by an independent third party evaluator, attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board.

In evaluating the suitability of an individual board member and promoting diversity in the composition of the Board, the Nominations Committee annually reviews the Board and Board Committee composition to ensure appropriate balance of skills, competencies, experience of its members, and diversity to ensure the alignment with the new regulations. The Committee recommends to the Board of Directors the slate of nominees for election to the Board of Directors during the Bank's annual stockholders' meeting. The Committee takes into account the relevant qualifications of every candidate nominated for election, with competence and integrity as the primary factors, including other criteria such as, among others, physical and mental fitness,

Board snapshot

DIRECTOR INDEPENDENCE

- 2 Executive Directors
- ••00000000
- 5 Independent Directors
- •••••000000
- 4 Non-Executive Directors
- ••••000000

DIRECTOR DIVERSITY

- 2 Females
- ••00000000
- 2 International
- ••00000000

DIRECTOR AGE

- 1 50-59
- •000000000
- 3 60-69
- •••00000000
- 7 70+
- ••••••

SKILLS, EXPERIENCE & BACKGROUND

- 7 Bankers
- ••••••
- 2 Lawyers
- ••00000000
- 2 Entrepreneurs
- ••00000000

² Former Lead Independent Director, Mr. Jones M. Castro, Jr., was reclassified to non-executive director on April 23, 2021, in order to comply with the nine-year term limit for independent directors.

relevant educational and professional background, personal track record, experience and training, commitment to contribute, willingness to serve, and interest to remain engaged and involved, without regard to race, gender, ethnic origin, religion, age, or sexual orientation.

The Board is also responsible for approving the selection and appointment of a competent executive management led by the President and CEO including the heads of units who exercise control functions i.e. Chief Compliance Officer, Chief Risk Officer, and Chief Internal Auditor. Fit and proper standards are applied in the selection of key officers and utmost consideration is given to their integrity, technical expertise, and banking industry experience.

Considering the changes done, complexity and scope of the Bank's business, the Board believes that its current size and composition provide sufficient diversity among its directors, foster critical discussion, and promote balanced decision-making. It views diversity at the Board level, which includes differences in skills, experience, gender, sexual orientation or preference, age, education, race, business and other related experience, as an essential element in maintaining an effective board for strong corporate governance.

During the year, the Board approved, reviewed, and oversaw the Bank's financial budget and capital funding, business targets and strategies, quarterly declaration of dividends, and the release of the 2020 audited financial statements within 57 days from year end. Its oversight functions include the review of operational and financial performance of senior management and work of the various committees in accordance with their Terms of Reference.

In 2021, the Board focused on the Bank's strategic plans. Six special Board meetings were called in 2021 to specifically discuss the Bank's strategies for an enhanced customer journey, seamless digital transformation, effective wealth management initiatives, and robust cyber security measures. The Board approved and confirmed the expanded business model of its overseas branch to include dealing and offering of securities and collective investment schemes, and providing custodial services.

The Board continued with its efforts in countering the effects of COVID-19 pandemic in its operations. Constant monitoring of the adequacy of the Bank's provision was made at Board level in 2021. Similarly, the Board kept track of the Bank's COVID-19 response programs, particularly the regular testing and vaccination of its employees.

The Board also oversaw matters related with sustainability. It approved a three-year transition plan aimed at embedding sustainability principles in the Bank's corporate governance framework, risk management systems, strategic objectives, and operations.

Improving Board Effectiveness

Board Performance

A yearly self-assessment is conducted focusing on the performance of the Board, directors, Committees and senior management, through the Corporate Governance Committee, using an approved set of questionnaires. The performance evaluation process begins with sending out customized Board Evaluation Questionnaires to each director and advisor. They are required to complete the questionnaire and explain the rationale of their response. The results of which are tabulated and consolidated. In 2021, the Corporate Governance Committee endorsed to the Board the continuous engagement of the services of an external facilitator for its yearly self-assessment. To the Committee, engaging an independent party every year, rather than every three years as recommended by the SEC, provides more governance inputs to the Board and allows comparability and continuity of aspects examined.

For 2021, the Bank reappointed PwC Philippines (PwC) as external facilitator for the 2021 Board Effectiveness Evaluation (BEE) as continuation of being the external facilitator for the 2019 and 2020 BEE. PwC facilitated a peer and self-evaluation process on the Board, Board Committees, and individual directors.

Continuing Education for Directors

The continuing education program for directors is an ongoing process to ensure the enhancement of their skills and knowledge. Every year, all directors and key officers are given updates and briefings, and are required to attend a corporate governance seminar on appropriate topics to ensure that they are continuously informed of the developments in the business and regulatory environments, including emerging opportunities and risks in the banking industry. All directors of BDO Unibank complied with the annual corporate governance training requirement of four hours in 2021. Nine directors of BDO Unibank attended the in-house corporate governance seminar facilitated by Gartner Executive Programs last September 1, 2021. It concentrated on the impact of geopolitics on digital business, design and delivery for customer facing digital products, and digital leadership. Two directors attended the corporate governance seminar facilitated by the Institute of Corporate Directors last September 30, 2021 with topics on sustainability, artificial intelligence, and digitalization, among others.

Chairperson of the Board

The Chairperson is primarily responsible for leading the Board and ensuring its effectiveness. She provides leadership to the Board, fosters constructive relationships between directors, promotes an open environment for critical discussions and constructive debate on key issues and strategic matters, and ensures that the Board of Directors exercises strong oversight over the Bank's business and performance of senior management. She takes a lead role in ensuring that the Board provides effective governance of the Bank and continues to operate at a very high standard of independence with the full support of the directors.

Independent and Non-Executive Directors' Meeting

A regular meeting is held by Independent and Non-Executive Directors (INED) with the heads of the control functions (i.e. Chief Risk Officer, Chief Compliance Officer, and Chief Internal Auditor) as well as the external auditor, without the presence of management or any bank executive, to discuss various matters or issues outside the Audit Committee and Risk Management Committee meetings. The meeting is chaired by the Lead Independent Director. In 2021, the INED conducted three (3) sessions and the results of these sessions were discussed with the Bank's Executive Directors in three (3) separate sessions.

Board Committees

The Board has established nine committees to help in discharging its duties and responsibilities. These committees derive their authority from and report directly to the Board. Their mandates and scopes of responsibility are set forth in their respective Terms of Reference, which are subjected to annual review and may be updated or changed in order to meet the Board's needs or for regulatory compliance. The number and membership composition of committees may be increased or decreased by the Board as it deems appropriate, consistent with applicable laws or regulations specifically on the majority membership and chairmanship of independent directors in various committees. As of December 31, 2021, eight of nine board-level committees are chaired by Independent Directors.

The Board of Directors

- Responsibility for good governance lies with the Board.
- It is responsible for providing effective leadership and overall direction to foster the long-term success of the Bank.
- It oversees the business affairs of the Bank, reviews the strategic plans and performance targets, financial plans and budgets, key operational initiatives, capital expenditures, acquisitions and divestments, annual and interim financial statements, and corporate governance practices.
- It oversees management performance, the enterprise risk management, internal control systems, financial reporting and compliance, related party transactions, continuing director education, and succession plans for the Board and CEO.
- It considers sustainability issues related to the environment and social factors as part of its sustainable banking practices.

Executive Committee

- Exercises power of the Board in the management and direction of the affairs of the Bank.
- Acts as main approving body for loans, credits, advances or commitments and property-related proposals.
- Reviews and recommends for Board approval major credit policies, including delegation of credit approval limits.

Board Audit Committee

- Oversees the financial reporting process, system of internal control and risk management systems, internal and external audit functions, and compliance with governance policies, applicable laws and regulations.
- Reviews the integrity of the reporting process to ensure the accuracy and reliability of financial statements and compliance with financial reporting standards and disclosure requirements set for publicly-listed companies.
- Monitors and evaluates the adequacy, soundness and effectiveness of the Bank's established internal control and risk management systems, policies and procedures including implementation across all units of the Bank.

Corporate Governance Committee

- Assists the Board in formulating the governance policies and overseeing the implementation of the governance practices of the Bank as well as its subsidiaries and affiliates.
- Conducts annual performance evaluation of the Board of Directors, its committees, executive management, peer evaluation of directors, and conducts a self-evaluation of its performance.
- Oversees the continuing education program for directors and key officers and proposes relevant training for them.

Trust Committee

- Reviews and approves transactions between trust and/or fiduciary accounts, accepts and closes trust and other fiduciary accounts, and approves the investment, reinvestment and disposition of funds or property.
- Evaluates trust and other fiduciary accounts at least once a year.
- Reviews Trust and Investment Group's overall performance, profile of funds and assets under its management, industry position, and the risk management reports.
- Approves offering of new products and services, establishment and renewal of lines and limits with financial institutions, and investment outlets and counterparties.

Risk Management Committee

- Responsible for the oversight of the enterprise risk management program of the Bank.
- Responsible for approving risk appetite levels, risk management policies, risk tolerance limits and approves the appropriate strategies for managing and controlling risk exposures, including preventing and/or minimizing impact of losses if risk becomes real.
- Oversees the implementation and review of the risk management plan including the system of limits of discretionary authority delegated by the Board of Directors to management under its purview and ensures that immediate corrective actions when limits are breached.
- Responsible for evaluating the continued relevance, comprehensiveness and effectiveness of the risk management framework.
- Works with the Audit Committee in certifying in the Annual Report the adequacy of the Bank's internal control and risk management systems and controls.

Nominations Committee

- Leads process of identifying candidates for election and appointment of directors and all other positions requiring appointment of the Board of Directors, giving full consideration to succession planning and the leadership needs of the Group. In particular, this process includes the profiling of the skills and competencies of the currently serving directors, the gaps in skills and competencies identified and the search for candidates who are aligned with the Bank's directions to fill the gaps. It then makes appropriate recommendations to the Board.
- Makes recommendations to the Board on the composition and chairmanship of the various committees.
- Reviews structure, size and composition of the Board, including the balance of skills, knowledge and experience and the independence of the non-executive Directors, and makes recommendations to Board with regard to any changes.

Compensation Committee

- Provides oversight on directors' compensation and remuneration of senior management and other key personnel, ensuring that the compensation scheme is consistent with the Bank's culture and strategy, effectively aligned with prudent risk taking and commensurate with corporate and individual performance.
- Ensures consistency of the compensation policies and practices across the Group.

Information Technology Steering Committee

- Provides oversight and governance over the Bank's IT functions, including approvals of information technologyrelated policies and practices of the Bank and applicable guidelines.
- Informs the Board of both internal and external IT-related developments and activities, potential challenges and risks, progress vs. strategic objectives.
- Approves and endorses to the Board IT-related best practices, strategic plans, policies and procedures.
- Responsible for understanding, managing and mitigating technology risks that confront the Bank and its subsidiaries, ensuring that the risks are properly managed and mitigated, and monitoring of IT performance including status of major IT projects and issues.

Related Party Transactions Committee

- Assists the Board in its oversight of the conduct of all Related Party Transactions (RPTs) to protect the interests of the Bank and its stakeholders.
- Ensures proper disclosure of all approved RPTs in accordance with applicable legal and regulatory requirements and confirmation by majority vote at the Annual Stockholders' meeting of the Bank's significant transactions with related parties.

Further information regarding BDO's Board and Committees can be found in the Annual Report and at www.bdo.com.ph.

Independent Control Functions

Compliance

BDO's Compliance Group, through the Chief Compliance Officer (CCO), oversees the design of the Bank's compliance system and the overall compliance framework executed through a Compliance Program, and promotes their effective implementation. BDO Compliance Group reports to and is under the direct supervision of the Board Audit Committee. It is responsible for overseeing, coordinating, monitoring and ensuring compliance of the Bank with existing laws, rules and regulations through the implementation of the overall compliance system and program in accordance with the requirements of the BSP and other regulatory agencies, including but not limited to the identification and control of compliance risks, prudential reporting obligations as well as compliance training. BDO's Compliance System forms the processes, people, policies and other components that, as an integral unit, ultimately drive the Bank's initiatives to conform to industry laws, regulations and standards. In line with the Bank's initiatives is its commitment to ensure that activities of the Bank and its personnel are conducted in accordance with all applicable banking laws and regulations and industry standards, and this commitment to compliance serves to protect the Bank and its stakeholders. BDO's Compliance Group, as provided in its Charter, conducts independent compliance tests and reports to the Board Audit Committee any significant compliance issues or breaches.

The Anti-Money Laundering Department (AMLD) under the Compliance Group, together with the Anti-Money Laundering Committee (AMLCom), focuses on the enforcement of the Bank's Anti-Money Laundering (AML) Counter-Terrorist Financing (CTF) Program, and Combating Proliferation Financing (CPF), in accordance with the Anti-Money Laundering Law as amended; Terrorism Financing Prevention and Suppression Act, and Anti-Terrorism Act (ATA) and their respective Implementing Rules and Regulations (IRRs). The Bank also adheres with BSP and Anti-Money Laundering Council (AMLC) Rules, Regulations and Directives. The AML Program of the Bank is articulated in the Bank's Board- approved Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual, which covers AML/CTF/CPF policies and information such as: (i) customer on-boarding, (ii) customer risk assessment and due diligence, (iii) handling and monitoring of clients and their transactions, (iv)Covered and Suspicious reporting, (v) record-keeping, (vi) AML/CTF training (vii) AML System and technology platforms, and (vii) Institutional Risk Assessment. AMLD likewise oversees the investigation of suspicious transactions under the auspices of the AMLCom that is comprised of select key senior officers of the Bank.

The Compliance Group and its compliance program endeavors to protect the Bank's franchise, manage compliance risks and simultaneously supports the business goals and growth of the institution by providing appropriate compliance insights and regulatory guidance to safeguard the Bank and its stakeholders.

Internal Audit

The Internal Audit Function covers the entire Group including foreign and local subsidiaries and offices. It adheres to the principles required by the ISPPIA (International Standard for the Professional Practice of Internal Auditing), COSO Internal Control-Integrated Framework, COBIT (Control Objectives for Information and Related Technology), the Internal Audit Definition and Code of Ethics.

It provides assurance and a systematic, disciplined approach to evaluate and improve effectiveness of risk management, internal control, and governance processes. Upholding a commitment to integrity and accountability, Internal Audit provides value to senior management and governing bodies as objective source of independent advice, not only by promoting the professional development of its auditors but also by keeping abreast of relevant changes in regulations and trends in technology.

Internal Audit reports to the Board of Directors through the Board Audit Committee (parent bank and respective subsidiaries). It seeks BAC approval for the annual audit plan, provides updates on accomplishments, reports results of audit conducted and tracks resolution of audit findings. In its year-end closing report, Internal Audit attests to the fulfillment of its mandated responsibilities and provides overall assurance on the effectiveness of internal control, risk management and governance processes.

Compliance with the SEC Code of Corporate Governance

Publicly-listed companies are advised to disclose in their Annual Report the company's compliance with the Code of Corporate Governance and where there is non-compliance, to identify and explain the reason for such issue. We confirm that as of December 31, 2021, the Bank has substantially complied with the recommendations of the Code except for the following: 1) Policy on retirement age of directors; 2) Disclosure of executive remuneration on an individual basis; 3) voting system for majority of non-related party shareholders to approve material related party transactions during shareholders meeting; 4) voting mechanism such as supermajority or "majority of minority" to protect the minority shareholders against action of controlling shareholder. For a more detailed discussion on the matter, please refer to the BDO Annual Report.

Corporate Policies and Practices

BDO Code of Conduct and Business Ethics

As a financial institution, BDO believes that practicing right conduct and ethical behavior inspires and strengthens the confidence of all our stakeholders. The BDO Code of Conduct and Business Ethics (the Code) outlines the principles and policies that govern the activities of the Bank and sets forth the rules of conduct in the workplace and the standards of behavior of its directors, officers and employees in their activities and relationship with external stakeholders.

The Bank upholds the virtues of honesty and integrity among its employees and instills a sense of commitment toward duty and responsibility. All employees are expected to observe discipline in attending to their jobs and in interacting with coworkers. Supervisors and managers are expected to foster self-discipline and serve as role models to their subordinates. Bank officers are expected to intelligently and consistently apply the accepted principles of people management. All cases/violations must be reported. Failure to do so either by oversight or deliberate cover up is subject to appropriate disciplinary action.

The Office of the Human Resources is responsible for overseeing the implementation of this Code across the BDO Unibank Group. It receives reports of violations and ensures that a confidential investigation is undertaken. As necessary, it may endorse the handling of the investigation to the Cases Review Secretariat for the appropriate action and recommendation. The Audit Committee, at its discretion, may periodically report the Code of Conduct and Business Ethics cases to the Board of Directors. The Compliance Office will address lapses in compliance with regulatory requirements arising from the administrative cases due to the violation of this Code.

Internal Fraud, Breach of the Code, or other Unethical/Illegal Activities

BDO believes that the key to long-term sustainability and success largely depends on having a good name and solid reputation in the industry. Any director or employee who becomes aware of any violations of law, regulations, or policies should report the same to appropriate authorities, with protection from reprisal and discrimination. Reporting of violations should be done in good faith and without malice. This is embodied in the BDO Policy of Disclosure of Sensitive/Confidential Matters to management that governs the policies and procedures in the handling of whistleblower cases.

Data Privacy

BDO implements strict compliance with data privacy and protection laws. All personal data, including sensitive and confidential information obtained in the course of employment, directorship, engagement of services, or other work or business-related relationships with BDO, shall not be divulged unless authorized in accordance with internal and regulatory requirements, and shall not be used for any personal or financial gain.

The Bank has in place a Data Privacy Management Program (DPMP), which serves as the framework for protecting the data privacy rights of the Bank's data subjects, to ensure compliance with the Philippine Data Privacy Act (PDPA). BDO's DPMP strives to comply with the Five Pillars of Data Privacy Accountability and Compliance of the National Privacy Commission.

- Appointment of Data Privacy Officer. The Bank appointed a Data Protection Officer (DPO) who is registered with the National Privacy Commission (NPC). Compliance Officers for Privacy (COPs) in each business and support unit (BSU) were also appointed to ensure proper coordination in the implementation of any initiatives related to the Bank's DPMP.
- 2. **Conduct of Privacy Impact Assessment.** The Bank completed a Privacy Impact Assessment (PIA) for the whole BDO Group to assess privacy risks and ensure that necessary security measures are in place that will mitigate risks to personal data, and uphold the data privacy rights of individuals. The results of the PIA were reported to the Risk Management Committee (RMC) of the BDO Board.
- 3. **Privacy Management Program and Privacy Manual.** The Bank's DPMP is part of its Data Privacy Manual (DPM), which serves as a framework for protecting the data privacy rights of the Bank's data subjects. The Bank codified its DPM to serve as a reference for all units of the Bank in complying with Republic Act 10173, also known as the Data Privacy Act of 2012. All bank personnel are required to comply with the terms set out in the Manual.
- 4. Implement Data Privacy and Protection Measures. Even before the Data Privacy Act was passed into law, data privacy and protection measures were already in place in BDO's processing of personal data. However, implementation of these measures was not a one-time activity, but a continuous process. Foremost among these steps are the establishment of the Enterprise Data Privacy Policy, Data Privacy Statement, and Breach Reporting Procedures, including the templates for Consent, Data Sharing Agreement, and Outsourcing Agreement Supplements. Privacy risk monitoring was also enhanced using the existing operational risk management tools of the Bank. To ensure continuous education within BDO, an eLearning course on Data Privacy is sent to employees as part of an Awareness Program. The Bank has also intensified its data privacy awareness with an in-depth training for COPs and complaints management training for Customer Contact Center personnel.

5. **Exercise of Breach Reporting Procedures.** As a precaution and to proactively manage personal data breach incidents, the Bank documented in its Data Privacy Manual the detailed procedures in reporting potential personal data breaches. Breach reporting is also included in the Bank's Data Privacy Training and Awareness Program.

The RMC is also regularly updated with respect to the progress of the Bank's compliance to the PDPA. In view of its commitment to comply with data privacy requirements, and as part of its continuing assessment and development efforts, the Bank actively participates in data privacy forums of the NPC and liaises with other DPOs of the Bankers Association of the Philippines (BAP).

Consumer Protection Practices

BDO's financial consumer protection framework is anchored on disclosure and transparency, protection of client information, fair treatment, effective recourse, and financial education and awareness. The framework ensures that consumer protection practices are embedded in our operations and considered in the development and implementation of our products and services.

The Board is primarily responsible in maintaining an effective oversight on the Bank's consumer protection policies and programs. Senior management implements the Board-approved strategy and ensures that control mechanisms are in place. BDO's Consumer Assistance Management System reflects the Bank's commitment that our customers are treated fairly, honestly, and professionally at all stages of their relationship with the Bank. To ensure its effective implementation, BDO Customer Contact Center records customer complaints and monitors its resolution in adherence to established standard operating procedures and service level agreements. Customer feedback and complaints are analyzed and these are reported to the Board's Risk Management Committee on a periodic basis.

BDO devotes resources to ensure that customers are provided with accessible, affordable, independent, fair, accountable, timely, and efficient means for resolving complaints with their financial transactions. In 2021, CAMS logged around 8 million customer cases of which only 6% were problem-related in nature. Majority of the cases were inquiries (5.2 million or 65%) and requests (2.3 million or 29%).

Supply Chain and Approach to Procurement

BDO sources 99.6% of its supplies from a local supply chain. The Bank follows a Manual on General Procurement Guidelines that establishes the policies on procurement of products and services and provides a framework of efficient, consistent, transparent and compliant purchasing practices across all Business Units (BU) of the Bank. BDO also has an online Vendor Accreditation System (VAS) that serves as the central storage facility of all Bank accredited vendors/suppliers, and contractors. The VAS provides real time status of vendor evaluation for accreditation, allows the upload of required documents for vendor accreditation, and generates reports for monitoring and reference. The Bank works with its suppliers to generate awareness and understanding of sustainability principles to help identify and mitigate the supply chain's environmental and social impact. The Bank also aims to find ways to build its supply chain's resilience to both natural and man-made disasters brought about by climate change.

Acceptance/Solicitation of Gifts, Bribery, and Corruption

The Bank has zero tolerance for the solicitation and acceptance, directly or indirectly, of any gift (including entertainment services or activities), gratuity, commission or any form of payment from clients, business partners, suppliers and third party service providers in connection to a service that may, in any way, influence the Director's, Officer's or employee's decision-making in exchange for any unnecessary favorable treatment. Likewise, BDO commits to comply with anti-corruption and bribery laws in all jurisdictions it operates. BDO will not make political donations that may be interpreted as an attempt to encourage favorable treatment of BDO and/or its directors and employees.

Anti-Money Laundering, Counter-Terrorist Financing, and Proliferation Financing

BDO is committed to conduct business with the highest ethical standards and in full compliance with all applicable laws and regulations. The Bank seeks to prevent the flow of illicit funds on money laundering, combat terrorist financing, and proliferation financing by establishing policies and guidelines that would detect and report on red flags for these activities. These are articulated in the Board-approved Money Laundering and Terrorist Financing Prevention Program Manual (MTPP) which requires mandatory compliance from front liners and Bank officers.

BDO has also adopted the following pillars in its Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF) and Combating Proliferation Financing (CPF) initiatives:

- Know Your Client (KYC). Acquiring the necessary information and performing validation to establish the identity of the client, including beneficial owners, are part of the core processes in the Bank's efforts to prevent money laundering, and terrorist and proliferation financing. Policies, procedures and tools are in place to screen new and existing clients and transactions. For product-specific transactions such as trade, KYC and screening extend to counterparties, vessels, ports, routes, and commodities, standards for establishing and maintaining business relationships are explicit and defined.
- Know Your Employee (KYE). Managing attendant AML, CTF, and CPF risks; safeguarding assets; and the protection of stakeholders are among the primary considerations in maintaining a strong and responsible workforce. Recruitment and screening standards cover physical, mental, social, and moral aptitude in order to strictly adhere to the fit and proper rule for bank personnel as prescribed by relevant regulations. To implement the KYE process, there is continuing monitoring of employees' lifestyle, behavior and compliance with the Bank's code of conduct. Employees are required to uphold professionalism and integrity in all their dealings at all times and they are encouraged to report any form of adverse behavior or practice as espoused in the Bank's Corporate Governance Manual on whistle-blowing and anti-bribery and corruption.
- Ongoing Monitoring and Independent Checking. Product and transaction owners perform and actively monitor changes in profile, behavior, and transaction patterns of their customers through cyclical due diligence, daily and periodic monitoring reports, on-site visits, sales calls, and other means to secure updated information.

Designated Unit Compliance Coordinators (UCCs) for branches and business units check compliance with the AML Program of the Bank on a monthly basis. Moreover, the Bank's AML Department under the Compliance Group conducts year round Independent Compliance Testing (ICT) based on risk-based AML roadmap that is approved by the Bank's Board Audit Committee.

The Bank also employs an enterprise-wide AML monitoring system which generates alerts based on pre-defined scenarios and specific parameters. Alert scenarios were configured to flag accounts and transactions that may be suspiciously connected with sanctioned and designated lists. These alert scenarios are subject to annual review and assessment.

The Risk Classification Process (RCP) is a module under the AML system that runs risk classifiers on transactional behavior across the institution's customer database. The RCP automates the process of integrating the onboarding or prior risk classification of a client and the actual transactional behavior. The RCP process supports an updated and current customer risk profile.

For AML System and funds flow monitoring, an interim tool enables monitoring of customers' activities on an aggregate basis and equips the AML investigators to pull information on all accounts and transactions of particular customers and their related accounts.

- Regulatory Reporting. The Bank adheres to all the prescribed regulatory reporting requirements including Covered and Suspicious Transactions (CTRs and STRs). The Bank's AML system facilitates the reporting of CTRs and STRs, while a Robotics Process Automation (RPA) assists in the reporting procedures. CTRs are transactions above P500,000 in value, while STRs are transactions with suspicious indicators. STRs are reportable regardless of amount and these include attempted transactions.
- Record Retention. BDO strictly upholds the confidentiality and integrity of Bank records and adheres to AML rules and regulations on record management. Records are either retained for a minimum of five (5) years or in perpetuity.
- Training. AML, CTF, and CPF awareness initiatives and trainings are integral in the organization's compliance culture that promotes proficient management of money laundering risks. Regulatory advisories and AML bulletins are regularly cascaded to employees to promote familiarity and knowledge of regulations and emerging AML risks, typologies and crimes. All new employees are required to take mandatory AML, CTF, and CPF basic e-learning courses prior to deployment while existing personnel undergo regular AML e-learning modules, refresher courses, and classroom and virtual trainings conducted by the AML Department. Key personnel for the effective implementation of the Bank's AML program subscribe to external trainings conducted by regulators, industry specialists and global AML experts.

Stakeholder Communication 102-43

BDO implemented a comprehensive communication plan on the Bank's sustainability initiatives to generate wider awareness and understanding of how the Bank helps fuel the economy, protect the environment, and contribute towards positive social impact in the country.

Key themes for sustainability stories focused on the following:

- Support to micro, small and medium enterprises (MSMEs)
- Accreditation of the Bank's Sustainable Finance Framework by Sustainalytics, for future bond issuances
- Sustainable Finance projects
- Asia's Top Sustainability Advocate award
- Sustainability Bond issuance

The Bank's Corporate Communications team shared stories with traditional media (including national broadsheets, tabloids, and provincial publications), online news sites, as well as bloggers with targeted market segments as their followers. The stories were also widely shared on BDO's own social media accounts on LinkedIn and Facebook and select bloggers.

Throughout the year, the Sustainability Office also actively represented BDO in several virtual forums and webinars to share the plan on the Bank's sustainability initiatives as disclosed in the 2020 Sustainability Report. Among these were the HSBC Sustainability Summit on banks and achieving net zero; BusinessWorld Insights' Forum on how ESG criteria guides leading companies; the Nordic Embassies Forum on gender equality in the workplace; and the 5th Asia Sustainability Reporting Summit on corporate governance and sustainability.

Looking Ahead

The Bank is now in the era of digital transformation and we continue to look at ways to optimize the use of the new technologies to strengthen our corporate governance practices while remaining vigilant on the risk of digitization to our business operations. In ensuring that the Bank stays as the market leader in the Philippine financial services industry, we are focused on maximizing the effectiveness of our corporate governance practices as a business enabler and driver of our performance in the proper context of risks and rewards, opportunities and prospects for the Bank. This is essential going forward as we continue to compete and remain relevant to our various stakeholders. Globally, there is also an increasing call for companies to support the UN Sustainable Development Goals as part of sustainable business performance with emphasis on strategies that promote economic growth, environmental protection, efforts that address a range of social needs and a governance model that considers sustainability issues. BDO continues to be mindful of these and creating a positive impact on sustainability as it continues to report annually on its sustainability performance and contribution to the UN Sustainable Development Goals.

GRI Content Index



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Standard	Disclosu	re	Page Number(s), Direct Answer and/or URLs	Reason for Omission	
GRI 101: Foundation	2016				
General Disclosures					
GRI 102: General Disclosures 2016	Organiz	ational Profile			
	102-1	Name of the organization	2, 4		
	102-2	Activities, brands, products, and services	4-5, 8-9, 20-31, 32-53, 65-69		
	102-3	Location of headquarters	91		
	102-4	Location of operations	4		
	102-5	Ownership and legal form	4		
	102-6	Markets served	4, 22-23, 27, 29-30, 32, 45, 57		
	102-7	Scale of the organization	4, 8-9		
	102-8	Information on employees and other workers	56-64		
	102-9	Supply chain	81		
	102-10	Significant changes to the organization and its supply chain	None to report		
	102-11	Precautionary principle or approach	8-9, 32-53		
	102-12	External initiatives	8-9, 53-54		
	102-13	Membership in associations	89		
	102-22	Composition of the highest governance body and its committees	71-77		
	102-23	Chair of the highest governance body	75		
	Strategy	·			
	102-14	Statement from senior decision-maker	6-7		
	Ethics and Integrity				
	102-16	Values, principles, standards, and norms of behavior	5, 57-59, 79-83		
	Governa	ance			
	102-18	Governance structure	14-15, 69-83		
	Stakeho	lder Engagement			
		List of stakeholder groups	18		
		Collective bargaining agreements	56, 60		
		Identifying and selecting stakeholders	18		
	102-43	Approach to stakeholder engagement	17-18, 62, 83		
	102-44	Key topics and concerns raised	16-18		

GRI Standard Disclosui		re	Page Number(s), Direct Answer and/or URLs	Reason for Omission
	Reportir	ng Practice		
	102-45	Entities included in the consolidated financial statements	BDO Unibank, Inc. (parent) and Subsidiaries	
	102-46	Defining report content and topic boundaries	15-17	
	102-47	List of material topics	16	
	102-48	Restatements of information	None	
	102-49	Changes in reporting	None	
	102-50	Reporting period	January to December 2021	
	102-51	Date of most recent report	2020 (published in 2021)	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	91	
	102-54	Claims of reporting in accordance with the GRI Standards	Inside front cover	
	102-55	GRI Content Index	85-88	
	102-56	External assurance	No external assurance	

Material Topics

GRI Standard	Disclosu	ire	Page Number(s), Direct Answer and/or URLs	Reason for Omission			
Economic Performance							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	16				
	103-2	The management approach and its components	10-18, 32-33				
	103-3	Evaluation of the management approach	14-15, 33				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	33				
Indirect Economic In	npacts						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	16				
	103-2	The management approach and its components	12-18				
	103-3	Evaluation of the management approach	14-15, 20-21				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	32-33, 38-44				
	203-2	Significant indirect economic impacts	20-31, 46, 51-54, 56-57, 65-69				

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs	Reason for Omission
Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	16	
	103-2	The management approach and its components	10-18	
	103-3	Evaluation of the management approach	16-17	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	46	
Water				
GRI 103: Management	103-1	Explanation of the material topic and its boundary	16	
Approach 2016	103-2	The management approach and its components	10-18	
	103-3	Evaluation of the management approach	16-17	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	46	
Emissions				
GRI 103: Management	103-1	Explanation of the material topic and its boundary	16	
Approach 2016	103-2	The management approach and its components	10-18	
	103-3	Evaluation of the management approach	16-17	
GRI 305:	305-1	Direct (Scope 1) GHG emissions	46	
Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	46	
Employment				
GRI 103: Management	103-1	Explanation of the material topic and its boundary	16	
Approach 2016	103-2	The management approach and its components	10-18, 55-61	
	103-3	Evaluation of the management approach	55-61	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	56	

GRI Standard	Disclosu	re	Page Number(s), Direct Answer and/or URLs	Reason for Omission		
Training and Education						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	16			
	103-2	The management approach and its components	10-18			
	103-3	Evaluation of the management approach	60-61			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	56-57			
	404-2	Programs for upgrading employee skills and transition assistance programs	60-61			
Local Communities						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	16			
	103-2	The management approach and its components	10-18			
	103-3	Evaluation of the management approach	65-69			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	29-31, 49-53, 65-69			

Sector Disclosures: Financial Services

	Disclos	ure	Page Number(s), Direct Answer and/or URLs	Reason for Omission	
Product Responsibility					
Product Portfolio	DMA	Disclosure of management approach	10-18		
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	s 20-31, 38-45		
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	38-45		
Active Ownership	DMA	Disclosure of management approach	10-18		
	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	37, 38-45, 49-54, 66-69		

Memberships in Associations

ACI Philippines the Financial Markets Association Inc.

Association of Bank Compliance Officers, Inc.

Association of Bank Remittance Officers, Inc.

Association of Philippine Correspondent Bank Officers, Inc.

Australian-New Zealand Chamber of Commerce Philippines, Inc.

Bank Marketing Association of the Philippines

Bank Security Management Association of the Philippines Incorporated

Bankers Association of the Philippines

Bankers Institute of the Philippines, Inc.

British Chamber of Commerce of the Philippines, Inc.

Clearing Officers Club, Inc.

Credit Card Association of the Philippines, Inc.

Dutch Chamber of Commerce in the Philippines, Inc.

Employers Confederation of the Philippines

Financial Executives Institute of the Philippines

French Chamber of Commerce in the Philippines -Le Club Inc.

Fund Managers Association of the Philippines, Inc. (FMAP)

German-Philippine Chamber of Commerce & Industry Inc.

Healthcare Information Management Association of the Philippines, Inc.

Information Systems Audit and Control Association, Inc. (ISACA)

Institute of Internal Auditors Philippines, Inc.

Israel Chamber of Commerce of the Philippines, Inc.

IT & Business Process Association of the Philippines, Inc.

Italian Chamber of Commerce in the Philippines, Inc.

Japanese Chamber of Commerce and Industry of Cebu, Inc.

Korean Chamber of Commerce Philippines (KCCP), Inc.

Makati Business Club, Inc.

Management Association of the Philippines

Money Market Association of the Philippines, Inc. (MART) National Association of Securities Broker Salesmen, Inc.

Nordic Chamber of Commerce of the Philippines, Inc.

People Management Association of the Philippines, Inc.

Phil. Association of National Advertisers, Inc.

Philippine Payments Management, Inc.

Singapore Philippines Association Inc.

Spanish Chamber of Commerce in the Philippines

The American Chamber of Commerce of the Philippines, Inc. (AMCHAM Philippines)

The Canadian Chamber of Commerce of the Philippines, Inc.

The Japanese Association Manila Inc.

The Japanese Chamber of Commerce and Industry of the Philippines, Inc.

The Philippines-Japan Society, Inc.

Trust Officers Association of the Philippines, Inc.

Sustainability and ESG Awards and Recognition

Platinum Award

(2010 - 2021)

The Asset ESG Corporate Awards 2021

BDO Unibank: The Best of Asia awardee

(2005-2019, 2021)

Corporate Governance Asia 16th Asian ESG Award 2021

BDO Unibank, Asian Excellence awardee (2011–2021)

Best Investor Relations Company

(Philippines) awardee (2011–2021)

(2011 2021)

Best Corporate Communications awardee

(2014–2015, 2017–2021)

Asia's Best CSR awardee

(2020 - 2021)

Corporate Governance Asia 11th Asian Excellence Award 2021

3G Championship Award in Transparency

3G Championship Award in Service Excellence

3G Excellence Award in Education & Literacy Programme

Global Good Governance Awards 2021

Top Sustainability Advocates in Asia

Asia Corporate Excellence & Sustainability Awards (ACES) 2021

Best Local Currency Green Bond (Philippines)

(Energy Development Corporation PHP5 billion dual-tranche Asean green bond; BDO Capital & Investment Corporation as issue manager, lead underwriter and bookrunner)

The Asset Triple A Country Awards 2021

Water Deal of the Year

(Wawa JVCo PHP20 billion Term Loan Facility, BDO Unibank as lender and BDO Capital & Investment Corporation as lead arranger and sole bookrunner)

The Asset Triple A Infrastructure Awards 2021

BDO Foundation: COVID Management Initiative of the Year – Philippines

Asian Banking & Finance Retail Banking Awards 2021

BDO Foundation, Inc. for COVID-19 Pooled Testing and Other Initiatives for Underserved Sectors of Society (Category: Health Promotion)

Enterprise Asia's Asia Responsible Enterprise Awards (AREA) 2021

Women in the Workforce

Rank #1 in Asian Banks and in the Philippines: Women as percentage of total staff

Rank #4 in Asian Banks and #3 in the Philippines: Percentage of women VPs

Rank #1 in the Philippines: Percentage of recent graduate hires that are women

Asiamoney Leaders for Women Survey 2021

Contact Information

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INVESTOR AND SUSTAINABILITY INQUIRIES

BDO Unibank, Inc. welcomes inquiries from analysts, investors, and the financial community.

BDO Investor Relations and Planning

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The 2021 Sustainability Report can be viewed and downloaded online at www.bdo.com.ph/companydisclosures/sustainability-report.

The 2021 Annual Report and the Financial Supplements can be viewed and downloaded online at www.bdo.com.ph/company-disclosures/annual-reports.

BDO Unibank is regulated by the Bangko Sentral ng Pilipinas with contact number +63 (2) 8708-7087, email address consumeraffairs@bsp.gov.ph, and webchat at www.bsp.gov.ph.

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