



2019 ANNUAL REPORT



Finding
Ways



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Our Purpose

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.





Corporate Profile

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, 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 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. BDO has the largest distribution network with over 1,400 operating branches and more than 4,400 ATMs nationwide.

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, 2019, 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.



A MESSAGE FROM THE
CHAIRPERSON

“Whether in better times or uncertain times, BDO will be there to meet the financial service needs of our clients, and also do our part in maintaining economic stability in the country.”

Dear Fellow Shareholders,

2019 was a good year for BDO. As we committed to reach our targets, the dedication and focus of our management had pushed us to achieve beyond expectations.

BDO management successfully delivered positive results in our business lines through a relentless focus on outstanding customer service, digital transformation, and on the constant alignment of BDO to new opportunities that arise in the different sectors of our economy. We ended the year strong, with improved operating profitability. As we commit ourselves to maximize opportunities, we also balance our efforts with prudent risk management and maintaining customer loyalty and satisfaction.

Being the leading bank in assets, customer loans, deposits, and assets under management, we at BDO continue to contribute to nation-building by serving well the growing financial needs of many communities, and by playing a significant and responsible part in the financial ecosystem.

The bank has also undertaken several initiatives in the area of environmental sustainability. As we ourselves prioritize sustainability within BDO, we also extend our support of sustainable practices to clients who invest in the following Sustainable Development Goals (SDGs): (1) Good health and well-being; (2) Quality education; (3) Gender equality; (4) Clean water and sanitation; (5) Affordable and clean energy;

(6) Decent work and economic growth; (7) Industry, innovation, and infrastructure; (8) Sustainable cities and communities; (9) Responsible consumption and production; and (10) Climate action.

While we hoped to sustain what we have achieved in 2019, COVID-19 disrupted the global economy, and the Philippines experienced a nationwide lockdown in mid-March. It was a remarkable team effort to keep BDO branches open and our ATMs accessible, and to ensure everyone's safety as we operate. In spite of the challenges still present, we commit to provide the best service we can to our clients during these times.

In closing, I would like to give BDO management much deserved thanks for the hard work they put in, and to our board of directors who have constantly guided the bank on regulatory compliance and organizational governance. On behalf of the entire BDO group, I most of all thank our clients and our shareholders: Thank you for your continuing trust in us, and it is because of your support that BDO continues to be the leading bank in the Philippines.

Yours truly,



Teresita T. Sy
Chairperson



“2019 was a good year for BDO; our strong business franchise carried us through with good growth across all business lines, as we worked in the best interests of our customers, employees, communities, and shareholders.”

Q&A WITH THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Nestor V. Tan discusses how he saw BDO Unibank’s performance in 2019 and its prospects for 2020 and beyond.

Q: What is your overall evaluation of how the BDO group performed during 2019?

2019 was a good year for us; our strong business franchise carried us through with good growth across all business lines, as we worked in the best interests of our customers, employees, communities, and shareholders. We were also able to extend our reach into more geographic areas allowing us to cover a bigger market. Profit-wise, we are particularly pleased with our bottom line: our net income rose by 35% to ₱44.2 billion on the strong performance of our core income sources.

Q: What was management focused on in particular at the outset of 2019?

Our overall objective was twofold. First, we needed to sustain the good quality growth appropriate for our franchise without

sacrificing asset quality. Second, we needed to invest judiciously in new initiatives that are necessary to deepen further our market coverage and expand our market share.

Q: And what initiatives is BDO undertaking?

We are expanding our coverage of the underserved and unbanked markets. In addition, we are implementing our digital strategy which includes upgrading our operating platform to the next generation to cater to the needs of more tech-savvy users.

Q: How does BDO focus its efforts when it comes to monitoring and expanding the loan portfolio?

Our loan portfolio is categorized into three major segments: Large corporate loans, representing about 47% of the total; middle

market loans, including SMEs, about 31%; and consumer loans, which make up the remaining 22%. The middle market and consumer segments are where the sustainable growth is, especially in the provincial areas. This is where our efforts are focused.

The underserved segment is relatively small at the moment but we expect it to be a meaningful contributor in the future.

Q: And what has been the outcome in that area?

We are very pleased with the growth in our middle market and consumer portfolios. Our middle market segment grew their business by 10%, while consumer loans increased by 15%, capitalizing on opportunities in high growth areas. Activity in those segments is reflective of how the real economy is doing, especially in the areas outside of Metro Manila. The regions outside Metro Manila have consistently grown faster than the Capital over the last five years, indicating more local activity and broader-based growth. Large corporate loans are growing as well, but at a slower pace given the measured implementation of public and private sector-initiated infrastructure projects.

Q: What other initiatives are you undertaking to improve your market coverage and expand market share?

We have doubled our micro-SME coverage areas. We increased coverage of new markets with the deployment of 127 branches and offices nationwide. To complement our branch and ATM network, we also expanded our touchpoints with Cash Agad and digital capabilities to provide our clients with more venues for cash fulfillment and banking transactions.

We rebranded our rural bank subsidiary, the primary vehicle for reaching micro-SME borrowers, as BDO Network Bank. It was a move to capitalize on the name recognition of the Unibank.

Q: Can you give an example of product market expansion?

In the area of wealth management, for example, we have expanded our foreign currency investment options and increased the number of licensed investment practitioners. We segmented our servicing effort to cater to the high net worth (HNW), the mass affluent, and the digitally-savvy emerging affluent in different ways with different value propositions. Further, we reorganized BDO Securities into a full-service brokerage firm to provide clients with an expanded product suite to include non-equity securities.

Q: What challenges did the bank face in executing its strategies?

Like the rest of the economy, we were affected by the delay in approval of the government's budget at the beginning of the year. The resulting uncertainty was felt throughout, and the effect was a slowdown in the rate of economic activity. BDO consequently experienced a slowdown in the growth of loans.

As well, given the rapid evolution of the industry with regards to technology and changing customer preferences, the challenge was how to stay nimble and flexible to cope with these technological changes. That is why we continue to invest in technology and analytics to make us more agile, smarter in understanding our clients and more responsive to market changes.

Q: What are recent IT-related initiatives?

We are now halfway through our NextGen IT project which involves the deployment of modern architecture platforms. The expected benefits from this project will come in the form of faster turnaround time, greater accessibility across channels and enhanced security. We are on the tail-end of implementing our cybersecurity program encompassing not only technology but people and processes as well. In addition to our IT initiatives, we are embarking on business process reengineering to automate and streamline operations across the bank which should improve efficiency, enrich customer experience and reduce costs over the long-term.

Q: How about your initiatives on sustainability?

Our initiatives on sustainability reflect the changes we have made in the way we do business. Sustainability principles are now part of the decision-making, product creation and relationship expansion processes.

To cite a few of our initiatives: we have been active participants in sustainable energy and green financing; we continue to increase coverage of the underserved and unbanked sectors and contribute to efforts to raise financial inclusion; and we leverage our resources toward the relief, rehabilitation, and recovery of disaster-stricken communities, allowing affected residents to rebuild their lives.

Q: And how did BDO's stock price perform for its investors in 2019?

Very well. Our share price closed at ₱158.0 in 2019, representing a Total Shareholder Return (TSR) of 22.9% over one year, outperforming the Philippine Stock Exchange Index's (Phisix) 6.5%.

Q: Why has the stock outperformed the market to such an extent?

The stock market can be fickle and irrational sometimes. Having said that though, I believe that investors recognize the strength of the Bank's business franchise, extensive distribution network and balance sheet as future drivers of earnings strength and sustainability.

Q: How do you see the economy going forward into 2020?

When I began this letter early in the year, there were good reasons to be optimistic and bullish on the Philippine economy. Based on the country's solid macroeconomic fundamentals, upbeat government spending, firmer household consumption, and supportive monetary policy, we were expecting the strong recovery that began in the third quarter of 2019 to carry over into 2020.

While the potential of our nation remains strong, the outlook for the year has been clouded by the significant human and economic fallout caused by the coronavirus and other factors including the impact of the Taal Volcano eruption. Beyond the human costs caused by the coronavirus, the global economy has stalled and financial markets are down as investors try to anticipate the full impact of this crisis.

Q: How is BDO prepared to support its customers through this environment?

BDO's organization is designed to withstand challenging periods such as this. We have been able to operate with a skeletal force without any reduction in service level and quality. We have created redundant teams to ensure continuity of service in the event of infection. And, we have instituted safety and health measures to make sure we protect our employees and work environment as well.

2019 at a Glance

Strongest Bank in the Philippines

Over ₱3 trillion
Total Resources

₱44.2 billion
Net Income

#1
Total Resources
Customer Loans
Deposits

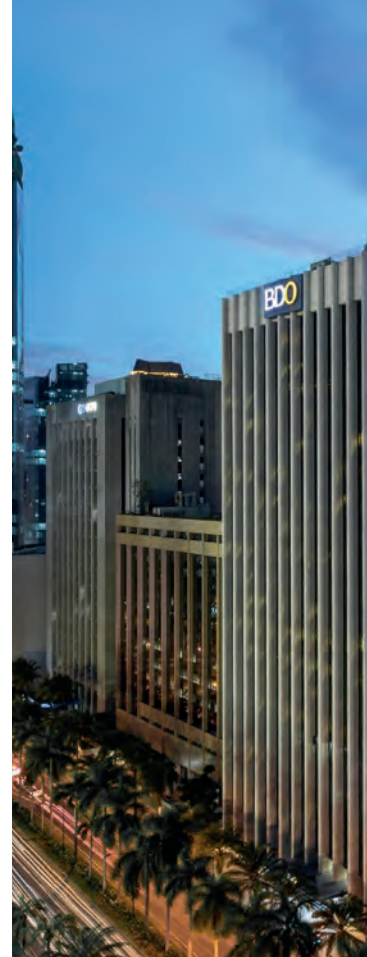
Capital
Assets Under
Management

LARGEST DISTRIBUTION NETWORK

127 new
branches
and banking offices

1,436 total
branches
and banking offices,
including foreign branches in
Singapore and Hong Kong

4,466 ATMs



Awards and Recognition

STRONGEST BANK IN THE PHILIPPINES

The Asian Banker
Strongest Banks By
Balance Sheet List 2019

BEST BANK IN THE PHILIPPINES

Euromoney Awards for
Excellence 2019

FinanceAsia 2019
Country Awards

The Asset Triple A
Country Awards 2019



ADVOCACIES IN ACTION

Through various programs and projects, BDO Foundation served Filipinos in need

69,082 families
in calamity-stricken areas

453,776 residents
with access to improved rural health units

60 homes built
for Typhoon Yolanda survivors

Beneficiaries of Financial Education Programs

24 million students

2.3 million OFWs

900,000 civil servants

800,000 teachers
and non-teaching personnel in public schools

140,000 soldiers
and civilian personnel of the armed forces

BDO CAPITAL, TOP ARRANGER INVESTORS' CHOICE FOR PRIMARY ISSUES (CORPORATE BONDS – PHILIPPINES)

The Asset Triple A Benchmark Research Awards 2019

INDUSTRY CHAMPION OF THE YEAR

Asia Corporate Excellence & Sustainability (ACES) Awards 2019

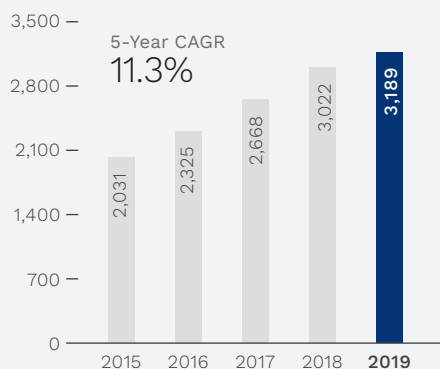
BEST INVESTOR RELATIONS COMPANY (PHILIPPINES)

Corporate Governance Asia's 9th Asian Excellence Award 2019

Financial Highlights

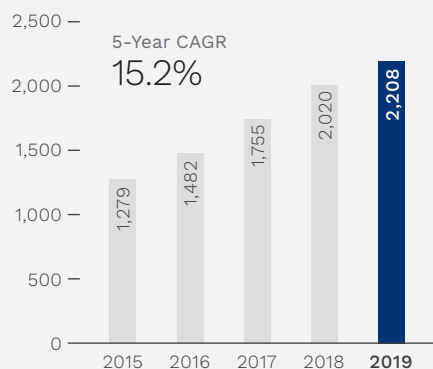
Resources

(in billion Php)



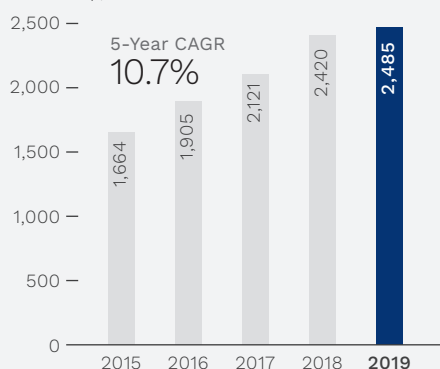
Gross Customer Loans

(in billion Php)



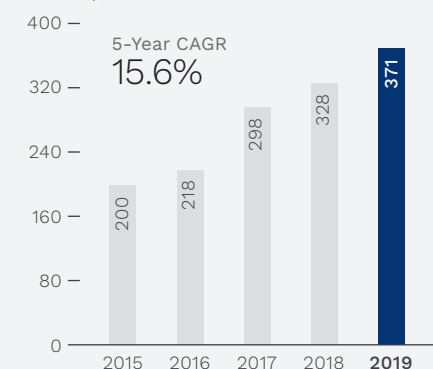
Deposit Liabilities

(in billion Php)



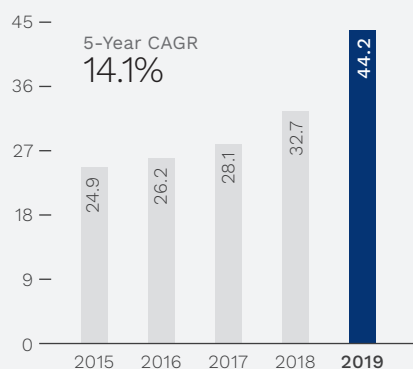
Capital Funds

(in billion Php)



Net Income*

(in billion Php)



NET INCOME

₱44.2 billion

2019

₱32.7 billion

2018

* attributable to shareholders of the parent bank

Financial & Operating Highlights

	CONSOLIDATED			PARENT BANK		
	2019	2018	Change	2019	2018	Change
BALANCE SHEET (in billion Php)						
Resources	3,188.9	3,022.2	6%	3,063.1	2,891.8	6%
Trading and Investment Securities	435.9	385.2	13%	345.3	304.3	13%
Liquid Assets	886.6	919.6	-4%	789.3	825.8	-4%
Gross Customer Loans	2,208.1	2,020.1	9%	2,157.9	1,966.5	10%
Deposits	2,485.2	2,420.0	3%	2,438.7	2,362.3	3%
Equity ^{1/}	370.6	328.1	13%	369.2	327.6	13%
INCOME STATEMENT (in billion Php)						
Net Interest Income	119.9	98.3	22%	114.5	93.9	22%
Non-Interest Income	60.6	49.7	22%	43.1	35.8	20%
Gross Operating Income	180.5	148.0	22%	157.6	129.7	22%
Operating Expenses	115.2	98.0	17%	94.3	81.8	15%
Pre-provision Profit	65.4	49.9	31%	63.3	47.9	32%
Allowance for Credit Losses	6.2	6.3	-2%	5.7	5.7	0%
Net Profit ^{2/}	44.2	32.7	35%	44.2	32.7	35%
FINANCIAL PERFORMANCE INDICATORS						
Profitability						
Return on Average Common Equity	12.8%	10.7%		12.8%	10.7%	
Return on Average Equity	12.6%	10.6%		12.7%	10.6%	
Return on Average Assets	1.4%	1.1%		1.5%	1.2%	
Margins and Liquidity						
Net Interest Margin	4.2%	3.6%		4.1%	3.7%	
Gross Customer Loans to Deposit Ratio	88.8%	83.5%		88.5%	83.2%	
Liquid Assets to Total Assets	27.8%	30.4%		25.8%	28.6%	
Liquidity Coverage Ratio ^{3/}	108.4%	-		109.2%	-	
Net Stable Funding Ratio ^{3/}	116.7%	-		117.4%	-	
Cost Efficiency						
Cost to Income Ratio	63.8%	66.3%		59.8%	63.1%	
Cost to Average Assets Ratio	3.7%	3.4%		3.2%	3.0%	
Asset Quality						
NPL to Gross Customer Loans	1.2%	1.0%		1.1%	0.9%	
NPL Cover ^{4/}	164.7%	183.1%		174.2%	198.1%	
Capital and Leverage						
CET 1 Ratio ^{5/}	12.7%	12.1%		12.2%	11.7%	
Tier 1 Ratio ^{5/}	12.9%	12.4%		12.4%	11.9%	
Capital Adequacy Ratio ^{5/}	14.2%	13.8%		13.7%	13.3%	
Countercyclical Buffer ^{6/}	0.0%			0.0%		
Basel III Leverage Ratio	10.0%	9.3%		9.6%	8.9%	
Assets to Equity	8.6x	9.2x		8.3x	8.8x	
DISTRIBUTION NETWORK AND MANPOWER						
Branches	1,436	1,309	10%	1,173	1,126	4%
ATMs	4,466	4,325	3%	4,225	4,097	3%
Employees	38,510	36,387	6%	32,631	31,370	4%
SHAREHOLDER INFORMATION						
Market Value						
Share Price (in Php)	158.00	130.80	21%			
Market Capitalization (in billion Php)	692.26	572.13	21%			
Valuation						
Earnings per Share (in Php)	10.02	7.40	35%			
Book Value per Share (in Php)	83.03	73.67	13%			
Price-Earnings Ratio	15.8x	17.7x				
Price to Book Value	1.9x	1.8x				
Dividends						
Cash Dividends Paid to Common Shareholders (in billion Php)	5.3	5.2				
Cash Dividends per Common Share (in Php)	1.20	1.20				
Dividend Payout Ratio ^{7/}	11.9%	15.9%				
Dividend Yield ^{8/}	0.8%	0.9%				

^{1/} Total capital accounts, inclusive of minority interest and preferred shares

^{2/} Net Income attributable to shareholders of the parent bank

^{3/} Public disclosure required by BSP beginning 2019

^{4/} Per BSP Circular 1011

^{5/} Based on audited financial statements

^{6/} Currently set at 0% by the BSP per Circular 1024 Section 1

^{7/} Cash dividends paid during the year divided by net profit for the year

^{8/} Cash dividends per common share paid during the year divided by average daily closing price for the year

Market Overview

Economic Environment

The Philippine economy grew by 5.9% in 2019, among the highest in the region, as growth recovered in 2H 2019. The year began slowly, following high inflation and interest rates in late 2018 that spilled over to 1H 2019. This was further aggravated by the delayed passage of the government's national budget and the midterm election ban on public spending that dampened economic activity in 1H 2019. The ramp-up in government spending and the healthy recovery in private consumption on the back of decelerating inflation and easing monetary policies allowed the economy to regain its growth momentum in 2H 2019.

Government spending (comprising 12% of GDP) surged in 4Q 2019 to cap the full year with a 10.5% expansion, serving as the major growth engine on the demand side. Resilient consumer spending (up 5.8% and accounts for 68% of GDP), benefitting from easing consumer prices in 2H 2019, also contributed to the country's positive performance. Growth in capital formation (investments) was flat, while net trade posted a 5% drop year-on-year amid escalating US-China trade tensions.

Meanwhile, the services sector (58% of GDP), which rose by 7.1% on the back of retail trade (up 8.0%) and financial services (up 10.4%), as well as the industry sector (up 5.4%, fueled by the 7.7% rise in construction) led growth on the supply side.

The inflation rate eased to 2.5% in 2019, within the BSP's 2%-4% inflation target and lower than the 5.2% average recorded in 2018. From a high of 4.4% in January 2019, the inflation rate decelerated, hitting a low of 0.8% in October 2019 on effective measures to address supply-side disruptions, stabilizing oil prices as well as base effects.

With inflation well-managed and to support economic activity, the BSP unwound the tightening measures in 2018 with a series of policy rate cuts in May, August, and September 2019, bringing the key policy rate down to 4.0% from a ten-year high of 4.75%. As well, the BSP implemented on a staggered basis 400 bps cuts in banks' deposit reserve requirements (RR) over the year to bring the RR to 14% by end 2019. Meanwhile, the peso rallied towards year-end to close at ₱50.74/USD from ₱52.72/USD in 2018, on the back of the improvement in the Balance of Payments (BOP) to a surplus underpinned by Overseas Filipino Worker (OFW) remittances, business process outsourcing (BPO) income and tourism revenues.

Regulatory Environment

The BSP continued the implementation of Basel III reforms during the year as part of its macro-prudential measures to better monitor risks and ensure financial stability. These include: the Net Stable Funding Ratio (NSFR) requiring banks to fund their assets and activities with long-term and more stable funding sources; the Liquidity Coverage Ratio (LCR) mandating banks to hold sufficient level of high quality liquid assets to allow them to withstand a 30 day-liquidity stress scenario; and re-evaluation of Domestic Systemically Important Banks (D-SIB) guidelines by raising the weights of size and interconnectedness instead of equal weights previously for all four (4) categories (besides size and interconnectedness, the other two are substitutability and complexity).

Outlook for 2020

The global economy is seen to post its steepest recession this year. The coronavirus (COVID-19) pandemic and containment measures (e.g., lockdowns) by countries, combined with the lingering uncertainty on COVID-19's duration, depth and scale, have disrupted economic activity, weighing heavily on several sectors that include production/supply chains, trade, travel, transport and tourism.

After more than two (2) decades of sustained economic expansion, the Philippines is expected to post a contraction in GDP growth as the economy absorbs the adverse effects of COVID-19 and ECQ. Among others, these include: disrupted business activities and increased unemployment; reduced Overseas Filipino Workers (OFW) remittances resulting from the repatriation of OFWs; and a slump in tourism revenues due to mobility and travel restrictions.

Amid this backdrop, the government's ₱1.7 trillion stimulus and relief measures to provide emergency support to vulnerable groups, expand medical and health resources and resume infrastructure projects should set the stage for an economic rebound in 2021.

Our Strategy

BDO's overall strategy focuses on building a strong business franchise to achieve diversity and sustainability of earnings over the long-term.

THE BANK'S STRATEGY IS FOCUSED ON THREE (3) CORE AREAS, NAMELY:

- Building a diversified and sustainable earnings stream on the back of strong businesses, wide market coverage and a strong client acquisition and service culture;
- Creating operating leverage by building an operating platform that supports growth and scalability, complemented by digital enablers; and
- Prudently managing its balance sheet by conservatively provisioning for risk assets, managing the mix of current and long-term funding sources and ensuring sufficient capital to support growth.

1

Build a diversified and sustainable earnings stream

2

Create operating leverage

3

Prudently manage the balance sheet

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.

Overall Risk Management Culture and Philosophy

The Bank believes that, as there are opportunities, there are associated risks. The objective is not to avoid risks totally, but to adequately and consistently evaluate, manage, control and monitor the risks, and ensure that the Bank is duly compensated for all 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.

Risk Appetite and Strategy

The BDO Unibank Group's goal is to remain a strong bank that is resilient to possible adverse events. Hence, the Bank ensures:

- A strong financial position by maintaining adequate capital ratios,
- Sound management of liquidity, and
- Ability to generate sustainable earnings commensurate with the risks taken.

The Bank ensures that credit, market, interest rate, and liquidity risks are within Board-approved operating limits. Operational, legal, regulatory, and reputational risks 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 Bank's activities and transactions.

Risk Management Principles



Bank-Wide Risk Governance Structure

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 (the Board), which is responsible for establishing and maintaining a sound risk management system. The Board 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 Board has constituted the Risk Management Committee as the Board-level committee responsible for the development and oversight of the risk management program. Considering the importance of appropriately addressing credit risk, the Board has also constituted the Executive Committee. The Executive Committee is responsible for approving credit-specific transactions, while the Risk Management Committee is responsible for approving credit portfolio risk-related policies and limits, as well as market, liquidity, and operational risk policies and limits.

The Assets and Liabilities Committee, which operates within the Bank's overall risk management system, is responsible for managing the statements of financial position, including liquidity, interest rate and foreign exchange related risks. In addition, this committee formulates investment and financial policies by determining the asset allocation and funding mix strategies that are likely to yield the targeted financial results.

The Bank operates an enterprise-wide risk management framework to address the risks it faces in its banking activities. The Risk Management Group, which reports to the Risk Management Committee, 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, market, liquidity, and operational risks including IT risk and information security risk) to optimize the risk-reward balance and maximize return on capital, in line with the Bank's risk management mission. The Risk Management Group also has the responsibility of recommending, to the appropriate body, risk policies across the full range of risks to which the Bank is exposed.

Risk Oversight Framework



Areas of Oversight

Credit Risk
 Market Risk
 Interest Rate Risk
 Liquidity Risk
 Operational Risk (including
 IT Risk and Information
 Security Risk)

Risk Management Process

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 Bank's business. The goal of the risk management process is to ensure rigorous adherence to the Bank'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.

Performance Review and Report on Operations

2019 Performance

Our Financial Performance

BDO Unibank, Inc. reported a net income of ₱44.2 billion in 2019 from ₱32.7 billion in 2018. This represents an increase of 35% year-on-year, attributable to the strong performance from core banking activities. The results topped the guidance of ₱38.5 billion, and translate to a 12.8% Return on Common Equity (ROCE) from 10.7% the previous year.

Net interest income rose to ₱119.9 billion, with Net Interest Margin (NIM) improving on continued Current Account/Savings Account Deposits (CASA) growth and improving loan mix in favor of consumer and middle market customers. Customer loans went up by 9% to ₱2.2 trillion, while total deposits increased by 3% to ₱2.5 trillion, bolstered by the 8% increase in low-cost CASA deposits that comprised 73% of total deposits.

Non-interest income reached ₱60.6 billion, led by fee-based income with ₱35.3 billion and insurance premiums with ₱14.8 billion. Trading and forex gains settled at ₱5.7 billion. Overall, gross operating income rose to ₱180.5 billion.

Meanwhile, operating expenses amounted to ₱115.2 billion, in line with our continuing business and network expansion, as well as higher volume-related expenses (specifically, taxes and licenses and policy reserves at BDO Life). In 2019, BDO opened 127 new domestic branches and banking offices nationwide, bringing the consolidated branch network to 1,434.

BDO maintained its conservative credit and provisioning policies, setting aside ₱6.2 billion in provisions, even as gross non-performing loan (NPL) ratio was steady at 1.2% and NPL cover remained high at 164.7%.

Total capital base went up to ₱370.6 billion, with Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) ratio at 14.2% and 12.7%, respectively, both comfortably above regulatory levels.

2019 RECORD-BREAKING ACHIEVEMENTS

↑ ₱44.2 billion
Net Income

↑ Over ₱3 trillion
Total Assets

↑ ₱2.2 trillion
Gross Customer Loans

↑ 1,434
Total Operating Branches Nationwide

↑ ₱370.6 billion
Capital Base

Beyond the financials, BDO received numerous recognitions in 2019, most notably being recognized as one of the Top Five Financial Institutions by the Institute of Corporate Directors, and cited for the second year in a row as The Strongest Bank in the Philippines by The Asian Banker. BDO also received The Bank of the Year Award from The Banker, Euromoney Award for Excellence, the FinanceAsia Country Award for Best Bank, the Asiamoney Award for Best Domestic Bank, and the Global Finance Best Bank Award as Investors' Choice for Primary Issues (Corporate Bonds – Philippines).

Looking Ahead

BDO's robust business franchise, strong balance sheet, and culture of resilience will allow the Bank to rise above the challenging environment and put it in a solid position once the economy bounces back from the COVID-19 health crisis.

INSTITUTIONAL BANKING GROUP

8%

Year-on-Year
Loan Growth

Report on Operations

Business Lending

High interest rates in the first half of 2019, spilling over from the BSP's rate hikes in late 2018, coupled with the delayed passage of the national budget and construction ban during the mid-term elections, weighed on GDP growth and demand for loans. Consequently, the Institutional Banking Group (IBG) posted slower loan growth in the first semester.

By the fourth quarter, IBG saw a recovery in commercial loan bookings due to a series of BSP rate cuts and a rebound in economic activity, allowing the Group to post an 8% year-on-year growth by end-2019. Key drivers were the corporate and middle-market segments which grew by 7% and 10%, respectively.

To support ongoing geographic expansion, IBG increased its personnel, both in Metro Manila and provincial areas, in order to balance the account responsibilities of relationship managers. Teams were also expanded in the Visayas and Mindanao areas to reach more clients. IBG also ensured that teams are co-located with support units and BDO branches to provide faster and more efficient service to clients.

A promising area for expansion is cross-border and offshore lending. In 2019, IBG formed a new dedicated team which successfully booked cross-border loans out of Hong Kong and Singapore to support BDO clients' overseas projects, especially within Southeast Asia.

As IBG looks forward to 2020 and beyond, the Group will leverage its branch footprint and expertise in the middle-market segment, as well as continue to expand the client base in provincial areas. On the corporate side, IBG will leverage on its experience and knowledge in project financing, to tap opportunities coming from infrastructure, tourism and the manufacturing sectors.

BDO Leasing and Finance (BDOLF) faced a challenging year in 2019, which saw a lower net income of ₱46.6 million from ₱330 million in 2018. BDOLF suffered from margin compression as its short-term liabilities adjusted faster to higher interest rates (which prevailed in the first half of 2019) vis-à-vis its earning assets, e.g., lease receivables that carry fixed interest rates for three to five years (customary for lease transactions). Increased provisioning likewise put pressure on the bottom line. Nevertheless, BDOLF showed better numbers in the second half of the year due to effective measures to restore margins, aided by declining interest rates.

Consumer Lending

High interest rates and slower construction activity in early 2019 weighed on credit growth and tempered demand for mortgages and auto loans. Consumer loan growth, however, picked up in the second half with better consumer confidence and affordability as inflation decelerated and interest rates declined.

By the end of 2019, the Consumer Lending Group (CLG) grew its loan portfolio by 15% and maintained its market share, as it effectively managed opportunities in high-growth provincial areas while leveraging on the Bank's extensive branch network and tie-ups with property developers and auto dealers. Further, CLG was rebranded as Consumer Banking Group (CBG) to better reflect the Group's product offerings to include not just consumer loans but also payment products, among others.

CBG reorganized provincial business units for business expansion and more efficient operations. The Group also intensified efforts to reach unbanked markets by forging tie-ups with local agents through its *Cash Agad* initiative, thereby allowing clients to make cash withdrawals using their BDO or any other debit card at any nearby partner agent in their community.

CONSUMER LENDING GROUP

15%
Portfolio Growth

BRANCH BANKING GROUP

73%

CASA Ratio

127

New Branches and
Banking Offices
Opened

1,434

Operating Branches
Nationwide

4,466

ATMs

BDO NETWORK BANK

24%

Year-on-Year Total
Loans Growth

13%

CASA Deposit
Growth

For 2020, CBG's priorities are to continue growing its consumer portfolio, cover more markets and strengthen business partnerships particularly in the provincial areas. To boost digital banking, the Group will continue to enhance the internet and mobile banking platforms, streamline account opening and operational processes, and grow e-commerce merchants and e-wallet payments.

Branch Banking

BDO's branch network continued to grow in 2019, with 127 new domestic branches and banking offices opened nationwide, bringing the consolidated domestic branch network to 1,434, still the largest in the country. Despite the challenge posed by the availability of more attractive investment instruments, deposits sustained its growth on the back of the 8% year-on-year increase in low-cost CASA deposits. This resulted in the Bank posting a CASA ratio of 73%, among the highest in the industry, and generating the lowest funding cost among its peers.

BDO will continue to open branches in provincial areas where growth potential is highest, recognizing customers' preference for a welcoming physical space and a personal, face-to-face interaction. Extended banking hours in all branches, with some branches open on weekends, combined with customer-centric service, are key factors that draw potential customers to the Bank.

The Bank continues to make banking as quick and convenient as possible, whether online, through its more than 4,400 ATMs, or in any of its branches. Branch forms have been simplified and branch processes improved for easier onboarding of new customers and faster service delivery. Branch personnel regularly undergo comprehensive training on customer service with the BDO core values as anchor, as well as marketing and operations, product knowledge and banking regulations.

Microfinance

BDO Network Bank, Inc. (BDONB) bounced back after a difficult 2018. BDONB's total loans increased by 24% year-on-year, following the resumption of salary loans to government employees since mid-2018 and the continued rollout of its micro, small and medium enterprise (MSME) lending program to more locations nationwide, aimed at saturating core markets and expanding into new ones. Meanwhile, CASA deposits increased by 13% with the increase in BDONB's network to 263 branches and offices, in line with its expansion in underserved communities across the country.

For 2020, BDONB will further expand its network to be complemented by grassroots marketing to further strengthen BDONB's market presence, deepen market penetration, and promote community engagement. To cite, the acquisition of the banking business of the Rural Bank of Pandi, Inc. promotes community banking and is seen to accelerate BDONB's expansion into the fast-growing Central Luzon region.

Treasury

The Treasury Group posted good growth in 2019, adopting an opportunistic stance amid the high interest rate environment in early 2019 by adding to the investment portfolio at attractive rates. The Group locked in high yields as funding costs went down with falling inflation and interest rate cuts in the second half of 2019, resulting in higher net interest margins for the Peso and US Dollar portfolios.

The Group likewise supported the Bank's efforts at diversifying funding sources and business expansion by accessing the capital markets, including the issuance of ₱35 billion in Fixed Rate Senior Notes, recognized as the largest single issuance of Peso bonds by a Philippine bank at that time, as well as ₱14.8 billion in Long-Term Negotiable Certificates of Deposit (LTNCDs).

Moving ahead, the Treasury Group will continue to invest selectively to build up its accrual portfolio, and continue to tap longer-term funding sources to address the Bank's funding requirements. The Group will likewise sustain marketing efforts in Metro Manila and regional areas, as well as in Hong Kong and Singapore.

Investment Banking

BDO's investment banking subsidiary, BDO Capital & Investment Corporation (BDO Capital), led a number of high-profile transactions and participated in 13 out of 19 capital markets deals offered to the public in 2019, drawing on its strong deal origination capabilities and ability to execute sophisticated deals with speed and precision. As well, BDO Capital leveraged on its Parent Bank's distribution capabilities, robust balance sheet, its full suite of products and services and prudent risk management to make it the premier choice for clients seeking access to debt and capital markets.

Among the notable deals and transactions led by BDO Capital are the syndicated term loan facility for Bloomberry Resorts and Hotel, Inc. and Sureste Properties and the PSE listing of Fruitas Holdings, Inc. and Kepwealth Property Philippines, Inc. IPOs. BDO Capital also had a lead role in the debt financing for various solar and wind power projects owned and operated by the Vena Energy Group and

TREASURY

₱35
billion
Issuance in Fixed
Rate Senior Notes

₱14.8
billion
Issuance in Long-
Term Negotiable
Certificates of
Deposit (LTNCDs)

BDO CAPITAL

Participated in
13 of 19
public capital
markets deals

the Solar Philippines Group, bond issuances of the country's biggest conglomerates (San Miguel, Ayala and SM Groups), including the offshore USD-denominated green bond issuance by AC Energy, and in the preferred shares issues of Petron, Arthaland and Ayala Corp.

Earlier this year, BDO Capital created a separate M&A team to focus on financial advisory and M&A advisory services, particularly for mid-tier clients to prepare them for entry into the capital markets. Additionally, BDO Capital will leverage on its strong institutional relationships to maximize deal opportunities.

Wealth Management and Advisory

BDO's wealth management initiatives are targeted to provide a full suite of tailored products and services across customer segments, directed at high-net-worth (HNW) to ultra-high-net-worth (UHNW) individuals through BDO Private Bank (BDOPB), the mass affluent through BDO Trust and Investments Group (TIG), and at the emerging affluent, who are mostly younger, digital-savvy millennials through online platform BDO Nomura Securities.

BDO PRIVATE BANK

₱878
million
Net Income

2019 was another successful year for BDOPB, as its net income increased to ₱878 million from ₱301 million in 2018, on favorable capital market conditions following the BSP's monetary easing and low inflation in the second half of 2019. The balance sheet was trimmed to reduce dependence on high cost time deposits as a source of funds. To better focus on its clients' needs, BDOPB also created a Wealth Management Group with more seasoned advisors, and a Corporate Services Group, to help existing and prospective clients with family office operations.

For this year, BDOPB will continue to target HNW and UHNW markets as it leverages on its open architecture to deliver bespoke, customized, and best-in-class investment and wealth solutions.

TRUST AND INVESTMENTS GROUP

₱979
billion
Assets under Management

The Trust & Investments Group (TIG) performed well in 2019 with Assets under Management (AUM) expanding by 15% to reach ₱979 billion, the largest in the industry and equivalent to 25% market share. This feat was achieved with initiatives to simplify and strengthen client engagement and portfolio diversification. Returns on investment funds also improved, with most funds outperforming their benchmarks and ranking in the top quartile compared to their peers.

For 2020, TIG will further broaden its investment products, pursue automation and create multiple client touchpoints, while streamlining current processes to raise operational efficiency and enhance customer experience.

BDO Nomura continued to build its customer base, exceeding the 300,000-customer mark in 2019 after just three years of operations, as it continued to make online trading simpler, fast and convenient for retail investors. Notably, the BDO Nomura platform, with its straight-through account opening process, enables a new client to open his first account and invest in five easy steps within five minutes. This market-leading customer interface was recognized as the Online Securities Platform of the Year – Philippines by Asian Banking & Finance at the 2019 Retail Banking Awards.

BDO NOMURA

300,000
customers

Payments and Information Services

BDO's Transaction Banking Group (TBG), comprising Remittance, Corporate Cash Management and Business Online Banking, turned in a positive performance in 2019, as it increased the number of Cash Management clients by 35%, and expanded new deals volume by 38%. Remittance volume went up by 5% in terms of transaction amounts, and 7% by number of transactions, allowing TBG to retain a commanding 46% share of the market.

TRANSACTION BANKING GROUP

35%
Increase in number of clients

In 2019, Cash Management Services (CMS) was reorganized to create more focus on its target corporate segments, allowing CMS to offer a more individualized approach in serving their customers and understanding their requirements. Meanwhile, TBG maintained strong tie-ups with global remittance partners which contributed to TBG's performance in terms of transaction volume and growth.

38%
Increase in New Deals Volume

In 2020, TBG will continue to execute a four-pronged strategy that involves refining the organizational structure for functional and market coverage; driving innovation across products and channels; targeting investments for cost-efficient and highly stable operating platforms; and maximizing revenue pools and improving sales productivity.

5%
Growth in Remittance Volumes

Insurance

BDO Insurance Brokers, Inc. (BDO Insure) responded aggressively to the challenging environment in 2019 by leveraging on its portfolio size and business relationships with accredited insurers, continuously developing new and relevant products, and implementing process efficiencies. New product packages not only addressed the evolving needs of individuals and business owners, but also helped counteract the upward pressure in premiums and downward trend in commissions. BDO Insure also intensified renewal efforts particularly in CBG and BBG.

BDO INSURE

12%
Increase in Commission Income

BDO LIFE

Over 20%
Sustained Premium
Growth

As a result BDO Insure registered a 12% increase in commissions, as well as sustained a high overall renewal rate for mortgage accounts, while maintaining a quick turnaround time for claims, the ultimate test of a broker's ability to serve clients.

Looking ahead to 2020, BDO Insure will aggressively pursue cross-selling opportunities with the bank, implement a new core system to realize further process efficiencies and to better the customer experience by way of electronic policies and online renewals and payments, and launch the BDO Insure e-commerce site to generate a new revenue stream.

BDO Life Assurance Co. Inc. (BDO Life) sustained its growth momentum in 2019 on the continued increase in premiums as well as higher investment income due to better capital market conditions. BDO Life leveraged on the Parent Bank's growing branch network to deploy more financial advisors, resulting in sustained premium growth of over 20%. As a result, BDO Life jumped two notches to lead the market in terms of traditional protection, while rising to 7th spot in terms of total premiums.

For 2020, BDO Life intends to further tap the customer base of the Parent Bank through optimized Financial Advisor (FA) branch coverage. As well, digitalization initiatives will be sustained to drive productivity and scale up operations through improved back office processes to efficiently serve its customers.

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 a high standard 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 has continued to comply, where appropriate, with the SEC Code of Corporate Governance for Publicly-Listed Companies and provisions of BSP Circular 969 on Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions in its Corporate Governance Manual. It has also continued to follow, where appropriate, the 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, 2019.

Governance Structure

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.

The Board is composed of 11 members and aided by 3 advisors. The members of the Board are all professionals with expertise in 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 6 Independent Directors, 2 Non-Executive Directors, and 2 Executive Directors who are the Vice Chairman and the President & CEO. Independent Directors comprise the majority (54.50%) members of the Board, thus exceeding the requirement of the Securities and Exchange Commission (SEC) and the Bangko Sentral ng Pilipinas (BSP) as well as meeting global best practice. Non-Executive Directors including Independent Directors comprise 82% of the Board, more than the requirement of the BSP of at least majority of the Board. 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 Advisors are considered as integral part of the Board whose influence are akin to a director. 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 (2) female non-executive directors.

The Board is responsible for the screening of new directors through the Nominations Committee. It 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,

Board Snapshot

DIRECTOR DIVERSITY

2 Females


2 International


DIRECTOR AGE

1 50-59


4 60-69


6 70+


SKILLS, EXPERIENCE & BACKGROUND

7 Bankers


2 Lawyers


2 Entrepreneurs


2019 BOARD MEETINGS

Directors	No. of Meetings Attended	Total No. of Meetings	% Rating
Teresita T. Sy	14	15	93.33%
Jesus A. Jacinto, Jr.	15	15	100%
Nestor V. Tan	15	15	100%
George T. Barcelon	8	9	88.89%
Christopher A. Bell-Knight	13	15	86.67%
Jose F. Buenaventura	13	15	86.67%
Jones M. Castro, Jr.	15	15	100%
Vicente S. Pérez, Jr.	9	9	100%
Dioscoro I. Ramos	15	15	100%
Josefina N. Tan	14	15	93.33%
Gilberto C. Teodoro, Jr.	15	15	100%
Antonio C. Pacis (until April 22, 2019)	2	6	33.33%
Jimmy T. Tang (until April 22, 2019)	5	6	83.33%

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 self-assessments of the Board and peer evaluation, 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 takes into account the relevant qualifications of every candidate nominated for election such as, among others, physical/mental fitness, relevant educational and professional background, personal track record, experience/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/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.

Each year, the composition of the Board and board committees is reviewed to ensure appropriate balance of skills, competencies, and experience of its members, and ensure the alignment with the new regulations. Independent directors chair eight (8) of nine (9) board committees, namely Risk Management, Board Audit, Corporate Governance, Related Party Transactions, IT Steering, Nomination, Compensation, and Trust.

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 that fosters critical discussion and promotes balanced decision-making by the Board. 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 reviewed and approved the Bank's budget and business targets, quarterly declaration of dividends and the release of the 2018 audited financial statements within 60 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 mandates.

In 2019, 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

STRONG INDEPENDENT OVERSIGHT

Independent directors chair eight (8) of nine (9) board committees, namely Risk Management, Board Audit, Corporate Governance, Related Party Transactions, IT Steering, Nomination, Compensation, and Trust.

DIRECTOR INDEPENDENCE

2 Executive Directors



6 Independent Directors



3 Non-Executive Directors



structure as well as enhance corporate governance. Noteworthy is the increase in 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. The revised articles and by-laws shall be endorsed to the Stockholders for approval and ratification.

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 explaining the rationale of their response, the results of which are tabulated and consolidated. The Corporate Governance Officer prepares the overall report and presents this to the Corporate Governance Committee for discussion and endorsement to the Board, including the recommended actions and focus areas to improve effectiveness.

For 2019, the Bank commissioned PricewaterhouseCoopers (PwC) to facilitate the Board Effectiveness Evaluation in compliance with the SEC Code of Corporate Governance, and to further align its governance framework with the principles of the said Code and global best practices. Part of the engagement of PwC is to facilitate a self and peer evaluation process on the Board, Board Committees, and individual directors. The results thereof are validated through focused interviews with 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 (4) hours for 2019. Ten (10) directors of BDO Unibank attended the in-house corporate governance seminar last 24 July 2019 in Makati City. It concentrated on cybersecurity in the Philippines and blockchain technology/cryptocurrencies, to update them on emerging risks as banks move to the era of digital banking. One (1) director attended an external corporate governance training, which focused on boardroom realities, fighting red tape, and governance advocacies.

Succession Planning

Succession planning for the Board and senior management is an important part of the governance process. The Corporate Governance Committee reviews the succession framework and leadership development plans for senior management, which are subsequently approved by the Board. As part of the periodic review, the succession framework is updated and training programs are conducted accordingly. It has adopted the policy on the Term Limit of Independent Directors of 9 consecutive years of service as a way to refresh the Board membership progressively and in an orderly manner.

Remuneration

Our Remuneration policy is geared towards attracting, retaining and motivating employees and members of the Board. The remuneration framework for senior management includes fixed pay, bonuses and the Employee Stock Option Plan (ESOP) as a long term incentive program. A claw back mechanism is in place, where the benefits and rights accruing from the ESOP can be revoked or forfeited, if the eligible employee is terminated from service for cause or in the event of imposition of an administrative or disciplinary sanction or penalty against the eligible employee at any time during and after the vesting period prior to exercise. It is linked to corporate and individual performance, based on an appraisal of senior management. The five (5) most highly compensated officers are the President & CEO, and four (4) Senior Executive Vice Presidents. All qualified employees may be entitled to an annual merit increase in salary, based on their performance for the immediately preceding year. This has a long-term and compounding effect to the fixed pay, which serves as basis for their retirement benefit. Non-Executive Directors (NEDs) receive per diem for attending board and committee meetings. In addition, the Bank grants director fees other than per diem in accordance with law to ensure that the remuneration is commensurate with the effort, time spent and responsibilities of NEDs. There is no distinction on the director's fee for a committee chairman or member.

Dividends

The Bank recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. The Bank has been paying a regular cash dividend of ₱0.30 per share per quarter, or an annual equivalent of ₱1.20 per share and will endeavor to do so while maintaining financial flexibility. The payment of dividends entails prior board approval of the amount, record and payment dates as recommended by Management based on the BSP, PSE, and SEC rules on declaration of cash dividends. Upon Board approval, necessary disclosures are made in compliance with regulatory requirements. Upon disclosure of a cash dividend declaration, a trading blackout on BDO shares is imposed upon BDO directors and Officers. Dividends are paid within 30 days from date of declaration. The full dividend policy statement is published in the corporate website.

Related Party Transactions

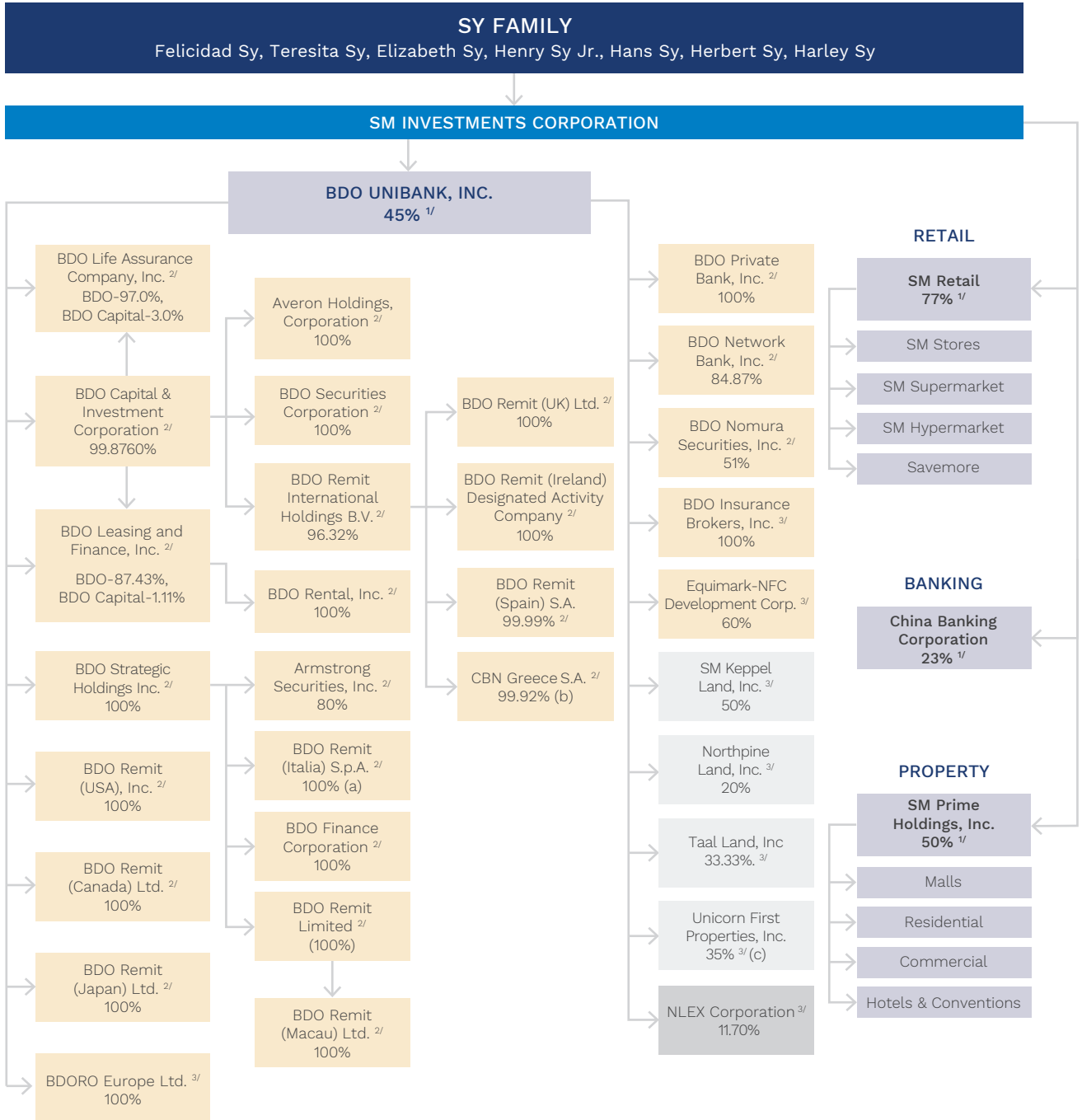
The Bank has established policies and procedures on related party transactions (RPTs) in accordance with BSP and SEC regulations. These include definition of related parties, coverage of RPT policy, guidelines in ensuring arm's-length terms, identification and prevention of management potential or actual conflicts of interest, adoption of materiality thresholds, internal limits for individual and aggregate exposures, whistle-blowing mechanisms, and restitution of losses and other remedies for abusive RPTs. The RPT Committee reviews and endorses to the Board for final approval all material RPTs. The Related Party Transactions policy applies to BDO Unibank, Inc. and its subsidiaries and affiliates, as applicable, to ensure that every related party transaction is conducted in a manner that will protect the Bank from any potential conflict of interest. The policy also covers the proper review, approval, ratification and disclosure of transactions between the Bank and any of its related parties in compliance with legal and regulatory requirements. The policy also requires that any member of the RPT Committee who has a potential interest in any related party transaction shall abstain from the discussion and endorsement of the related transaction. Likewise, any member of the Board who has interest in the transaction must abstain from the deliberation and approval of such related party transaction. 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. The full version of the Related Party Transactions Policy is published in our corporate website at www.bdo.com.ph/corporate-governance/company-policies.

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.

BDO Conglomerate Structure

BDO Unibank, Inc. Group Map As of December 31, 2019



1/ SMIC Group's effective ownership as of year-end (includes direct & indirect ownership)
 2/ Financial entities
 3/ Non-Financial entities

(a) Dissolved
 (b) Under liquidation
 (c) For dissolution

- SMIC's Subsidiaries/Affiliates
- Stockholder of BDO
- Subsidiary
- Affiliate
- Other Related Party

Major Stockholders

As of December 31, 2019, the following are known to BDO Unibank, Inc. (BDO) to be the direct or indirect beneficial owners of more than 5% of BDO Unibank's voting securities:

Title of Class	Name	Citizenship	Percentage
Common and Preferred	SM Investments Corp.	Filipino	39.02%*
Common	PCD Nominee Corp. (Non-Filipino)	Foreign	26.26%
Common and Preferred	Sybase Equity Investments Corporation	Filipino	12.90%*
Common	PCD Nominee Corp. (Filipino)	Filipino	11.69%**
Common	Multi-Realty Development Corporation	Filipino	5.95%*

* Inclusive of PCD-lodged shares

** Exclusive of PCD-lodged shares of SM Investments Corporation, Multi-Realty Development Corporation and Sybase Equity Investments Corporation

Every stockholder is entitled to one (1) vote for each share of stock outstanding in his name on the books of BDO Unibank, unless the law provides otherwise. Cumulative voting shall be used in the election of the members of the Board of Directors.

Security Ownership of Directors

As of December 31, 2019, the following are known to BDO to be the record and/or beneficial owners of BDO voting securities:

Name of Director	Position/Type of Directorship	No. of Years as Director	Total No. of Direct (D) and Indirect (I) Shares as of December 31, 2019	Percent to Total Outstanding Shares
Teresita T. Sy	Chairperson/ Non-Executive Director	1 st term: 28 2 nd term: 12	394,947 (D)	0.0081%
Jesus A. Jacinto, Jr.	Vice Chairman/ Executive Director	23	502 (D)	0.0000%
Nestor V. Tan	President & CEO/ Executive Director	21	11,661,794 (D)	0.2382%
George T. Barcelon	Independent Director	0.67	1,001 (D)	0.0000%
Christopher A. Bell-Knight	Non-Executive Director	1 st term: 5 2 nd term: 6	123 (D)	0.0000%
Jose F. Buenaventura	Independent Director	6	1 (D)	0.0000%
Jones M. Castro, Jr.	Lead Independent Director	7	1 (D)	0.0000%
Vicente S. Pérez, Jr.	Independent Director	0.67	5,000 (D)	0.0001%
Dioscoro I. Ramos	Independent Director	4	203,800 (D)	0.0042%
Josefina N. Tan	Non-Executive Director	1 st term: 4 2 nd term: 12	596,458 (D)	0.0122%
Gilberto C. Teodoro, Jr.	Independent Director	5	1 (D)	0.0000%

Board of Directors



Teresita T. Sy

Chairperson
Non-Executive Director
Filipino, 69 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 Adviser 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, 72 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 as President. He was formerly a 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, 61 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. He concurrently holds the Chairmanship of the following BDO Unibank Subsidiaries: BDO Strategic Holdings, Inc. and BDO Network Bank, Inc. He also concurrently holds vice chairmanships and/or directorships in the following subsidiaries of BDO Unibank, Inc.: BDO Leasing and Finance, Inc., BDO Finance Corporation, BDO Capital & Investment Corporation, BDO Insurance Brokers, Inc., BDO Life Assurance Company, Inc., BDO Private Bank, Inc., BDO Remit (USA), Inc., and SM Keppel Land, Inc. He is also a Trustee of BDO Foundation, Inc. and Chairman of the De La Salle University Board of Trustees. He is also the Chairman of Bancnet, the operator of the electronic payment system, InstaPay, and the ATM switching utility for Philippine banks. He previously served as President and Director of the Bankers Association of the Philippines, in addition to being the previous Chairman and Director of Philippine Dealing System Holdings Corporation.

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 decades and includes posts at global financial institutions, among them Mellon Bank (now BNY Mellon) in Pittsburgh, PA; Bankers Trust Company (now Deutsche Bank) 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.



George T. Barcelon

Independent Director
Filipino, 70 years old

George T. Barcelon was elected Independent Director of BDO Unibank, Inc. on April 22, 2019. Mr. Barcelon 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, 75 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 Adviser to the Board of BDO Unibank for more than two 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, 85 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, Gladtohome Inc., Glimpse of Negros Holdings, Inc., and Kahigayonan Corp.; and Director and Corporate Secretary of 2B3C Foundation, Inc., and Peter Paul Philippines Corporation. He sits on the Board 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, 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 from Georgetown University Law Center in Washington, D.C.



Jones M. Castro, Jr.

Lead Independent
Director
Filipino and American,
70 years old

Jones M. Castro, Jr. was elected to the Board of Directors of BDO Unibank, Inc. on April 20, 2012. Mr. Castro has 46 years of banking expertise, with 39 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 Executive Vice Chairman and Trustee of the PhilDev USA and PhilDev S & T, Advisor of Wave Computing, Inc., 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 Masters in Business Administration, Accounting & Finance from Stanford University.



Vicente S. Pérez, Jr.

Independent Director
Filipino, 61 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, BDO Capital & Investment 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, which operates companies engaged in renewable (wind, hydro and solar) power generation 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 American 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. Pérez obtained his Masters 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.



Dioscoro I. Ramos

Independent Director
Filipino, 61 years old

Dioscoro I. Ramos was elected to the Board of Directors of BDO Unibank, Inc. on January 9, 2016. 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.



Josefina N. Tan

Non-Executive Director
Filipino, 74 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 re-elected 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 a Trustee of the Finex Academy and 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 Masters in Business Administration from Ateneo Graduate School of Business.



Gilberto C. Teodoro, Jr.

Independent Director
Filipino, 55 years old

Gilberto C. Teodoro, Jr. was elected to the Board of Directors of BDO Unibank, Inc. on April 25, 2014. He is the Chairman of Sagittarius Mines, Inc. and Indophil Resources Philippines, Inc. He was formerly Chairman of Suricon Resources Corporation and PNP Foundation, Inc. He is also a member of the Board of Directors of Philippine Geothermal Production Company, Inc., Alphaland Corporation, and Canlubang Sugar Estate. He served as Secretary of National Defense from 2007 to 2009 and was a member of the Philippine House of Representatives from 1998 to 2007. He continues to advise public sector agencies and is currently the Chairman of the Philippine Air Force Multi-Sectoral Governance Council and sits in a similar capacity at the Philippine Navy. He is a recipient of the Philippine Legion of Honor with the rank of Grand Commander. He trained under former Solicitor General Estelito P. Mendoza, Esq., and was involved in a wide range of issues — constitutional, corporate, criminal, civil, and administrative — and in pro-bono work to assist various indigent litigants from 1990 to 1997. Mr. Teodoro holds a Bachelor of Science degree in Commerce, Major in Management of Financial Institutions, from De La Salle University; a Bachelor's in Law degree (LLB) from the University of the Philippines; and a Masters in Law degree (LLM) from Harvard Law School. He placed first in the Philippine Bar Examinations of 1989 and was admitted to the State Bar of New York.

CORPORATE SECRETARY

Edmundo L. Tan

Filipino, 74 years old

Edmundo L. Tan serves as Corporate Secretary of BDO Unibank, Inc. from July 27, 2007 up to the present and BDO Private Bank, Inc. from February 2012 up to the present. He was formerly a Director of BDO Leasing and Finance, Inc. and now serves as Advisor to the Board. Atty. Tan is a Director of APC Group, Inc. from 2000 up to the present and as Corporate Secretary from 2000 until 2016. He serves as Director of Philippine Global Communications, Inc. from 2000 up to the present and as Corporate Secretary from 2000 until 2010. He is a Director of Aragorn Power and Energy Corporation from 2005 up to the present and as Corporate Secretary from 2005 up to 2012. He is currently a Director of PRC MAGMA Resources (2010 up to the present). He is a Director of OCP Holdings, Inc. from July 2012 up to the present. He was elected as Director of Sagittarius Mines, Inc. in March 2016. On December 12, 2019, he was elected Director of Concrete Aggregates Corporation.

Atty. Tan was a founder and was elected President of Philippine Dispute Resolution Center, Inc. in July 2017.

Atty. Tan is the Managing Partner of Tan Acut Lopez & Pison Law Offices (1993 up to present). He was formerly 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 Villarín Ongkiko Academia & Durian Law Offices. Atty. Tan holds a Bachelor of Arts degree from De La Salle College, Bacolod and Bachelor's degree in Law from the University of the Philippines.

ADVISORS TO THE BOARD

Corazon S. de la Paz-Bernardo

Jose T. Sio

Harley T. Sy

Senior Management



Joseph Albert L. Gotuaco
Head, Central Operations Group



Rolando C. Tanchanco
Head, Consumer Banking Group



Walter C. Wassmer
Head, Institutional Banking Group



Jaime C. Yu
Head, Branch Banking Group



Dalmacio D. Martin
Treasurer



Lucy Co Dy
Comptroller



Eduardo V. Francisco
President, BDO Capital & Investment Corporation



Jesus Antonio S. Itchon
President, BDO Network Bank, Inc.



Ricardo V. Martin
Chief of Staff,
Office of the President



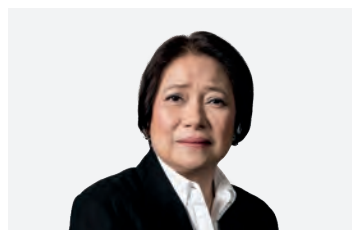
Edwin Romualdo G. Reyes
Head, Transaction Banking Group



Luis S. Reyes, Jr.
Head, Investor Relations and
Corporate Planning Group



Renato A. Vergel De Dios
President and CEO, BDO Life
Assurance Company, Inc.



Evelyn L. Villanueva
Head, Risk Management Group



Albert S. Yeo
President, BDO Private Bank, Inc.

Senior Management, continued



Rafael G. Ayuste Jr.
Head, Trust and Investments Group



Maria Cecilia G. Fonacier
Head, Marketing
Communications Group



Alvin C. Go
Head, Legal Services Group and
Assistant Corporate Secretary



Frederic Mark S. Gomez
Head, Information
Technology Group



Roberto E. Lapid
President, BDO Leasing
and Finance, Inc.



Estrellita V. Ong
Chief Internal Auditor



Evelyn C. Salagubang
Head of Recruitment, Employee
Relations, and Cases Review
Human Resources Group



Maria Theresa L. Tan
General Manager, BDO
Insurance Brokers, Inc.



Federico P. Tancongco
Chief Compliance Officer

Board Committees

The Board has established nine (9) 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, 2019, eight of the nine board-level committees are chaired by independent directors.

The standing committees of the Board are as follows:

Executive Committee

FUNCTIONS:

- Exercises the power of the Board in the management and direction of the affairs of the Bank.
- Acts as the 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.

During the year, it approved loans and credit facilities, leases and sale of acquired assets, credit policies, write-offs, resolutions of remedial/problem accounts, leases and acquisitions of branch sites within its Board-delegated authority.

In December 2018, the Executive Committee was tasked as the Oversight Committee for the implementation of the Bank's Sustainability Framework.

Chairperson:

Teresita T. Sy

Members:

Antonio N. Cotoco
 Jesus A. Jacinto, Jr.
 Guia C. Lim
 Mario B. Palou
until April 22, 2019
 Edmundo S. Soriano
 Josefina N. Tan
 Nestor V. Tan

Executive Committee	No. of Meetings Attended	Total No. of Meetings
Teresita T. Sy	47	50
Antonio N. Cotoco	45	50
Jesus A. Jacinto, Jr.	47	50
Guia C. Lim	46	50
Mario B. Palou	12	12
Edmundo S. Soriano	48	50
Josefina N. Tan	49	50
Nestor V. Tan	43	50

Board Audit Committee

FUNCTIONS:

- Empowered by the Board to oversee 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.

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 internal and 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 including the BSP Report of Examination 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. It also reviews the annual plans of the Compliance Office including the Anti-Money Laundering Unit (AMLU), 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.

Chairman:

Jose F. Buenaventura
(Independent Director)

Members:

Jones M. Castro, Jr.
(Lead Independent Director)

Vicente S. Pérez, Jr.
(Independent Director)
commencing April 22, 2019

Jimmy T. Tang
(Independent Director)
until April 22, 2019

Advisors:

Christopher A. Bell-Knight
Corazon S. de la Paz-Bernardo
Jesus A. Jacinto, Jr.

Board Audit Committee	No. of Meetings Attended	Total No. of Meetings
Jose F. Buenaventura	12	13
Jones M. Castro, Jr.	13	13
Vicente S. Pérez, Jr.	7	9
Jimmy T. Tang	3	4

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

On financial reporting, the Board Audit Committee (BAC) reviewed and recommended for approval to the Board the quarterly unaudited and annual audited financial statements ensuring compliance with accounting standards and tax regulations. On February 20, 2019, it endorsed for approval of the Board the audited financial statements as of December 31, 2018 including the Notes to the Financial Statements. This was approved by the Board and disclosed to the public on February 28, 2019, 59 days from the financial year-end 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, more specifically the changes brought about by the adoption of the Philippine Financial Reporting Standards 9 and 16, were likewise reviewed.

In overseeing the internal audit function, it reviewed and approved the Internal Audit Charter 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 key audit officers. 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. 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.

On regulatory compliance, it reviewed and approved the annual plans and independent compliance testing roadmaps of the Compliance and Anti-Money Laundering (AML) units. It endorsed for approval of the Board of Directors the revised Regulatory Compliance and Management Manual and Money Laundering Prevention Program Manual of the Bank, which incorporates new and amended regulations as well as directives by the BSP in its 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 Report 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 legislation and regulatory compliance reports to ensure that the Bank complies with the relevant regulatory requirements. In 2019, the Committee reviewed the performance of the automated system being used by the Compliance Office for its AML function and related party database. It also discussed and assessed the Bank's guidelines on regulatory and AML emerging risks such as online gaming business and investment scams.

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 2019 performance based on its Terms of Reference. The BAC likewise evaluated the performance of Internal Audit, Compliance and AML units, and External Audit to ensure their effectiveness and achievement of objectives.

The BAC reports its evaluation of the effectiveness of the internal controls, financial reporting process, risk management systems and governance processes 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 that these are generally adequate across BDO.

Corporate Governance Committee

FUNCTIONS:

- 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 on to enhance effectiveness.
- Oversees the continuing education program for directors and key officers and proposes relevant training for them.

During the year, the CGC spearheaded the annual Board evaluation survey covering the performance in 2018 of the Board of Directors, Board Committees, Senior Management, each Director, and Board Advisors. The tabulated results were then referred to the Board. The overall assessment showed that the Board continues to operate on a very high standard of independence, committees function effectively and senior management has the relevant professional experience, necessary skills and ability to manage the Bank while the directors have rigorously maintained independence of views and the relationship between the Board and committee members remain strong.

Focus in 2019 was directed on the review of the Bank's Integrated Annual Corporate Governance Report that was submitted to the Securities and Exchange Commission, and the independent validation of the Bank's representations in the ASEAN Corporate Governance Scorecard (ACGS). It facilitated

Chairman:

Gilberto C. Teodoro, Jr.
(Independent Director)

Members:

Jones M. Castro, Jr.
(Lead Independent Director)

Vicente S. Pérez, Jr.
(Independent Director)
commencing April 22, 2019

Jimmy T. Tang
(Independent Director)
until April 22, 2019

Corporate Governance Committee	No. of Meetings Attended	Total No. of Meetings
Gilberto C. Teodoro, Jr.	6	6
Jones M. Castro, Jr.	6	6
Vicente S. Pérez, Jr.	4	4
Jimmy T. Tang	1	2

the compliance of the directors of the Bank and its subsidiaries to the regulatory requirement for an annual corporate governance seminar for Directors. In 2019, BDO Unibank and its subsidiary, BDO Leasing & Finance, were granted the Golden Arrow award by the Institute of Corporate Directors in recognition of their strong corporate governance practices based on their ACGS scores.

The Independent and Non-Executive Directors, chaired by Lead Independent Director Jones M. Castro, Jr. conducted three (3) executive sessions with the External Auditor, Chief Risk Officer, Chief Compliance Officer and Chief Internal Auditor without the presence of management to discuss various matters or issues outside the Audit Committee and Risk Management Committee meetings. The results of these sessions were discussed with the Bank's Executive Directors.

Trust Committee

FUNCTIONS:

- 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 the 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.
- Annually, the Committee evaluates the performance of the Trust Officer.

Significant matters taken up by the Committee included, among others, amendments on BDO Trust's various manuals as well as approval of new investment outlets and accreditation of additional counterparties. The Committee approved the revised table of organization of BDO Trust, appointment of the new Trust Officer, rationalization of the BDO Unit Investment Trust Funds and the implementation of PFRS 9.

Chairman:

Dioscoro I. Ramos
(Independent Director)
commencing April 22, 2019

Antonio C. Pacis
until April 22, 2019

Members:

Ador A. Abrogena
until January 31, 2019

Rafael G. Ayuste, Jr.
commencing February 1, 2019

Christopher A. Bell-Knight

Josefina N. Tan
commencing April 22, 2019

Nestor V. Tan

Trust Committee	No. of Meetings Attended	Total No. of Meetings
Dioscoro I. Ramos	10	10
Ador A. Abrogena	2	2
Rafael G. Ayuste, Jr.	7	8
Christopher A. Bell-Knight	10	10
Josefina N. Tan	5	6
Nestor V. Tan	10	10
Antonio C. Pacis	3	4

Risk Management Committee

FUNCTIONS:

- Is responsible for the development and oversight of the risk management program of the Bank.
- Is responsible for approving risk appetite levels, policies, risk tolerance limits. It defines the appropriate strategies for identifying, quantifying, managing and controlling risk exposures including preventing and/or minimizing the impact of losses when they occur.
- Oversees the implementation and review of the risk management plan on an enterprise-wide basis including the system of limits of discretionary authority delegated by the Board of Directors to management and ensures immediate corrective actions when limits are breached.
- Is also 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.

In accordance with its mandate, the Committee conducted regular discussions on the Bank's exposures to various risks (i.e., credit risk, liquidity risk, market risk, interest rate risk in the banking book, and operational risk, as well as IT risk and information security risk) including mitigation strategies, where necessary and applicable, such as, large exposures and concentration, asset quality, results of credit stress tests and its impact on capital adequacy; liquidity gaps and results of liquidity stress tests; macroeconomic and market updates and forecasts; Value-at-Risk (VAR), Earnings-at-Risk (EAR), results of market risk stress tests and impact on capital adequacy; operational risk profile of the Bank, significant risk incidents, operational losses and impact on capital adequacy, results of Business Continuity Plan (BCP) testing, any information security and data privacy incidents, results of the BSP-mandated stress tests (i.e. BSP Uniform Stress Test and Real Estate Stress Test) for banks, results of performance monitoring of all implemented risk management models, profile of client inquiries/requests/complaints and a general description of

Chairman:

Jones M. Castro, Jr.
(Lead Independent Director)

Members:

Dioscoro I. Ramos
(Independent Director)
Nestor V. Tan

Advisor:

Christopher A. Bell-Knight

Risk Management Committee	No. of Meetings Attended	Total No. of Meetings
Jones M. Castro, Jr.	12	12
Dioscoro I. Ramos	10	12
Nestor V. Tan	12	12

the resolutions/actions taken, in compliance with BSP Circular 857 on Consumer Protection, and social media risk report in compliance with BSP Circular 949 on the Guidelines on Social Media Risk Management, and status of compliance activities related to the Bank's Data Privacy Management Program (DPMP), in compliance with the requirements of Republic Act No. 10173, also known as the Data Privacy Act (DPA).

In 2019, the Committee approved: the renewal of the Terms of Reference (TOR) of the Risk Management Committee with no proposed changes; enhancements to the Internal Credit Risk Rating System (ICRRS) for Corporate & Commercial Loans; the redeveloped depositor scorecards, behavior scorecards, and collection scorecards for credit cards and installment cards; the redeveloped Home Loans Deed of Assignment (DOA) collection scorecards; results of the annual review of the Bank's risk management framework, policies and limits (as applicable), for market & liquidity risk, operational risk, social media risk and Trust risk; the priority critical processes and recovery sequence of systems in relation to the Bank's BCP and the 5-year Enterprise BCP progression plan; the threshold and high level process for reporting of significant incidents to BSP in compliance with BSP Circular 900; and the updated Information Security Strategic Plan (ISSP) and Information Security Program (ISP) in compliance with BSP Circular 982 on the Enhanced Guidelines on Information Security Risk Management.

Nominations Committee

FUNCTIONS:

- Leads the 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.
- Keeps under review the 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 the Board with regard to any changes.

After reviewing the composition of the Board and Committees, it approved the nominations for the regular and independent directors on March 12, 2019 in accordance with the criteria set forth in the By-laws of BDO Unibank, as well as pertinent regulations of the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission. After due deliberations, it recommended to the Board the appointment, reappointment or election of nominees for Chairperson, Vice Chairperson, and membership in Board-level Committees, as well as the reappointment of Mr. Jones M. Castro, Jr as the Lead Independent Director, and the appointment and/or reappointment of the Bank's corporate officers at the Bank's Organizational Board Meeting held on April 22, 2019.

The Nominations Committee reviewed and recommended the hiring and appointment of Mr. Joseph Albert L. Gotuaco as Senior Executive Vice President (SEVP) and Head of Central Operations Group, the appointment of the new Trust Officer, Chief Security Officer, and four other senior vice presidents (SVP). The promotion of one (1) SEVP, two (2) executive vice presidents, and four (4) SVPs passed through the Committee for scrutiny during the year.

Chairman:

Vicente S. Pérez, Jr.
(Independent Director)
commencing April 22, 2019

Jimmy T. Tang
(Independent Director)
until April 22, 2019

Members:

Jose F. Buenaventura
(Independent Director)

Gilberto C. Teodoro, Jr.
(Independent Director)

Nominations Committee	No. of Meetings Attended	Total No. of Meetings
Vicente S. Pérez, Jr.	3	3
Jose F. Buenaventura	7	7
Gilberto C. Teodoro, Jr.	7	7
Jimmy T. Tang	3	4

Compensation Committee

FUNCTIONS:

- 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.

In 2019, the Committee recommended for approval of the Board the compensation policy of the Bank and the increase in loan limits under the fringe benefit program for staff and officers.

Chairman:

Gilberto C. Teodoro, Jr.
(Independent Director)
commencing April 22, 2019

Jimmy T. Tang
(Independent Director)
until April 22, 2019

Members:

Jesus A. Jacinto, Jr.
Teresita T. Sy
Josefina N. Tan

Compensation Committee	No. of Meetings Attended	Total No. of Meetings
Gilberto C. Teodoro, Jr.	2	2
Jesus A. Jacinto, Jr.	3	3
Teresita T. Sy	3	3
Josefina N. Tan	3	3
Jimmy T. Tang	1	1

Information Technology Steering Committee

FUNCTIONS:

- Provides oversight and governance over the Bank's IT functions, including approvals of information technology-related 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.
- Is 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.

In 2019, the Committee approved the Bank's information technology strategy for implementation until 2020 and oversaw the technical contingency plan, the implementation of the information technology roadmap, technical incidents, and more importantly, the progress of cybersecurity-related initiatives.

Chairman:

George T. Barcelon
(Independent Director)
commencing April 22, 2019

Gilberto C. Teodoro, Jr.
(Independent Director)
until April 22, 2019

Members:

Frederic Mark S. Gomez
Nestor V. Tan

Information Technology Steering Committee	No. of Meetings Attended	Total No. of Meetings
George T. Barcelon	3	3
Frederic Mark S. Gomez	4	4
Nestor V. Tan	4	4
Gilberto C. Teodoro, Jr.	1	1

Related Party Transactions Committee

FUNCTIONS:

- 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 the Bank's significant transactions with related parties.

On a monthly basis, the RPTC carefully reviews the material related party transactions being proposed by Management. The revision of the Bank's policy on related party transactions is one of its most significant accomplishments in 2019. The revised policy encapsulates the requirements of the Securities and Exchange Commission on the approval of related party transactions whose value exceed 10% of the Bank's assets. The policy ensures that material RPTs falling under the definition of the SEC shall require prior review of an independent external party and approval of at least 2/3 vote of the Board with a majority of the independent directors voting in favor of it.

Independent Control Functions

Compliance

BDO's Compliance Office, thru the Chief Compliance Officer (CCO), oversees the design of the Bank's Compliance System, the overall compliance framework of the Bank executed through a Compliance Program, and promotes their effective implementation. The BDO Compliance Office 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

Chairman:

George T. Barcelon
(Independent Director)
commencing April 22, 2019

Dioscoro I. Ramos
(Independent Director)
until April 22, 2019

Members:

Jose F. Buenaventura
(Independent Director)

Jones M. Castro, Jr.
(Lead Independent Director)

Jimmy T. Tang
(Independent Director)
until April 22, 2019

Advisor:

Jesus A. Jacinto, Jr.

Related Party Transactions Committee	No. of Meetings Attended	Total No. of Meetings
George T. Barcelon	6	7
Jose F. Buenaventura	11	11
Jones M. Castro, Jr.	12	12
Jimmy T. Tang	4	5
Dioscoro I. Ramos	5	5

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 Office, as provided in its Charter, conducts independent compliance tests and reports to the Board Audit Committee any significant compliance issues or breaches. The AMLU under the Compliance Office, together with the Bank's Anti-Money Laundering Committee (AMLC), focuses on the enforcement of the Anti-Money Laundering Act and its implementing rules and regulations, as well as the Terrorism Financing Prevention and Suppression Act of 2012; the monitoring and reporting of covered and suspicious transactions, and conduct of AML training, aimed towards mitigating the risk of the Bank being used for money-laundering and terrorist financing activities. As part of its mandate, AMLU oversees the investigation suspicious transactions under the auspices of the AMLC of the Bank that is composed of select members from senior management.

The Bank seeks to prevent money laundering, combat terrorist financing and stop the flow of funds by detecting and reporting money laundering and terrorist financing red flags, establishing policies and guidelines as articulated in a Board-approved Money Laundering and Terrorist Financing Prevention Program Manual (MTPP) aligned with AML laws and BSP regulations, with which frontliners and responsible bank officers comply. The Bank's MTPP supports the conduct of proactive and targeted monitoring initiatives to identify suspected money launderers and terrorists as well as terrorist-related transactional activities.

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, COBITS (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.

Internal Audit reports to the Board of Directors through the Board Audit Committee (BAC) (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.

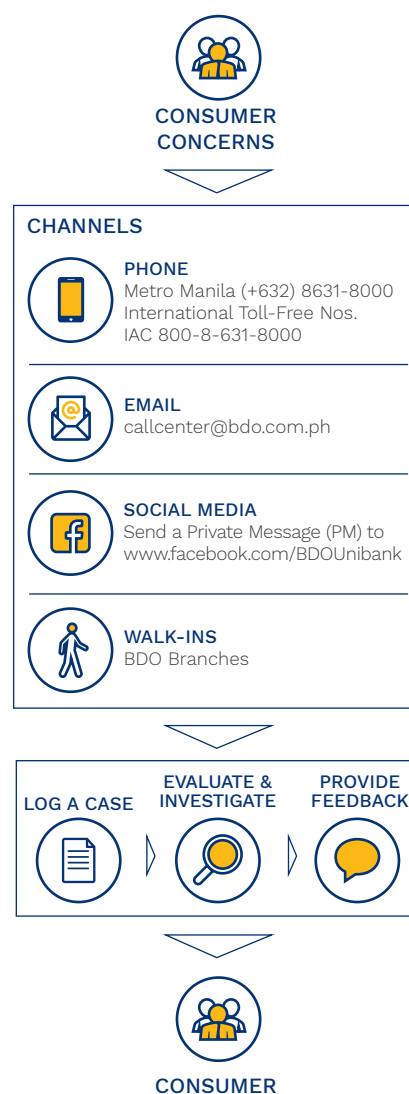
Consumer Protection Practices

The Board of Directors approved on August 29, 2015, the BDO Group's Guiding Principles on Consumer Protection which serves as BDO's framework for defining its Consumer Protection Risk Management System (CPRMS). As specified in the CPRMS, consumer protection practices are embedded in the banking operations, and considered in the development and implementation of products and services.

BDO's Code of Conduct reflects the Bank's commitment to ensuring that its customers are always treated fairly and professionally. The Bank established in November 2015 a Consumer Assistance Management System (CAMS) to address consumer concerns. To ensure its effective implementation, the BDO Customer Contact Center was designated to serve as the bank's Consumer Assistance Management Unit to ensure customer inquiries, requests and complaints/problems follow standard handling procedures and service levels bankwide. It also monitors timely resolutions by various Business Units of the Bank and reports the summary to Senior Management and to the Board's Risk Management Committee (RMC) on a periodic basis. Below is the illustration of the Bank's CAMS.

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. In 2019, CAMS logged over 8 million customer cases of which only 450,969 (5.67%) were problem related in nature and only 203,391 (2.56%) were valid complaints. A majority of the cases were inquiries (58.62%) and requests (35.71%).

CONSUMER ASSISTANCE MANAGEMENT SYSTEM



Data Privacy

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, conduct of 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 were also enhanced using the existing risk management tools of the Bank. Currently, the Bank is completing the PIAs for the rest of the units and implementation of necessary security measures is being monitored. 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 as well as breach reporting exercises/drills.

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) of the Board is 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).

Compliance with the SEC Code of Corporate Governance

Publicly-listed companies are required 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, 2019, 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 board and executive remuneration on an individual basis.

On the retirement age of directors, the Board recognizes the fact that chronological age is not the main factor in determining effectiveness of the director in discharging his duties and responsibilities. The wisdom of senior directors is a valuable asset. The Board derives much benefit from their counsel and will continue to utilize them for the benefit of all its Stakeholders. Age discrimination is discouraged by law, as once a director has been elected, removal due solely to age is prohibited. In this regard, the Board decided to hold in abeyance the implementation of a retirement age policy for directors and instead review the individual director's potential contribution to the Bank and its Stakeholders, and decide on that basis.

On the disclosure of the remuneration on an individual basis for Board members and Executive Officers, the Board has serious reservations given the possible adverse security issues and poaching of talents by competitors in the industry. In light of the Revised Corporation Code (R.A. 11232), the Bank shall await guidance from the Securities and Exchange Commission, by way of a Memorandum Circular, with regard to the disclosure of the remuneration of directors on an individual basis. Meanwhile, the remuneration figures for key management personnel are disclosed on a consolidated basis only.

On the reporting of the Bank's sustainability and non-financial performance across economic, environmental and social aspects, the Bank issues a separate annual Sustainability Report starting April 2019. The report outlines the Bank's economic, environmental, social and governance performance for the year preceding the reporting year. It is a substantiation of BDO's commitment to the United Nations Sustainable Development Goals, the principles of United Nations Global Compact (UNGC), the Greenhouse Gas (GHG) Protocol and other universal targets of sustainability. The report has been prepared in accordance with the GRI Standards.

Looking Ahead

The Bank is now in the era of digital transformation and we are looking 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.

Corporate Social Responsibility

Finding ways to improve the welfare and financial well-being of Filipinos

It was a remarkable year for BDO Foundation. On the last year of the decade, the corporate social responsibility arm of BDO Unibank developed and implemented programs for the benefit of underserved sectors of society. Backed by the BDO Unibank community, the foundation touched the lives of Filipinos through its financial inclusion and disaster response, rehabilitation and rebuilding advocacies.



Promoting financial education

Embracing its role as a financial education champion, BDO Foundation partnered with the Bangko Sentral ng Pilipinas (BSP), the Department of Education (DepEd), the Overseas Workers Welfare Administration (OWWA), the Civil Service Commission (CSC), the Philippine Army and the Armed Forces of the Philippines (AFP) for the development of financial education programs in support of BSP's National Strategy for Financial Inclusion.

Following the launch of the financial education program for public schools in 2018, the foundation strengthened its support for the financial literacy component of the K to 12 curriculum and DepEd's capacity to provide personal finance training to teachers and non-teaching personnel.

In 2019, BDO Foundation collaborated with the Asian Development Bank (ADB) and BSP to support DepEd in the development of the Financial Education Integration Policy and Roadmap as well as the Monitoring and Evaluation (M&E) System for Financial Education. Through the roadmap, DepEd will set guidelines for the integration of financial education concepts in learning areas across all grade levels. The M&E framework, on the other hand, will enable DepEd to assess the gains of the financial education program and identify opportunities for growth.

To increase awareness and further push the goals of the program, BDO Foundation sponsored Sineliksik, the video-making competition of DepEd's annual National Festival of Talents. The contest tasked students to produce original videos on topics like saving, budgeting and spending. The foundation committed to award winning entries in ceremonies scheduled in 2020. The sponsorship resulted in the development of more than 60 learner-generated and learner-appropriate videos that will be added to DepEd's library of learning resources.

As the program was deployed nationwide, BDO Foundation, DepEd and BSP launched the initiative in 15 regions all over the Philippines. At the events, the foundation donated LED television sets and USB memory drives containing financial literacy videos to public schools. The deployment of the program gained more momentum as DepEd secretary Leonor Magtolis Briones issued DepEd Memoranda 32 and 107, series of 2019, announcing the dissemination of financial literacy learning resources in all public schools across the country.

In 2019, BDO Foundation—in collaboration with BSP, OWWA, CSC, the Philippine Army and AFP—launched financial education programs for overseas Filipino workers (OFWs) and their families, civil servants, soldiers and civilian employees of the army, and the uniformed and civilian personnel of the entire armed forces. The programs paved the way for new interventions and the mainstreaming of financial literacy in the capacity building programs of OWWA, CSC, the Philippine Army and AFP. Aimed at strengthening existing financial literacy initiatives, the partnership projects were designed to equip the target audience with the tools, knowledge and resources to achieve financial independence.

Dubbed *PiTaKa*, short for *Pinansyal na Talino at Kaalaman*, the financial education program for OFWs was launched to help migrant workers attain financial stability so they can come back to the Philippines, stay with their families and contribute more productively to the economy. To deploy the program effectively, BDO Foundation, OWWA and BSP facilitated the training of trainers for more than 500 OWWA officers from all over the country. The training sessions were aimed at improving the teaching of financial literacy lessons for OFWs through the Pre-Departure Orientation Seminars.

Through the financial education program for civil servants, BDO Foundation, CSC and BSP will deploy relevant training resources on various financial literacy topics. Financial education materials will be integrated in training sessions for CSC personnel, rolled out in the entire government bureaucracy and embedded in the regular training programs for civil servants across all agencies. The partners will also work on the inclusion of financial education questions in the civil service eligibility examinations.

BENEFICIARIES OF FINANCIAL EDUCATION PROGRAMS

24
million

students in
47,000 public
schools
nationwide

800,000

public school
teachers and non-
teaching personnel

900,000

civil servants

2.3
million

OFWs

140,000

soldiers and civilian
personnel of the
armed forces

The financial education program for soldiers supports the Army Transformation Roadmap (ATR), a long-term initiative designed to professionalize the army and enable it to accomplish its mission of serving Filipinos and securing the country. The program aims to help soldiers get high marks in their ATR scorecards, particularly on the aspect of personal finance. To disseminate the program effectively, BDO Foundation, the Philippine Army and BSP trained 40 out of the 120 trainers assigned by the army. Training for the remaining 80 will be conducted in early 2020. The trainers will facilitate financial literacy training sessions for soldiers and civilian employees all over the country.

The financial education program for the armed forces covers the entire AFP. It is in line with the AFP Transformation Roadmap, a long-term initiative that aims to build a better and stronger AFP, a world-class organization that is a source of national pride. The program enables BDO Foundation, AFP and BSP to extend existing financial literacy resources to all AFP personnel and develop new interventions tailored specifically for the Philippine Navy and Philippine Air Force.

“In this tripartite partnership with the AFP and BDO Foundation, our mission is clear—to make our target audience more financially healthy,” BSP governor Benjamin Diokno underscored. “Through this partnership, we hope to trigger a chain reaction, ultimately ensuring that every uniformed and civilian personnel will develop healthy attitudes, skills and behaviors toward money, as each goes through the financial education sessions that will be embedded in regular AFP trainings.”

BDO Foundation has developed 16 financial education videos for teachers and non-teaching personnel, public school students, OFWs attending OWWA’s Pre-Departure Orientation Seminars, OFWs attending OWWA’s Post-Arrival Orientation Seminars, families of OFWs, new recruits of the Philippine Army, new army officers, senior officers and civilian personnel. In 2019, the foundation began production on nine additional videos for OFWs, civil servants and the armed forces for release in 2020.

Designed to make lessons on personal finance engaging and compelling for the target audience, the videos were produced to serve as springboard for discussions on financial responsibility. The videos covered such topics as saving, budgeting and financial planning, investments, debt management, the responsible use of credit, entrepreneurship, avoiding scams and retirement planning, among others. The partners also developed training modules, lesson plans and discussion guides for each video.

Encouraged by its productive partnerships, BDO Foundation collaborated with more organizations to further expand the coverage of its financial inclusion advocacy and reach an even wider audience. In 2019, the foundation and BSP initiated discussions with the Bureau of Fisheries and Aquatic Resources, the Bureau of Fire Protection and the Philippine National Police for the development of financial education programs for fisherfolk, firefighters and police personnel respectively. These partnerships and programs will be formalized in 2020.

Disaster	No. of beneficiary families	No. of BDO volunteers
Typhoon Usman in Albay, Camarines Sur, Samar and Sorsogon	6,910	190
Fire in Quezon City	1,810	57
Earthquake in Pampanga	1,920	87
Outreach for Aetas in Iloilo	162	20
Earthquake in Batanes	1,000	No BDO branch in Batanes
Typhoon Ineng in Ilocos Norte	600	36
Flash floods in Davao City	1,340	49
Earthquake in Cotabato and Davao del Sur	21,900	212
Typhoon Quiel in Cagayan	5,910	74
Typhoon Tisoy in Albay, Camarines Sur, Catanduanes, Masbate, Samar and Sorsogon	20,550	237
Earthquake in Davao del Sur	6,980	105
Total	69,082	1,067



As it forged ties to launch new programs, BDO Foundation continued to provide financial literacy training for farmers in support of SM Foundation's *Kabalikat sa Kabuhayan*, an agricultural initiative designed to help fruits and vegetables farmers become self-sufficient. The foundation, in partnership with National University, organized training sessions for 3,000 farmer-beneficiaries in 29 sites all over the Philippines.

All these endeavors help raise the country's financial literacy levels. By sharing lessons on financial responsibility with millions of Filipinos, BDO Foundation promotes financial inclusion, contributes to the development of a financially literate citizenry and supports nation-building.

Giving aid to calamity-stricken communities

In line with its disaster response advocacy, BDO Foundation provided aid in provinces placed under a state of calamity in 2019. Using data from the National Disaster Risk Reduction and Management Council and reports from BDO offices, the foundation immediately organized relief operations, mobilizing volunteers from BDO and BDO Network Bank branches all over the country. Led by their region, area and branch heads, bank officers and staff trooped to evacuation sites to distribute relief goods containing food, rice and drinking water.

In some instances, BDO volunteers mounted relief operations even as they themselves were affected by the typhoons and earthquakes. According to the employee-volunteers, the relief work gave them an opportunity to be a blessing to others, make a difference in the lives of disaster-hit families and be part of a worthy cause. For them, serving the community in the spirit of *bayanihan* was a rewarding experience.

In areas inaccessible to volunteers, BDO Foundation's partners generously extended assistance. Police personnel, the Philippine Navy and a group of concerned citizens led by Fr. Zenki Manabat helped the foundation conduct relief operations after earthquakes battered Batanes. In quake-stricken Cotabato and Davao del Sur, the Philippine Army and two non-governmental organizations—Ako ang Saklay and the Philippine Rural Reconstruction Movement—helped distribute relief packs in far-flung barangays. With their support, aid reached the indigenous people living in the mountains of Cotabato.

Through the relief operations, BDO employees continue to show that they are socially responsible individuals willing to go the extra mile to lend a helping hand to fellow Filipinos in their time of need. Without doubt, the spirit of volunteerism is alive in the company.

Rehabilitated rural health units	Population covered
Toboso Municipal Health Office, Negros Occidental	44,802
Banga Health Center Annex - Animal Bite Treatment Center and Clinical Laboratory, Aklan	30,072
Pototan Rural Health Unit and Birthing Center, Iloilo	77,805
Lipay Proper Barangay Health Station and Birthing Clinic, La Union	5,257
San Gabriel Rural Health Unit and Birthing Clinic, La Union	18,172
Narvacan Rural Health Unit I, Ilocos Sur	45,419
Sta. Maria Rural Health Unit, Ilocos Sur	31,295
Dumarao Rural Health Unit and Birthing Facility, Capiz	48,094
Altavas Rural Health Unit, Aklan	26,098
Cabugao Rural Health Unit and Lying-in Clinic, Ilocos Sur	38,529
Zarraga Rural Health and Birthing Center, Iloilo	24,089
Panglao Rural Health Unit, Bohol	37,400
Baclayon Rural Health Unit and Birthing Center, Bohol	21,301
Nagbukel Rural Health Unit, Ilocos Sur	5,443
Total	453,776

BDO Foundation has rehabilitated 83 rural health units since 2012 for a total of 4.9 million beneficiaries.

Ensuring healthy lives

BDO Foundation rehabilitates rural health units in economically disadvantaged and disaster-affected areas for the benefit of Filipinos who cannot afford to go to hospitals. The initiative is in line with the foundation's advocacy to help improve the healthcare delivery system in the country, one of the goals under the Philippine Health Agenda. It is also in keeping with the United Nations Sustainable Development Goal no. 3 to ensure healthy lives and promote the well-being of people of all ages.

In 2019, BDO Foundation continued to rehabilitate rural health units across the country with the support of BDO and BDO Network Bank branches. Backed by local government leaders and public health officials, the foundation improved the health centers' layout and interior design, lobbies and waiting areas, consultation and treatment rooms, offices, clinics and facilities. New furniture and fixtures were installed. BDO Foundation also built breastfeeding stations for nursing mothers, play areas for children complete with books and toys, and waiting lounges for the comfortable use of senior citizens.

BDO Foundation also kept a close eye on rural health units successfully rehabilitated over the past years. Last year, the foundation conducted maintenance work on eight rural health units, making sure that the structures are in the best condition for the optimal use of health workers and patients. The initiative included the following:

- Aborlan Municipal Health Office, Palawan
- Cauayan City Health Office I, Isabela
- Doña Isabel C. Climaco Health Center, Zamboanga Del Sur
- Milagros Municipal Health Center, Masbate
- Municipal Health Office Virac, Catanduanes
- Pastrana Rural Health Unit, Leyte
- Polomolok Municipal Health Center, South Cotabato
- Sta. Barbara Rural Health Unit and Birthing Center, Pangasinan

The rehabilitation program gained greater significance last year with the launch of a new corporate citizenship initiative. A medical mission spearheaded by the Marketing Communications Group and Branch Banking Group, BDO Barangay Day was held at Bugallon Rural Health Unit I in Pangasinan and Passi City Health Office in Iloilo, both of which have been rehabilitated by the foundation.

Participated in by volunteers from BDO branches and supported by health workers, BDO Barangay Day served as a venue for the

For BDO Foundation, the improvement of the healthcare delivery system is necessary as it enables doctors, nurses and midwives to provide primary and maternal health services with greater efficiency.



company to provide primary healthcare services, consultations and dental check-ups for free. A total of 593 residents from 75 barangays benefitted from the initiative. For its part, BDO Foundation donated medicines and vitamins to the medical mission. The foundation also presented its financial education videos as bank officers shared financial literacy lessons with the community.

For BDO Foundation, the improvement of the healthcare delivery system is necessary as it enables doctors, nurses and midwives to provide primary and maternal health services with greater efficiency. Moreover, the program helps the health centers get good assessment scores from the Department of Health and accreditation from PhilHealth. Most importantly, the rehabilitation of rural health units helps improve the health and well-being of Filipinos who cannot afford to go to hospitals.

Building environments conducive to learning

When fighting ensued between government forces and a militant group in Marawi City, Lanao del Sur, BDO Foundation immediately mounted relief operations, facilitated donations and funded medical missions for the benefit of thousands of Filipinos affected by the armed conflict. After the fighting ended, the foundation sustained its efforts, implementing programs to support the people and the rebuilding of their war-stricken city.

In 2019, BDO Foundation constructed two school buildings near ground zero of the Marawi siege—one in Lake Lanao National High School and another in Harat Medina Central Elementary School. Responding to the need for environments conducive to learning, the foundation constructed new classrooms complete with blackboards, electric fans, desks for teachers and chairs for students. The new classrooms enabled the schools to accept students displaced by the fighting in Marawi.

“We hope this humble gift helps improve the capability of the schools in Lake Lanao and Harat Medina to accommodate more learners, especially those from schools that have not yet reopened. Moreover, we hope the new school buildings inspire the teachers to teach and the children to learn,” BDO Foundation president Mario Deriquito remarked.

Counting the school building it turned over in Nanapun Elementary School in 2018, BDO Foundation has constructed three school buildings in the city as part of its contribution to the efforts of DepEd, a member agency of Task Force Bangon Marawi, to rehabilitate public schools in the wake of the siege. Through the projects, the foundation also supports DepEd’s Adopt-a-School program and efforts to address the need for more classrooms in the country.

Apart from the school buildings in Marawi, BDO Foundation also constructed a two-storey technical-vocational facility last year at the Don Bosco Training Center in Mati City, Davao Oriental. The facility serves as a workshop, where senior high school students can learn technical-vocational skills like farming, welding and automotive servicing. Around 560 disadvantaged and out-of-school youth in Mindanao stand to benefit from the project in the next three years.

SCHOOL BUILDINGS CONSTRUCTED

2 school buildings

near ground zero of the Marawi siege

1 technical-vocational facility

in Mati City, Davao Oriental

School	Initial no. of student beneficiaries	No. of classrooms built
Lake Lanao National High School	481	4
Harat Medina Central Elementary School	220	4



The construction of the facility and the provision of tools and equipment for the training of students were made possible by donations from BDO employees. Through the initiative, BDO Foundation supports Don Bosco's mission to educate and evangelize Filipino youth, capacitate students and make them employable in the Philippines and abroad. The corporate citizenship initiative is in line with the United Nations Sustainable Development Goal no. 8 to promote sustained economic growth, full and productive employment, and decent work for all.

In 2019, BDO Foundation revisited schools in provinces affected by Typhoon Yolanda, the Zamboanga siege and incidents of fire to conduct maintenance work on the two-storey, four-classroom school buildings it has built. The initiative covered the following:

- Ampayon Central Elementary School, Agusan del Norte
- Giporlos National Trade School, Eastern Samar
- Panalaron Central School, Leyte
- Pasonanca National High School, Zamboanga
- Pis-anan National High School, Antique
- Streetlight Study and Development Center, Leyte
- Tiwi Community College, Albay

Caring for survivors of abuse

The welfare of young Filipinos has always been a priority for BDO Foundation. This is why it partnered four years ago with Cameleon Association, an international non-profit organization that promotes the dignity of children and advocates their human rights. The foundation committed to co-finance the construction of Cameleon Negros Center, a shelter for survivors of abuse.

The construction of the center was completed last year. Located in Silay City, Negros Occidental, Cameleon Negros Center is a facility where abused girls can undergo therapy, study and receive counselling. It is a home for abused children, a safe haven where they can receive the care, guidance and attention they need. The center initially accommodated 20 beneficiaries but will continue to accept more survivors of abuse.

Construction was co-funded by Cooperation Humanitaire Luxembourg and backed by Zonta Club of Makati-Ayala. The third shelter for abused children Cameleon has built in the country, the initiative was also made possible with the support of the local government of Silay, which donated an 8,000-square-meter property for the project.

According to Cameleon founder Laurence Ligier, "Together, we can do great things. Cameleon is supported by countries like Belgium, France and Luxembourg, private NGOs, foundations and big corporations all over the world. However, we cannot depend on foreign funding forever. I'm grateful to BDO Foundation, our biggest local partner, for co-financing the construction of Cameleon Negros Center with us."

SCHOOL BUILDINGS MAINTAINED

7 schools

in different provinces revisited for maintenance work



Building homes for Yolanda survivors

Long after the storms have made landfall, BDO Foundation continues to help Filipinos marginalized by disasters.

In 2019, BDO Foundation and the United Nations Human Settlements Programme (UN-Habitat) completed the construction of 60 resettlement homes for families displaced by Typhoon Yolanda, bringing the total number of houses built to 100. The first 40 units were turned over in 2018. Located in Tacloban City, the disaster-resilient, single-detached permanent shelters—complete with rainwater collection systems and sanitation facilities—were turned over to members of the Villa de Tacloban Homeowners Association, the beneficiaries of the project.

The initiative formed part of the foundation’s contributions to UN-Habitat’s Post-Yolanda Support for Safer Homes and Settlements program as well as its mission to promote socially and environmentally sustainable human settlements development and the achievement of adequate shelter for all. The initiative was made possible by the city government of Tacloban, City Housing and Community Development Office, Department of Social Welfare and Development, Housing and Urban Development Coordinating Council, Social Housing Finance Corporation and United Architects of the Philippines.

Moving forward to the next decade

Indeed BDO Foundation has made an impact on the lives of underserved Filipinos. Last year was particularly noteworthy as the foundation made significant strides and received recognition for efforts to institutionalize financial education in the training programs of government institutions. Just a year after it launched its first financial education program, the foundation was lauded for its financial inclusion advocacy.

For contributing to the development of a financially literate citizenry and collaborating successfully with BSP, BDO Foundation was conferred the Outstanding Financial Education Partner Award by BSP. Touted as an exemplary partner institution, the foundation was awarded for supporting BSP’s National Strategy for Financial Inclusion and implementing relevant financial education programs.

“Congratulations to BDO Foundation for being the first recipient of the Outstanding Financial Education Partner Award,” said BSP Center for Learning and Inclusion Advocacy managing director Pia Bernadette Roman Tayag. “Our partnership is a showcase of how public and private institutions can collaborate meaningfully to achieve the shared objective of building a financially literate nation.”

RESETTLEMENT HOMES BUILT

60
resettlement
homes

completed in 2019 for families displaced by Typhoon Yolanda, bringing the total number of houses built to 100

Asian Banking & Finance bestowed the prestigious Corporate Social Responsibility Program of the Year Gold Award to the foundation for its financial education program for public schools. It was the third consecutive year that BDO Foundation received the highest honor given by the Singapore-based finance publication to corporate foundations. The award was presented in Singapore at the Retail Banking Awards 2019.

Enterprise Asia, an organization that honors corporate foundations for outstanding achievements in responsible entrepreneurship, also recognized the financial education program for public schools as one of the best corporate citizenship initiatives in the region. It was the third consecutive year that BDO Foundation won the award, which was presented in Taiwan at the Asia Responsible Enterprise Awards 2019.

Although much has been achieved in the past, more needs to be done in the future. As the foundation implements current programs in the areas of financial inclusion, disaster response, rehabilitation and reconstruction, it will make inroads into new initiatives to fulfill its advocacies and contribute to the achievement of the United Nations Sustainable Development Goals. To achieve these goals, BDO Foundation will collaborate with partners and leverage the support of the BDO Unibank community. The challenges are great, but they are surmountable with stakeholder support.

The mission to serve the people continues. Moving forward to the next decade, the corporate social responsibility arm of BDO Unibank will continue to find ways for the Filipino.



Financial Statements

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, 2019, 2018 and 2017, 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.



Teresita T. Sy
Chairperson of the Board



Nestor V. Tan
President & Chief
Executive Officer



Dalmacio D. Martin
Treasurer

Signed this 27th day of February 2020

Statements of Financial Position

BDO UNIBANK, INC. AND SUBSIDIARIES

DECEMBER 31, 2019 AND 2018

(Amounts in Millions of Philippine Pesos)

	Notes	BDO Unibank Group		Parent Bank	
		2019	2018	2019	2018
RESOURCES					
CASH AND OTHER CASH ITEMS	7	P 64,140	P 53,749	P 62,726	P 52,492
DUE FROM BANGKO SENTRAL NG PILIPINAS	7	309,040	354,132	306,938	349,017
DUE FROM OTHER BANKS	8	38,956	55,292	35,820	48,780
TRADING AND INVESTMENT SECURITIES	9	435,905	385,197	345,278	304,281
LOANS AND OTHER RECEIVABLES - Net	10	2,225,777	2,071,834	2,175,655	2,019,153
PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	11, 12	46,551	33,660	42,494	29,272
INVESTMENT PROPERTIES - Net	13	16,911	19,785	12,595	15,426
OTHER RESOURCES - Net	14	51,578	48,598	81,594	73,391
TOTAL RESOURCES		P 3,188,858	P 3,022,247	P 3,063,100	P 2,891,812
LIABILITIES AND EQUITY					
DEPOSIT LIABILITIES	16	P 2,485,228	P 2,419,965	P 2,438,737	P 2,362,302
BILLS PAYABLE	17	167,524	143,623	147,321	117,693
SUBORDINATED NOTES PAYABLE	18	10,030	10,030	10,030	10,030
INSURANCE CONTRACT LIABILITIES	19	42,473	28,506	-	-
OTHER LIABILITIES	20	113,016	91,974	97,802	74,166
Total Liabilities		2,818,271	2,694,098	2,693,890	2,564,191
EQUITY	21				
Attributable to:					
Shareholders of the Parent Bank		368,932	327,372	369,210	327,621
Non-controlling Interests		1,655	777	-	-
		370,587	328,149	369,210	327,621
TOTAL LIABILITIES AND EQUITY		P 3,188,858	P 3,022,247	P 3,063,100	P 2,891,812

See Notes to Financial Statements.

Statements of Income

BDO UNIBANK, INC. AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

(Amounts in Millions of Philippine Pesos Except Per Share Data)

Notes	BDO Unibank Group			Parent Bank		
	2019	2018	2017	2019	2018	2017
22	P 160,572	P 129,040	P 99,795	P 153,081	P 122,615	P 93,786
23	40,681	30,748	18,042	38,581	28,720	16,434
	119,891	98,292	81,753	114,500	93,895	77,352
9, 14, 15	6,166	6,286	6,537	5,699	5,700	5,809
	113,725	92,006	75,216	108,801	88,195	71,543
24	60,621	49,674	47,206	43,145	35,823	33,633
24	115,159	98,034	84,865	94,337	81,794	68,929
30	59,187	43,646	37,557	57,609	42,224	36,247
	15,019	11,007	9,452	13,376	9,512	8,241
	P 44,168	P 32,639	P 28,105	P 44,233	P 32,712	P 28,006
	44,194	P 32,708	P 28,070	57,609	42,224	36,247
	(26)	(69)	35	13,376	9,512	8,241
	P 44,168	P 32,639	P 28,105	P 44,233	P 32,712	P 28,006
Attributable to:						
Shareholders of the Parent Bank	P 44,194	P 32,708	P 28,070	57,609	42,224	36,247
Non-controlling Interests	(26)	(69)	35	13,376	9,512	8,241
	P 44,168	P 32,639	P 28,105	P 44,233	P 32,712	P 28,006
Earnings Per Share:						
Basic	P 10.02	P 7.40	P 6.42	P 10.02	P 7.40	P 6.42
Diluted	P 10.02	P 7.40	P 6.42	P 10.02	P 7.40	P 6.42

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See Notes to Financial Statements.

Products and Services

PERSONAL BANKING

Branch Banking

Peso Deposits

Checking Account

Savings Deposit

Time Deposit

Foreign Currency

US\$ Savings Account

US\$ Time Deposit

Third Currency

Savings Account

Third Currency Time Deposit

Other Services

Telegraphic Transfer

Safe Deposit Box

Night Depository

Consumer Loans

Auto Loan

Home Loan

SME Loan

Personal Loan

Credit Cards

Merchant Payment Services

BUSINESS BANKING

BDO Leasing and Finance

Finance Lease

Operating Lease

Factoring of Receivables

Amortized Commercial Loan

Installment Paper Purchase

Floor Stock Financing

BDO Network Bank, Inc.

Microfinance Loans

Corporate Loans and Services

Revolving Credit Line

Term Loan

Discounting Facility

Trade Finance

Documentary Collection

Project Finance

Trade Services

Import and Domestic

Letter of Credit

Standby Letter of Credit

Trust Receipts

Export Financing

INVESTMENT BANKING AND SECURITIES

BDO Capital & Investment Corporation

Equity and Quasi-Equity Financing

Fixed Income Financing

Financial Advisory Services

BDO Securities Corporation and BDO Nomura Securities, Inc.

Stock Brokering

WEALTH MANAGEMENT

Trust and Investments

Unit Investment Trust Funds

Customized Portfolio Management

Corporate Trusts and Agencies

Securities Services and Custodianship

Personal Equity and Retirement Account (PERA)

Investment Management Advisory Services

Easy Investment Plan

Easy Redemption Plan

Online Investment Facility

BDO Private Bank, Inc.

Wealth Advisory

Investment Advisory and Portfolio Management

Estate and Succession Planning

Trust Agency and Specialized Trust Services

INSURANCE

BDO Insurance Brokers, Inc.

Property Insurance

Motor Insurance

Engineering Insurance

Marine Hull Insurance

Aviation Insurance

Marine Cargo Insurance

Liability Insurance Bonds

Specialty Insurance

Employee Benefits

Risk Assessment/Management

BDO Life Assurance Company, Inc.

Individual Life Insurance

Protection Education

Savings and Retirement

Group Life Insurance

Employee Benefits

Credit Life

PROPERTY MANAGEMENT

Property Leasing

Property Sales

TRANSACTION BANKING SERVICES

Cash Management Services

Electronic Banking

Remittances

TREASURY DEALERSHIP AND BROKERING SERVICES

Fixed Income Brokering Services

Foreign Exchange Derivatives

Awards and Recognition

BEST BANK

BDO UNIBANK, INC.

Bank of the Year, Philippines

(2013, 2017, 2019)

The Banker Bank of the Year Awards 2019

Best Bank in the Philippines

(2007–2008, 2013–2015, 2017–2019)

Euromoney Awards for Excellence 2019

Best Bank in the Philippines

(2010–2019)

FinanceAsia 2019 Country Awards

Best Bank in the Philippines

(2014–2017, 2019)

Global Finance Best Bank Awards

Best Domestic Bank

(2011, 2014–2019)

Asiamoney Best Bank Awards

Best Domestic Bank in the Philippines

(2011, 2013–2019)

The Asset Triple A Country Awards 2019

Strongest Bank in the Philippines

(2018–2019)

The Asian Banker Strongest Banks By Balance Sheet List 2019

BEST INVESTMENT BANK

BDO CAPITAL & INVESTMENT CORPORATION

Best Investment Bank in the Philippines

(2013–2014, 2017–2019)

Global Finance World's Best Bank Awards

Corporate & Investment Bank of the Year – Philippines

(2018–2019)

Asian Banking & Finance Corporate & Investment Banking Awards 2019

BDO Capital, Top Arranger Investors' Choice for Primary Issues (Corporate Bonds – Philippines)

The Asset Triple A Benchmark Research Awards 2019

Best Corporate and Institutional Adviser in the Philippines

(2015–2019)

Best Equity Adviser in the Philippines

(2017–2019)

Best Loan Adviser in the Philippines

(2017–2019)

The Asset Triple A Country Awards 2019

Project Finance House of the Year, Philippines

(2018–2019)

The Asset Triple A Asia Infrastructure Awards 2019

Best Project Finance Deal in Southeast Asia for 2019

(MPCALA Holdings, Inc.'s PhP24.2 billion Toll Road Financing)

Alpha Southeast Asia 13th Annual Best Deal & Solution Awards 2019

Best LCY Sovereign Bond and Best Retail Bond Offering in Southeast Asia for 2019

(Republic of the Philippines via Bureau of the Treasury's PhP236 billion or US\$4.63 billion Retail Treasury Bonds)

Alpha Southeast Asia 13th Annual Best Deal & Solution Awards 2019

Best Green Bond – Corporate

(AC Energy Finance International US\$410M Multi-tenor CBI Certified Bond)
The Asset Triple A Country Awards 2019

Best Follow-on Offering

(San Miguel Food Beverage PhP39.2 billion Follow-on Offering)
The Asset Triple A Country Awards 2019

PPP Deal of the Year, Philippines

(MPCALA Holdings PhP24.2 billion Project Finance Facility)
The Asset Triple A Asia Infrastructure Awards 2019

Transport Deal of the Year – Philippines, Highly Commended

(Cavitex Infrastructure Corporation PhP16.2 billion Term Loan Facility)
The Asset Triple A Asia Infrastructure Awards 2019

BEST PRIVATE BANK BDO PRIVATE BANK

Best Private Bank in the Philippines

Asiamoney Best Bank Awards 2019

Best Private Wealth Management Bank in the Philippines

(2008–2019)

Alpha Southeast Asia 13th Financial Institution Awards 2019

Best Private Bank – Philippines

(2015–2019)

*Asian Private Banker Awards for Distinction 2019***Best Private Bank in the Philippines #1 Asset Management**

(2015–2019)

*Euromoney Private Banking Survey 2019***Best Private Bank in the Philippines**

(2008–2019)

*FinanceAsia 2019 Country Awards***Best Private Bank in the Philippines**

(2015–2019)

*Global Finance Best Private Bank Awards 2019***Best Private Bank, Philippines**

(2010–2019)

*The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards 2019***BDO Private Bank, Top Investment House – Private Bank***The Asset Triple A Benchmark Research Awards 2019***Best Philippine Private Bank***Wealth Briefing Asia**Greater China Awards for Banking Excellence 2019***PRODUCTS & SERVICES****Best Cash Management Bank**

(2008–2009, 2015–2019)

*Alpha Southeast Asia 13th Annual Best Financial Institution Awards***Best Cash Management Bank in the Philippines**

(2011, 2014–2019)

*The Asian Banker Transaction Banking Awards 2019***Best Cash Management House***7th Annual Corporate**Treasurer Awards 2018***BDO: Philippines Market Leader (Asian Banks only) as voted by corporates, Rank #1***2019 Asiamoney Cash**Management Survey***Domestic Cash Management Bank Of The Year**

(2014–2016, 2018–2019)

*Asian Banking & Finance Wholesale Banking Awards 2019***BDO Nomura Securities, Inc.: Online Securities Platform of the Year – Philippines***Asian Banking & Finance**Retail Banking Awards 2019***Best Overall Asset and Fund Manager****Best Asset Manager (Equity & Fixed Income Funds)****Best Fund with the optimal sharpe ratio***Alpha Southeast Asia Fund Management Awards 2019***Asset Management Company of the Year, Philippines**

(2018–2019)

*The Asset Triple A Servicing, Institutional Investor and Insurance Awards 2019***Best Wealth Manager, Philippines***The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards 2019***Best Investment Management Company, Philippines**

(2016–2019)

*World Finance Investment Management Awards***Best Bank for Real Estate Services Overall Category, Philippines****Best Bank for Loan Finance Category, Philippines***Euromoney Real Estate Survey 2019***Best FX Bank for Structured Hedging Solutions & Proprietary Trading Ideas****Best Corporate Treasury Sales & Structuring Team***Alpha Southeast Asia FX & Treasury Awards 2019***Best Foreign Exchange Provider**

(2017–2019)

*Global Finance Best Foreign Exchange Providers 2019***Best Innovation in Retail Banking, Philippines***International Banker 2019 Awards***BDO Unibank, Top Investment House in Local Currency Bonds, Philippines***The Asset Triple A Benchmark Research Awards 2019***Best Service Provider Trade Finance in the Philippines**

(2011, 2015, 2019)

The Asset Triple A Treasury, Trade, Supply Chain & Risk Management Awards 2019

Onshore Fund House of the Year in the Philippines

(2016–2019)

*Asian Investor Asset Management Awards 2019***Transport Deal of the Year – Philippines, Highly Commended****Lender: BDO Unibank**

(Cavitex Infrastructure Corporation PhP16.2 billion Loan Facility)

*The Asset Triple A Asia Infrastructure Awards 2019***Philippines Capital Markets Deal**

(BDO Unibank's PhP35 billion 6.42% bond due 2020)

*IFR Asia Awards 2019***Best Local Currency Bond**

(BDO Unibank 35 Billion Pesos Fixed Rate Bond)

*The Asset Triple A Country Awards 2019***SUSTAINABILITY AND ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE)****Industry Champion of the Year***Asia Corporate Excellence & Sustainability (ACES) Awards 2019***BDO Foundation: Corporate Social Responsibility Program of the Year (Gold Award) for the Financial Education Program for Public Schools in the Philippines**

(2017–2019)

*Asian Banking & Finance Retail Banking Awards 2019***BDO Foundation: Outstanding Financial Education Partner Award***2019 Awards for Stakeholders of the Bangko Sentral ng Pilipinas***BDO Foundation: Financial Education Program for Public Schools in the Philippines**

(2017–2019)

*Enterprise Asia's Asia Responsible Enterprise Awards (AREA) 2019***Best of Asia Awardee: BDO**

(2005–2019)

*Corporate Governance Asia**15th Asian ESG Awards 2019***BDO Unibank, Asian Excellence awardee**

(2011–2019)

*Corporate Governance Asia**9th Asian Excellence Award 2019***Best IR Company (Philippines)**

(2011–2019)

*Corporate Governance Asia**9th Asian Excellence Award 2019***Best Corporate Communications**

(2014–2015, 2017–2019)

*Corporate Governance Asia**9th Asian Excellence Award 2019***Platinum Award**

(2010–2019)

*The Asset Corporate Awards 2019***INDIVIDUAL RECOGNITION****Nestor V. Tan, Banking CEO of the Year in Asia***International Banker 2019 Awards***Nestor V. Tan, MAP Management Man of the Year 2019***Management Association of the Philippines (MAP)***Asian Corporate Director of the Year awardee: Teresita T. Sy-Coson, Chairperson**

(2008–2019)

*15th Asian ESG Awards 2019: Best of Asia***Asian Corporate Director of the Year awardee: Nestor V. Tan, President & CEO**

(2008–2019)

*15th Asian ESG Awards 2019: Best of Asia***Asia's Best CEO, Investor Relations: Teresita Sy-Coson, Chairperson**

(2013–2019)

*Corporate Governance Asia**9th Asian Excellence Award 2019***Asia's Best CEO, Investor Relations: Nestor V. Tan, President & CEO**

(2011–2012, 2016–2019)

*Corporate Governance Asia**9th Asian Excellence Award 2019***Best Investor Relations Professional (Philippines): Luis S. Reyes, Jr.**

(2011–2019)

*Corporate Governance Asia**9th Asian Excellence**Award 2019*

BDO Group of Companies

PHILIPPINE SUBSIDIARIES AND AFFILIATES

Armstrong Securities, Inc.

BDO Corporate Center
7899 Makati Avenue
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locals 32457, 32447

Averon Holdings Corporation

6780 Ayala Avenue
San Lorenzo Village
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local 33066

BDO Capital & Investment Corporation

BDO Corporate Center
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8878-4549 / 8878-4564

BDO Finance Corporation

12 ADB Avenue
Ortigas Center
Mandaluyong City 1554
+63 (2) 8688-1288

BDO Insurance Brokers, Inc.

45/F BDO Corporate
Center Ortigas
12 ADB Avenue
Mandaluyong City 1554
+63 (2) 8702-6000

BDO Leasing and Finance, Inc.

39/F BDO Corporate
Center Ortigas
12 ADB Avenue
Ortigas Center
Mandaluyong City 1554
+63 (2) 8688-1288

BDO Life Assurance Company, Inc.

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 8885-4100,
8885-4200

BDO Network Bank, Inc.

ONB Center, Km. 9
Sasa, Davao City
+63 (82) 233-7727

BDO Nomura Securities, Inc.

BDO Equitable Tower
8751 Paseo De Roxas
Makati City 1226
+63 (2) 8702-7878

BDO Private Bank, Inc.

BDO Equitable Tower
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Makati City 1226
+63 (2) 8848-6300

BDO Rental, Inc.

BDO Corporate Center Ortigas
12 ADB Avenue
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+63 (2) 8688-1288,
8840-7000

BDO Securities Corporation

BDO Corporate Center
7899 Makati Avenue
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8878-4564

BDO Strategic Holdings Inc.

BDO Building
Paseo De Roxas corner
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Makati City
+63 (2) 8840-7000

Equimark-NFC Development Corp.

Room 603, EBC Building
262 Juan Luna Street
Binondo, Manila
+63 (2) 8840-7000

NLEX Corporation

NLEX Compound
Balintawak, Caloocan City
+63 (2) 8580-8900

NorthPine Land, Inc.

Units 1505-1508
15/F The Taipan Place
F. Ortigas Jr. Road
Ortigas Center, Pasig City
+63 (2) 8637-1531

SM Keppel Land, Inc.

12 ADB Avenue
Ortigas Center
Mandaluyong City 1554
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Taal Land, Inc.

12/F PSBank Center
777 Paseo De Roxas
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FOREIGN SUBSIDIARY/ AFFILIATE

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ASIA

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BDO Remit (Canada) Ltd.

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local 33212

REPRESENTATIVE OFFICES

ASIA

BDO Unibank, Inc.

Taipei Representative Office

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Taipei, Taiwan

+886 (2) 2545-6887

Philippines: +63 (2) 8840-7000

local 31020

BDO Unibank, Inc.

Seoul Representative Office

23/F Seoul Finance Center

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local 31900

BDO Unibank, Inc.

Beijing Representative Office

Units 09-10, Level 24

China World Office 1

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Beijing, China 100004

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Philippines: +63 (2) 8840-7000

local 41874

MIDDLE EAST

BDO Unibank, Inc.

DIFC Representative Office

Unit 1303-B Level 13,

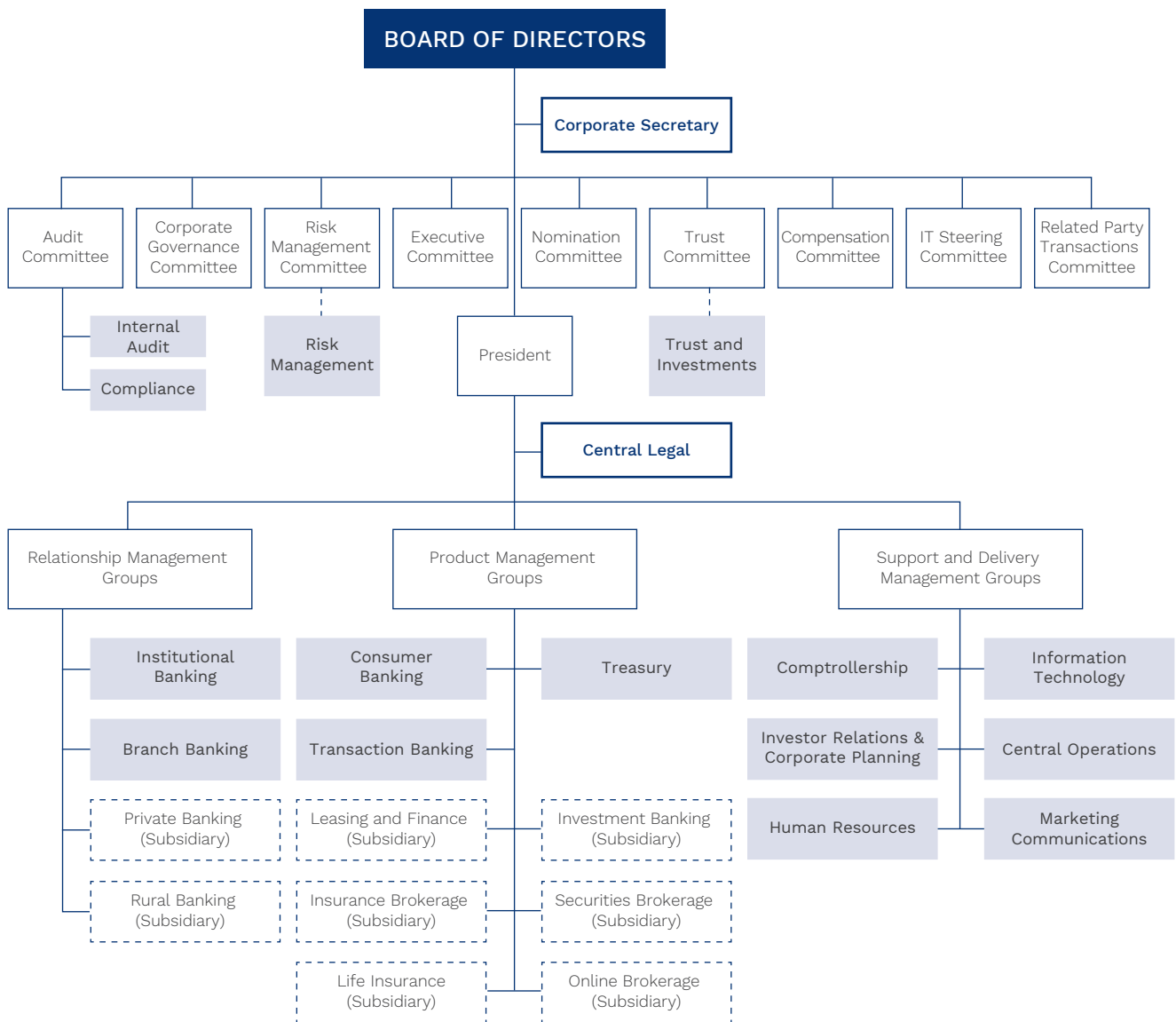
North Tower

Emirates Financial Towers

DIFC, PO Box 644347

Dubai +971 (4) 279-0733

Organizational Structure



Board and Management Directory

BOARD OF DIRECTORS

Chairperson/ Non-Executive Director

Teresita T. Sy

Vice Chairman/ Executive Director

Jesus A. Jacinto, Jr.

President & CEO/ Executive Director

Nestor V. Tan

Lead Independent Director

Jones M. Castro, Jr.

Independent Directors

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Jose F. Buenaventura
Vicente S. Pérez, Jr.
Dioscoro I. Ramos
Gilberto C. Teodoro, Jr.

Non-Executive Directors

Christopher A.
Bell-Knight
Josefina N. Tan

Advisors

Corazon S. de la
Paz-Bernardo
Jose T. Sio
Harley T. Sy

Corporate Secretary

Edmundo L. Tan

Assistant Corporate Secretaries

Sabino E. Acut, Jr.
Alvin C. Go

PRINCIPAL OFFICERS

President & CEO

Nestor V. Tan

Senior Executive Vice Presidents

Joseph Albert L.
Gotuaco
Rolando C. Tanchanco
Walter C. Wassmer
Jaime C. Yu

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Julie Y. Chua
Gerard Lee B. Co
Lucy C. Dy
Eduardo V. Francisco*
Jesus Antonio S.
Itchon*
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Mallillin
Dalmacio D. Martin
Ricardo V. Martin
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Edwin Romualdo G.
Reyes
Cecilia Luz L. Tan
Evelyn L. Villanueva
Albert S. Yeo*

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Antonio
Rafael G. Ayuste, Jr.
Ferdinand C.
Bacungan
Melanie S. Belen

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Montiel H. Delos
Santos
Geronimo D. Diaz
Noel D. Dizon
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Belinda C. Fernandez
Maria Cecilia G.
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Jonathan Cua Bian T.
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Sonia Maribel D. Go*
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 Alimbuyuguen*
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 Milagros R. Alindogan
 Susan G. Almendral
 Jose Virgilio O. Alvarez
 Leticia L. Ang Ley
 Stanley A. Ang*
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 Onofre D. Avellanosa
 Maria Cecilia M. Avila
 Janet B. Bagnes
 Jose Luis F. Bautista
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 Lilli Ann D. Bautista*
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 Billano*
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 Bondad
 Ernesto F. Borlado, Jr.
 Adelo C. Brabante
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 Briones
 Rolino C. Bucao, Jr.
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 Michael R. Cahigas*
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 Aurora M. Castro

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 Leandro M. Chan, Jr.
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 Abigail Kathryn L.
 Chiw*
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 Edwin L. Chua
 Keith H. Chua
 Ruby A. Chua
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 Katherine L. Go
 Yolanda M. Go
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 John Angelo T.
 Limcangco
 John Emmanuel M.
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 B. Lualhati
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 Maria Dolores P.
 Magsalin
 Ronald M. Manalastas
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 Magdalena H.
 Maranan

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 Rosano B. Marpuri
 Thelma D. Mazo
 Abigail P. Melicor
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 Mendoza, Jr.
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 Rose Mary T. Reyes
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Joy T. Yap
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 Peter Blair S. Agustin*
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 Nadine Anne R. Alapan
 Maria Angelina Victoria Salome A. Albert
 Mary Ann L. Alcalde
 Edgardo L. Alcaraz
 Nena G. Alonzo
 Patricia Lei S. Alvarillo
 Janet D. Amora*
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 Jeane K. Ang
 Jeffrey O. Ang
 Jocelyn A. Ang
 Mary Ann Q. Ang
 Allan T. Antonio
 Alvin V. Antonio
 Editha M. Apacible
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 Jasmin W. Aquino
 Adele Guia J. Aquitaña
 Maria Agnes R. Aragon
 Rogelio S. Arteta
 Alma Roxanne R. Arvisu
 Jerome I. Austria
 Jeanette Jean L. Avendaño
 Samantha B. Avinio
 Sohrab D. Bagalacsa
 Gertrudes D. Balagot

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 Edgar C. Basconillo
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 Rodora V. Bautista
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 Clarissa V. Bereña
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 Josephine Anne N. Bongat
 Mary Jean T. Borbe
 Lelisa R. Bouazzi
 Marc Dominique M. Brion
 Ma. Eloisa S. Britanico
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 Abigail-Sarena T. Chua
 Alona S. Chua
 Kimberly K. Chua
 Nerida S. Chua
 Sally Jane C. Chua
 Terence C. Chua
 Vanessa Joan C. Chua
 Johanna N. Chung
 Sue Anne N. Chuongco
 Michelle P. Cillan
 Aris G. Co
 Rita V. Coronel
 Dennis L. Crisostomo
 Irva Monica L. Cruz
 Letty T. Cu
 Jerry S. Cureg
 Maria Rowena B. Cuvin
 Carmelita C. David
 Anthony Emmanuel C. De Dios
 Emil D. De Guzman
 Romeo Josef G. De La Cruz
 Ma. Rita K. De La Vega
 Lea C. De Leon
 Ronald Allan E. De Leon*

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Ma. Teresita M. Del Mundo Maria Teresa A. Del Pinal Mamerto B. Del Rosario Joy Kerwin U. Dela Cruz* Mary Ann G. Dela Cruz Liezal Y. Diño Albert Dizon Ellie Cecilia R. Dizon Ma. Eliza Cristina G. Dolina Cezar G. Domingo Eileen May E. Domingo Jason Rex F. Drilon Leila D. Dumlao Candy U. Dy* Francis Javier P. Ejercito Girlie Melani A. Enriquez Rolando C. Eriga Maria Socorro Y. Escario Jeanette M. Espinosa Rosemarie M. Espinosa* Agnes H. Espiritu Imelda S. Espiritu Marilou M. Espiritu* Nancy T. Estrada Maria Vilma D. Fabian* Ronaldo J. Fabian	Sharon Marie Margarita A. Gonzalez Grace M. Granatin Elena O. Guevara Neil S. Guimmayen Betty P. Gumatay Ian Raphael G. Gutierrez Miguel Antonio M. Hernando Charles Bryan S. Ho Rowena W. Hodin Romeo O. Ibo Camille Zinna S. Idea Francis S. Jacinto Marietta M. Jamilla Zerlita Esperanza Z. Jandoc Monina M. Jao Mariann Camille M. Javellana Maria Agnes E. Jazmines Frieda Concepcion T. Jimenez* Ma. Karla F. Kallos Rosalisa B. Kapuno*		

Catalina E. Papa	Ma. Elena I. Rigor*	Jennifer F. So*	Jay P. Torres
Maria Rozelle A.	Albert Henry G. Rios	Ma. Corazon H.	Jose Anton A. Torres
Papasin	Maria Asuncion R.	Socorro	Zenaida A. Triunfante
Ma. Alma Ruth M.	Rivamonte	Changsoo Sohn	Warren N. Ty
Paraiso	Anthony B. Rivera	Gerardo C. Soriano	Jeffrey S. Uy
Rommel L. Parong	Joseph Rey M. Rivera	Ma. Estrellita S.	Sherwin G. Uy
Raymund Gerard T.	Edna T. Rogando	Soriano	Theresa S. Uykieng
Pastor	Marissa A. Romero	Joel S. Sta. Ana	Rosemarie F. Valdez
German H. Penales	Maria Martha B. Roxas	Geraldine I. Suarez	Allan A. Vallido**
Jocelyn A. Peralta	Jocelyn G. Sa-A	Dorilyn A. Sy	Anson L. Villaluz
Divina D. Perez	Juancho M. Sabban**	Richard S. Sy	Louis Cesar C.
Roman M. Perez	Cynthia Sadang	Dean Arvin D.	Villanueva
Toriven R. Piano	Evangelina G. Salgado	Tabanao*	Ma. Patricia F. Villareal
Jason L. Pinto	Paulo Ysmael T.	Maria Ryanna B. Talan	Ma. Rebecca S.
Roderico A. Posadas	Salome	Aeleen E. Tan	Villegas
Mildred F. Protesta	Prescy A. Samson	Catherine C. Tan	Ma. Amalia Lourdes D.
Cynthia A. Puno	Leopoldo T. San Juan	Grace C. Tan	Villenas
Marieflor A. Quirim	Quirino C. Santiago	Jose Maria Angel Y.	Raul B. Vivas
Dina U. Ramos	Erlinda C. Santos	Tanjuatco	Marietta L. Wee**
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Rosario D. Raymundo	Jennifer B. Santos	Tann	Carolyn Ann Y. Yao
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Regondola	Marie Anne C. Santos	Rowena D. Temporal	Margaret C. Young
Raoul L. Reniedo	Patrick Peter R.	Amylen C. Teo	Avery U. Yu*
Katherine U. Resari	Santos	Benjamin V.	Shakira C. Yu
Marie D. Retuya	Maria Lourdes M.	Teodoro**	Jennifer A. Zoleta
Christopher D. Reyes	Sevilla*	Joel Eric R. Tesoro	Nichola Marie Zosa
John Ysmael O.	Khristine M. Siayngco	Esmeraldo S. Tiburcio	
Reyes**	Gerald Jose O. Silva	Eric Noel D.	
Leo Nathaniel M.	Beverly Melanie T. Sim	Tiongquico	
Reyes	Yvette Rhodora A.	Margarita M. Tobias	
Ma. Ana Elena R.	Siongco	Marcelino S.	
Reyes	Marirose G. Sioson	Tolosa, Jr.	
Myra A. Reyes	Ma. Christina P.	Melissa F. Tong	
Ray R. Reyes	Sistelo	Evelyn F. Torres	

Senior Credit Executives

Antonio N. Cotoco, Guia C. Lim, Mario B. Palou, Edmundo S. Soriano

* Seconded to a BDO subsidiary or affiliate.

** No longer with the Bank as of March 31, 2020.

Corporate Information

COMPANY HEADQUARTERS

BDO Unibank, Inc.

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
Philippines
+63 (2) 8840-7000
Company website: www.bdo.com.ph

BRANCHES AND ATMs

For the complete list of BDO branches and ATM locations, please refer to the Bank's official website at www.bdo.com.ph.

STOCKHOLDER INQUIRIES

BDO Unibank, Inc.'s common stock is listed and traded in the Philippine Stock Exchange under the symbol "BDO".

Inquiries regarding dividend payments, account status, address change, stock certificates, and other pertinent matters should be addressed to the company's transfer agent:

Stock Transfer Service, Inc.

34/F Unit D Rufino Pacific Tower
6784 Ayala Avenue
Makati City 1200
Philippines
Telephone: +63 (2) 8403-2410;
+63 (2) 8403-3433
Facsimile: +63 (2) 8403-2414

The Bank will provide, without charge, a copy of the 2019 Annual Report and Financial Statements to its stockholders upon receipt of a written request addressed to the Corporate Secretary.

BDO Corporate Secretary

14/F North Tower
BDO Corporate Center
7899 Makati Avenue
Makati City 0726
Philippines

INVESTOR INQUIRIES

BDO Unibank, Inc. welcomes inquiries from analysts, investors, and the financial community. Please visit www.bdo.com.ph or contact BDO Investor Relations & Corporate Planning.

BDO Investor Relations & Corporate Planning

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Email: irandcorplan@bdo.com.ph



The 2019 Annual Report and the Financial Supplements can be viewed and downloaded online at www.bdo.com.ph/company-disclosures/financial-report.



Thrift, Commerce, and Industry
Vicente Manansala
Oil on canvas, 1942

From the BDO Art Collection



BDO