

BDO

2020 Annual Report



**Strength
& Stability**



2020 ANNUAL REPORT

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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, 2020, 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.



MESSAGE FROM THE
CHAIRPERSON

“This year, more than ever, BDO’s employees made exceptional efforts to serve our customers, finding ways through the most challenging of circumstances. I am proud to be able to represent such a group.”

Dear Fellow Shareholders,

The year 2020 was indeed an unprecedented year. The rapid spread of COVID-19 across the globe affected everyone in ways that we could not have imagined a year ago. The commitment and resiliency of the BDO team was put to the test as a year of lockdowns and restrictions brought the world to a standstill. While many establishments suspended operations, BDO strived to remain open to meet our customers' banking needs while keeping our stakeholders safe. We implemented disaster-preparedness measures including alternating work schedules and work-from-home protocols. We also invested in periodic testing, deep cleaning, and further sanitary measures to protect our customers and employees while ensuring continuity of service.

Beyond our branch network, more customers resorted to online transactions. In 2020, we led the industry in terms of increased volumes of online transactions via the InstaPay platform. We continue to enhance our online visibility to make our portfolio of products and services accessible to a wider base of existing and future customers.

Let me extend my sincerest gratitude to the management of BDO for their swift response to the year's unprecedented events, and the unwavering performance of our employees. Thank you to our clients and shareholders for their trust and for choosing BDO.

We will continue to find ways to move forward considering the welfare of our customers, our employees, and our communities.

Yours truly,

A handwritten signature in black ink, appearing to read 'Teresita T. Sy', with a horizontal line underneath.

Teresita T. Sy
Chairperson



“To support our customers, we must support our employees first.”

Q&A WITH THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

In our annual interview with Mr. Nestor V. Tan, he explains how BDO took action to transform its operations and live up to its commitment to meet customer needs.

Q: What did BDO Unibank do to adjust to the COVID-19 pandemic and its effects?

NVT: Clearly, the first step for us was to ensure continued operations of the Bank despite the limitations put on us by the quarantine. Among those we had to overcome were the lack of public transportation, curfew restrictions, limited mobility, and limited access to food and other types of services.

Our senior management team convened as a task force to get us started. We met twice a day to adjust to the changing quarantine requirements. The first objective was to make sure we were able to provide basic services. We needed to ensure clients had continued access to our products and services through our branches, ATMs, and digital channels. We established a skeletal workforce for head office and support units to provide support for our branch activities and to ensure continuity of critical central operations.

More importantly, we provided health kits and the proper support system to our staff to ensure their safety. To support our customers, we must support our employees first.

Q: Can you provide some specifics on how BDO kept their employees safe while continuing operations during such challenging times and how these efforts allowed the company to maintain its commitment to outstanding customer service?

NVT: It was a combination of things. Our safety measures included the following:

- Installation of acrylic shields in workplaces to create proper distancing;
- Provision of face masks, face shields, and medical kits to minimize infection;
- Regular disinfection of all offices, premises, and branches;
- Setting work-from-home arrangements where appropriate;
- Split of operations into different office locations to minimize the risk of contagion and ensure operational continuity;
- Regular testing using rapid antigen and swab tests to mitigate infection risks, and
- Putting up COVID CARE, a medical tele-consult service that allows our employees, together with their family members, to seek professional medical advice.

The health protocols we implemented provided an environment that kept our employees safe which in turn permitted them to perform their duties with little or no disruption. In addition, the Bank continued to devote resources to communication, both top-down and bottom-up, so we could respond quickly to developments.

Q: How has the Bank's response to the crises affected its 2020 performance?

NVT: Our net income declined 36 percent to ₱28.2 billion, largely due to the ₱30.2 billion of pre-emptive provisions we set aside to cover for potential losses due to the pandemic. We believe these provisions were prudent. They were anticipatory in nature and meant to safeguard our balance sheet. By recognizing the provisions up front, we are able to focus on restoring our business as quarantine restrictions are gradually relaxed and the economy reopens further.

Q: How did the Bank and its subsidiaries perform in 2020?

NVT: In spite of the closure of significant portions of the economy and the downturn it caused, we were able to recover quickly. By the end of the year, most of our businesses are already operating at pre-COVID levels.

Our balance sheet remains strong, our asset base continued to grow, and our capital levels and adequacy ratios improved and remained comfortably above regulatory levels.

Q: What are you most proud of in 2020?

NVT: Our people. In spite of the health risks, mobility restrictions and unavailability of public transport, our people found ways to report to work and remained committed to providing the services our clients have grown accustomed to and have come to expect of us.

Q: What are your priorities for 2021?

NVT: Our immediate priority is twofold: to address asset quality concerns that may arise, and to restore our business and start moving forward.

We remain watchful of asset quality deterioration, and will continue to be proactive in helping our clients cope with their cash flows.

Simultaneously, we will continue to expand our market reach to improve customer access and financial inclusion. We will continue to strengthen our presence in underserved markets, particularly the expansion of our salary loan and MSME lending businesses. We are also restructuring our wealth management business to improve our advisory and execution capabilities, as well as to offer customers a broader range of products by using an open architecture platform.

We will complete the implementation of our new digital platform to make us more nimble, secure, resilient, scalable, and responsive.

Looking forward, we still remain optimistic on the Philippines' growth story and remain committed to meeting the changing needs and demands of our clients. We aim to provide clients with best-in-class products and enhanced banking experiences.

2020 at a Glance



**Best Bank
in the
Philippines**

**Over ₱3 trillion
Total Resources**

**₱28.2 billion
Net Income**

**#1
Total Resources
Customer Loans
Deposits
Capital**

**Assets Under
Management**

1,472 total branches

and banking offices, including
foreign branches in Hong Kong
and Singapore

**4,439 ATMs
nationwide**

BDO Foundation continued to implement programs in line with its advocacies of disaster response, rehabilitation and rebuilding, and financial inclusion.

ADVOCACIES IN ACTION

Provided relief goods to
101,400
disaster-
affected
families

17 rural
health units
rehabilitated
benefiting
874,344 Filipinos

Produced
10 financial
education videos
64 learner-
generated
financial
literacy videos

100 rural
health units
rehabilitated
since 2012
for the benefit of
5.7 million Filipinos

Awards and Recognition

BEST BANK IN THE PHILIPPINES

Alpha Southeast Asia
14th Annual Best
Financial Institution Awards

FinanceAsia 2020
Country Awards

Global Finance
World's Best Bank Awards

The Asset Triple A
Country Awards 2020

BDO CAPITAL: CORPORATE & INVESTMENT BANK OF THE YEAR – PHILIPPINES

Asian Banking & Finance
Corporate and Investment
Banking Awards 2020



COVID-19 AID AND SUPPORT

300 smartphones
 550 power banks
 donated to RapidPass, enabling quick passage of frontliners at checkpoints during ECQ

Funded a pooled testing program by LGUs for 18,000 people

10,000 PCR test kits
 donated to 10 hospitals

8,000 relief packs
 distributed to barangays under lockdown

1,900 hygiene kits
 donated to stranded OFWs

200,000 vaccine doses
 donated to the government

Supported the ReliefAgad app
 enabling efficient distribution of cash aid to SAP beneficiaries

**BDO TRUST:
 BEST WEALTH MANAGER,
 PHILIPPINES**

The Asset Triple A Private Capital Awards for Private Banks, Wealth & Investment Bank Advisers, Solutions and Index Providers

**BEST INVESTOR RELATIONS
 IN THE PHILIPPINES**

FinanceAsia
 20th Best Companies in Asia Poll 2020

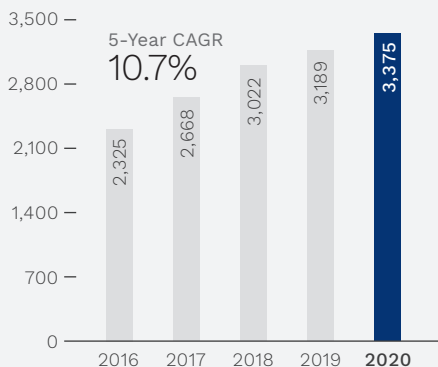
**CORPORATE
 EXCELLENCE AWARD
 (FINANCIAL SERVICES
 INDUSTRY)**

Asia Pacific Enterprise Awards 2020

Financial Highlights

Resources

(in billion Php)



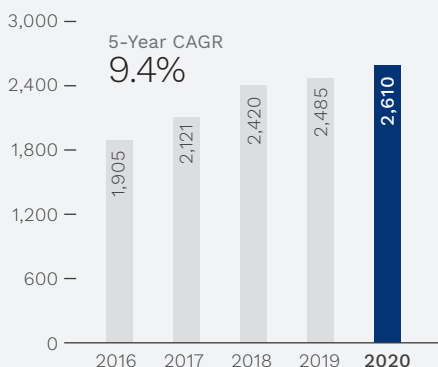
Gross Customer Loans

(in billion Php)



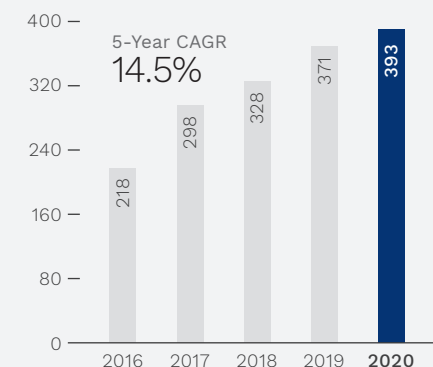
Deposit Liabilities

(in billion Php)



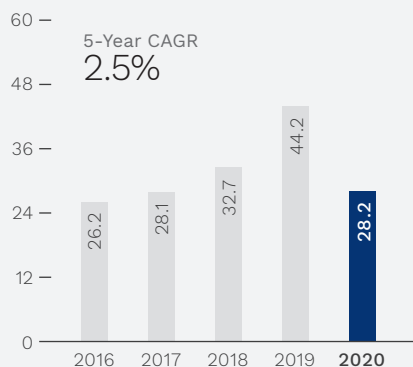
Capital Funds

(in billion Php)



Net Income*

(in billion Php)



* attributable to shareholders of the parent bank

NET INCOME

~~₱~~28.2
billion
2020

Financial & Operating Highlights

	CONSOLIDATED			PARENT BANK		
	2020	2019	Change	2020	2019	Change
BALANCE SHEET (in billion Php)						
Resources	3,374.9	3,188.9	6%	3,235.4	3,063.1	6%
Trading and Investment Securities	508.8	435.9	17%	399.5	345.3	16%
Liquid Assets	1,040.9	886.6	17%	920.9	789.3	17%
Gross Customer Loans	2,263.7	2,208.1	3%	2,224.5	2,157.9	3%
Deposits	2,610.2	2,485.2	5%	2,548.3	2,438.7	4%
Equity ^{1/}	393.0	370.6	6%	392.1	369.2	6%
INCOME STATEMENT (in billion Php)						
Net Interest Income	133.7	119.9	12%	127.3	114.5	11%
Non-Interest Income	55.2	60.1	-8%	37.3	43.1	-14%
Gross Operating Income	188.9	180.0	5%	164.6	157.6	4%
Operating Expenses	112.6	114.6	-2%	90.1	94.3	-5%
Pre-provision Profit	76.3	65.4	17%	74.5	63.3	18%
Allowance for Credit Losses	30.2	6.2	390%	29.6	5.7	419%
Net Profit ^{2/}	28.2	44.2	-36%	28.6	44.2	-35%
FINANCIAL PERFORMANCE INDICATORS						
Profitability						
Return on Average Common Equity	7.6%	12.8%		7.6%	12.8%	
Return on Average Equity	7.5%	12.6%		7.6%	12.7%	
Return on Average Assets	0.9%	1.4%		0.9%	1.5%	
Margins and Liquidity						
Net Interest Margin	4.4%	4.2%		4.3%	4.1%	
Gross Customer Loans to Deposit Ratio	86.7%	88.8%		87.3%	88.5%	
Liquid Assets to Total Assets	30.8%	27.8%		28.5%	25.8%	
Liquidity Coverage Ratio	127.1%	108.4%		129.0%	109.2%	
Net Stable Funding Ratio	122.0%	116.7%		122.0%	117.4%	
Cost Efficiency						
Cost to Income Ratio	59.6%	63.7%		54.7%	59.8%	
Cost to Average Assets Ratio	3.4%	3.7%		2.8%	3.2%	
Asset Quality						
NPL Ratio ^{3/}	2.6%	1.1%		2.5%	1.0%	
NPL Cover ^{4/}	109.5%	168.5%		111.8%	178.4%	
Capital and Leverage						
CET 1 Ratio ^{5/}	13.2%	12.7%		12.7%	12.2%	
Tier 1 Ratio ^{5/}	13.4%	12.9%		12.9%	12.4%	
Capital Adequacy Ratio ^{5/}	14.4%	14.2%		13.8%	13.7%	
Countercyclical Buffer ^{5/}	0.0%	0.0%		0.0%	0.0%	
Basel III Leverage Ratio	10.2%	10.0%		9.8%	9.6%	
Assets to Equity	8.6x	8.6x		8.3x	8.3x	
DISTRIBUTION NETWORK AND MANPOWER						
Branches	1,472	1,436	3%	1,184	1,173	1%
ATMs ^{7/}	4,439	4,466	-1%	4,164	4,225	-1%
Employees	38,756	38,510	1%	32,573	32,631	0%
Officers	18,844	18,750	1%	14,583	14,733	-1%
Staff	19,912	19,760	1%	17,990	17,898	1%
SHAREHOLDER INFORMATION						
Market Value						
Share Price (in Php)	106.80	158.00	-32%			
Market Capitalization (in billion Php)	468.24	692.26	-32%			
Valuation						
Earnings per Share (in Php)	6.37	10.02	-36%			
Book Value per Share (in Php)	88.11	83.04	6%			
Price-Earnings Ratio	16.8x	15.8x				
Price to Book Value	1.2x	1.9x				
Dividends						
Cash Dividends Paid to Common Shareholders (in billion Php)	5.3	5.3				
Cash Dividends per Common Share (in Php)	1.20	1.20				
Dividend Payout Ratio ^{8/}	18.6%	11.9%				
Dividend Yield ^{9/}	1.1%	0.8%				

Notes:

All financial data based on SEC format unless otherwise indicated

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

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

^{3/} Per BSP Circular 941

^{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/} ATMs only, does not include Cash Accept Machines (CAMs) and Self-Service Teller Machines (STMs)

^{8/} Cash dividends paid during the year divided by net profit for the year

^{9/} Cash dividends per common share paid during the year divided by average daily closing price for the year

Market Overview

Economic Environment

The Philippines' Gross Domestic Product (GDP) plunged by an unprecedented 9.5% in 2020 due to the COVID-19 pandemic, interrupting 21 years of positive growth since the 0.5% dip in 1998 in the aftermath of the Asian Financial Crisis, and marking the deepest decline in over three (3) decades since the 7% contraction attributed to the political crisis in 1984.

Economic performance in the 1Q 2020 was weak at -0.7% dragged down by the Taal Volcano eruption in January, before plummeting by a record low of 16.9% in the 2Q 2020 as severe mobility restrictions under the Luzon-wide Enhanced Community Quarantine (ECQ) imposed in mid-March crippled business and consumption activities. Though still in negative territory, economic growth in the last two (2) quarters indicated an improving trend as mobility restrictions were partially relaxed and certain services were allowed to re-open with the flattening of the infection curve.

Consumption spending (~74% of GDP) fell by almost 8% as the crisis upended the livelihood and incomes of Filipinos here and abroad (displacement and repatriation of Overseas Filipino Workers), denting demand for goods and services. Capital formation (~19% of GDP) also slipped close to 36% as companies scaled down operations or resorted to temporary work stoppages, if not business closures. Meanwhile, trade activity (~ -8% of GDP) stagnated due to the collapse in global (exports) as well as domestic (import) demand. The huge declines in these sectors outweighed the 10.4% increase in government spending (~15% of GDP), which included among others, direct cash transfers, wage subsidies, healthcare systems and capacity upgrades under *Bayanihan I and II*.

On the supply side, services and industry, which collectively account for 90% of GDP, bore the brunt of mobility restrictions and demand downturn that battered the travel, tourism and transport sectors. Services nosedived by 7%, led by the steep declines in accommodation and food services (-45%), transport and storage (-31%), and other services (-42%). Industry dropped by 13%, held down by slippages in manufacturing (-10%) and construction (-26%). Meanwhile, agricultural output (10% of GDP) dipped by 0.2% weighed down by the impact of adverse weather.

Despite the lack of demand side pressures, the inflation rate inched up to 2.6% from 2.5% in 2019, lifted by the 3.3%-3.5% spikes in consumer prices triggered by supply-side constraints due to successively strong typhoons in November and December.

Meanwhile, the peso strengthened to close the year at ₱48.04/USD vs. the ₱50.74/USD end-of-period (EOP) level in 2019, driven by the substantial narrowing of the trade deficit, resilient remittance flows, increasing Gross International Reserves (GIR) and a weak US dollar.

Regulatory Environment

The Bangko Sentral ng Pilipinas (BSP) reduced the benchmark rate and banks' deposit reserve requirements over the year by a total of 200 bps each to 2% and 12%, respectively to support the economy. The BSP also purchased ₱300 billion of government securities (GS) and extended over ₱500 billion in advances to the National Government to help sustain liquidity to the real economy.

Other relief measures carried out by the BSP include: loan moratoria (under *Bayanihan Acts I and II*); the staggered booking of allowance for credit losses over a maximum period of five (5) years; the exclusion from the computation of past due ratio loans of borrowers in affected areas from March 8, 2020 to December 2020; the reduction in micro, small and medium-sized enterprises (MSME) loans risk weights from 75% to 50% (and 0% for those covered by certain guarantees); reserve requirement eligibility of loans to MSMEs and large enterprises; the utilization of the Capital Conservation Buffer and Liquidity Coverage Ratio (LCR) during public health emergency; and a cap of 24% per annum in interest or finance charges on credit card transactions.

In February 2021, the Financial Institutions Strategic Transfer (FIST) Bill, which allows banks to sell their non-performing assets to asset management companies or FIST corporations, was signed into law by President Rodrigo Duterte. Meanwhile, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Bill, which reduces the corporate income tax of large corporations from 30% to 25%, and from 30% to 20% for small and medium enterprises, has been ratified by Congress and is awaiting President Duterte's signature for enactment into law.

Outlook for 2021

A much improved global outlook is expected with the vaccine rollout underway in several countries, permitting further economic reopening and greater mobility. Central banks are likewise expected to remain accommodative with ample liquidity and a low interest rate environment to support borrowers and the economy.

Expected to lead the country's economic recovery is government infrastructure spending and Build Build Build projects, on the back of a larger budget allocation. Moreover, the government may ensure the swift implementation of development projects ahead of the national elections in 2022.

Increased consumption and business activities, along with better employment prospects, reinforce the country's gradual upturn. This hinges on the further loosening of mobility restrictions with the targeted rollout of the government's vaccination program covering 50-70 million Filipinos. The first batch of inoculations commenced in March 2021, with medical frontliners getting vaccination priority.

Downside risks that may hamper the country's economic recovery include potential delays in vaccine procurement and immunization timetable, the emergence of new variants/strains of the virus that may trigger tighter containment policy or fresh mobility restrictions, and the possible build-up in inflationary pressures driven by rising food and oil prices.

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 oversight of the enterprise 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 risk appetite levels, policies, and risk tolerance limits related to credit portfolio risk, liquidity risk, market risk, interest rate risk, operational risk (including business continuity, IT risk and information security risk), consumer protection risk, environmental and social risk, and social media risk, to ensure that current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite.

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 risk, liquidity risk, market risk, interest rate risk in the banking book, operational risk including business continuity, 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
- Liquidity Risk
- Market Risk
- Interest Rate Risk
- Operational Risk
 - Business Continuity
 - IT Risk
 - Information Security Risk
- Consumer Protection Risk
- Environmental and Social Risk
- Social Media 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

2020 Performance

Our Financial Performance

BDO Unibank, Inc. (BDO) reported a net income of ₱28.2 billion in 2020 from ₱44.2 billion in 2019. This is due mainly to pre-emptive provisions of ₱30.2 billion the Bank set aside against potential pandemic-related delinquencies. Pre-provision operating profit, however, remained strong, up by 17% over 2019.

Net interest income (NII) went up by 12% to ₱133.7 billion, as Loans grew by 3% to ₱2.3 trillion driven by consumer and corporate accounts. The Bank continued to assist its borrowing clients, ensuring their uninterrupted access to credit facilities, in addition to granting loan moratoria under *Bayanihan Acts I and II*.

Current account/savings account (CASA) deposits continued to go up, increasing by 17% to ₱2.1 trillion, as clients were able to continuously access BDO products and services through its branches, Automated Teller Machines (ATMs), and digital channels despite quarantine restrictions.

Non-interest income dropped by 8% and settled at ₱55.2 billion, supported by fee-based income, trading gains, and insurance premiums. Business volumes were initially impacted by mobility restrictions but have since recovered.

Wealth management, on the other hand, remained resilient with trust volumes and fees sustaining growth. Trading gains increased as the Bank capitalized on favorable market conditions, while insurance premiums grew modestly despite the initial impact of the lockdowns.

Meanwhile, operating expenses decreased by 2% to ₱112.6 billion with the reduction in marketing and volume-related expenses.

The provisions of ₱30.2 billion remain in line with BDO's prudent credit and provisioning policies, which are meant to protect its balance sheet. The non-performing loan (NPL) ratio stood at 2.65% with NPL coverage at 109.5%.

The Bank's capital base rose to ₱393 billion with its Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) at 14.4% and 13.2% respectively, comfortably above minimum regulatory levels. Capital increased by 6% despite the pre-emptive provisions and the business impact of COVID-19.

2020 ACHIEVEMENTS

₱28.2
billion
Net Income

₱2.3
trillion
Gross Customer
Loans

₱2.1
trillion
CASA Deposits

₱393
billion
Capital Base

**INSTITUTIONAL
BANKING GROUP**

₱1.8
trillion
Total Loans

2%
Year-on-Year
Loan Growth

Looking Ahead

BDO remains cautiously optimistic about a gradual upturn in 2021. BDO has adjusted operationally to the challenges under the pandemic, and the Bank is ready and prepared to continue operating indefinitely under this environment. Changes have been made in the workplace to ensure continuity of operations while at the same time safeguarding the health of both customers and employees. With its extensive market reach and devoted workforce, the Bank remains committed to providing banking products and services attuned to its customers' needs.

Report on Operations

Business Lending

The coronavirus pandemic and quarantine restrictions took its toll as work stoppage affected business and general demand for goods and services fell. It disrupted the operations of some of our clients. Through their difficult times, BDO, through its business lending arms, the Institutional Banking Group (IBG), BDO Leasing and Finance Corporation, and BDO Finance Corporation, actively engaged its clients to help them navigate through the crisis.

To help its clients weather the difficult environment, IBG provided sustained access to credit facilities for borrowers with more resilient and sustainable business models. At the same time, the Bank made adjustments to credit terms to better reflect existing liquidity conditions. Further, a comprehensive review of loan accounts was conducted, with loan restructuring arrangements implemented for clients with temporary difficulties.

Total IBG loans grew by 2% to ₱1.8 trillion, with growth in corporate loans driven by acquisition-financing, short-term debt refinancing, project-financing for capital investments, and cross-border loans. This mitigated the decline in working capital commercial loans caused by the slowdown in business operations in the real estate, construction, transportation, restaurant, and retail sectors.

In 2021, IBG will continue to closely monitor businesses that are in critically affected industries, support expansion of working capital and financing requirements of existing clients, and leverage client relationships to identify new opportunities.

In the long term, IBG plans to widen its reach by expanding in provincial areas to grow its working capital commercial lending and its small and medium enterprise (SME) portfolios. For the large corporate segment, IBG will focus on supporting project finance loans as sustainable growth from the infrastructure, tourism, and manufacturing sectors is anticipated.

Meanwhile, BDO Leasing and Finance (BDOLF) saw 2020 as a year of transition, with the transfer of the BDO Group's leasing business to privately-owned BDO Finance Corporation (BDO Finance). This undertaking was carried out to optimize the balance sheet in light of new accounting regulations covering lease transactions and the anticipated decline in leasing as a preferred form of financing.

The restructuring process resulted in scaled-down operations of BDOLF, as the Company's assets were sold to other entities in the Group, leaving BDOLF as a listed holding company. Needless to say, BDOLF also saw a decline in its leasing and loans portfolio due to the pandemic.

Nonetheless, BDOLF's net income improved in 2020 compared to 2019, generating a 5x increase resulting from sustained yields in its portfolio and from new bookings. One-off gains on the sale of portfolio receivables and investment securities were also realized, contributing to its net income performance.

BDO Finance, which became operational in October 2020, assumed the lease transactions booked by BDOLF to provide continuity to the latter's existing clients. At the same time, BDO Finance took over the new leasing and financing requirements of clients who still wish to avail of lease transactions as their preferred mode of financing.

Consumer Lending

The growth of the consumer lending business of the Consumer Banking Group (CBG) was affected adversely last year as stringent mobility and travel restrictions and lower incomes due to job losses curtailed car sales, slowed down housing construction, and curbed credit card spending for goods and services. In addition, the large number of displaced or repatriated Overseas Filipino Workers (OFWs) negatively impacted demand for consumer loans. Despite these limitations, CBG managed to post a 3% growth in its loan portfolio, decelerating from its double-digit expansion rates prior to the pandemic.

To support its customers during this challenging environment, CBG provided loan relief measures under meritorious circumstances and

BDO LEASING AND FINANCE

5x
increase
Net Income

CONSUMER BANKING GROUP

3%
Loan Portfolio Growth

as mandated under *Bayanihan Acts I and II*. In addition, CBG provided alternative means for clients to transact safely and conveniently in the midst of the health crisis via e-channels like online banking, digital payments (debit card and InstaPay), and agency banking through more than 8,000 *Cash Agad*-accredited partner agents nationwide.

Digital Banking

Digital banking, also under CBG, has implemented Quick Response (QR) codes that are generated through a customer's mobile phone, thus eliminating the need to enter transaction details on the keypad of an ATM or Self-Service Teller Machine (STM). This creates a convenient, secure, and seamless transaction for clients. The use of biometrics has also been deployed initially in all branch ATMs located in Makati City, with plans for an eventual nationwide roll-out. The availability of e-channels has enhanced customer convenience and contributed to the overall growth in the Bank's deposits.

In 2021, CBG will prioritize the further digitization of its products and processes, expediting credit applications and loan releases, expanding QR and biometrics functionalities to more ATMs, and broadening the coverage of agency banking in areas where such services are most needed.

BRANCH BANKING GROUP

17%

CASA Deposits Growth

81%

CASA Ratio

11

New Branches Opened

1,182

Total Operating Branches Nationwide

Branch Banking

During the Enhanced Community Quarantine (ECQ), BDO provided customers with uninterrupted access to its products and services by keeping as many of the Bank's branches open (manned by skeletal crews) as allowed by the government and consistent with quarantine restrictions. With the shift to General Community Quarantine (GCQ) by June 2020, almost all branches had resumed full operations, with banking hours extended to 4 p.m. effective October 2020. The Bank also instituted health and safety protocols in all branches to put both employees and transacting customers at ease and ensure their health and safety.

BDO supplemented branch operations by ensuring that alternative channels like ATMs and digital banking are able to cope with capacity, allowing clients remote access to bank services while limiting in-person interactions. Accessibility to both branches and alternative channels resulted in CASA deposits growing by 17%, the fastest in three years. This also resulted in an all-time high CASA ratio of 81%, with the lowest cost of deposits among its peer group.

While pandemic restrictions slowed down branch expansion with only 11 new branches opened last year, BDO still operates the country's largest domestic branch network with 1,182 branches (parent bank) nationwide.

For 2021, the Branch Banking Group's (BBG) priorities are digitization of more processes and continued branch expansion. Digitization will improve process efficiency and increase customer convenience. In this regard, the Bank launched a re-engineering initiative to create a paperless, straight-through processing for branch transactions to provide a seamless customer experience across all channels and touchpoints.

Despite more customers banking online, BDO believes that digitization can never fully replace in-person customer service, especially for transactions that reflect important life decisions. Thus, BBG will pursue selective branch expansion in strategic locations for customers to conduct their banking transactions in person.

Microfinance

From the onset of the pandemic, BDO Network Bank (BDONB), the microfinance arm of BDO, recognized its customers' increased need for banking access at such a critical time and responded by keeping its branches and offices safely open every banking day and bringing its services to its customers.

Amidst physical restrictions and lockdowns, BDONB continued its expansion plans, opening 25 branches and 3 loan offices nationwide, bringing its network total to 196 branches and 91 loan offices. This network expansion contributed to the 31% growth in total deposits from ₱25.6 billion to ₱33.5 billion, with CASA deposits increasing 29% from ₱21.6 billion to ₱27.8 billion.

Outstanding loans increased from ₱24.7 billion to ₱31.3 billion, driven by a 31% growth in salary loans and a 50% growth in micro, small and medium enterprise (MSME) loans. Close to 40% of BDONB's loan portfolio now come from expansion markets.

Looking ahead, BDONB will continue its expansion into underserved markets, hire talent from the local communities it serves, and bring products and services that are relevant and beneficial to its communities.

BDO NETWORK BANK

25
New Branches
Opened

31%
Total Deposits
Growth

31%
Salary Loans
Growth

50%
MSME Loans
Growth

TREASURY

48%

Year-on-Year
Net Income Growth

₱76
billion

Issuance in Fixed
Rate Bonds

USD600
million

Issuance in Fixed
Rate Senior Notes

Treasury

The Bank's Treasury Group capitalized on market opportunities, to book higher trading gains while maintaining a healthy portfolio of good yielding assets with short-term maturity duration. This delicate balancing act allowed the Group to post an increase in net income by 48% year-on-year.

Treasury ensured that the Bank had sufficient liquidity during the pandemic. Given weak loan demand last year, Treasury optimized the utilization of the Bank's excess funds through placements in highly liquid investment outlets with managed maturities. This puts Treasury in a good position to convert these investments to higher-yielding loans when demand picks up.

Moreover, Treasury created a more stable funding base by lengthening the maturity of the Bank's liabilities through pro-active bond issuances. The Bank issued ₱76 billion in fixed rate bonds under the Peso Bond Program and USD600 million in Fixed Rate Senior Notes under the Bank's Medium-Term Note (MTN) Program.

The Treasury Group's strategy in 2021 is one of caution and patience. Deployment of excess funds will be done thoughtfully and will be dependent on prevailing market conditions. The Treasury Group will also strive to implement more process efficiencies for enhanced customer service.

BDO CAPITAL

Participated in
15 of 20

debt capital markets
deals

Investment Banking

The Investment Banking and Securities Group, which includes BDO Capital & Investment Corporation (BDO Capital) and stock brokerage business BDO Securities Corporation (BDO Securities), posted a combined 31% increase in income in 2020.

BDO Capital closed more deals in 2020 compared to 2019 despite limited capital market activities during the pandemic. BDO Capital led the top 3 equity capital market deals of 2020 and 15 out of 20 debt capital market deals (corporate bonds and commercial papers).

BDO SECURITIES

Over
₱240
billion

Trade Volume

For its role as mandated lead arranger and book runner in financing the KKR Consortium's acquisition of a majority stake in Metro Pacific Hospital Holdings, BDO Capital was awarded Best Merger and Acquisition (M&A) Deal by *The Asset Triple A Sustainable Capital Markets Country and Regional Awards 2020*, which acknowledged the transaction as the largest healthcare M&A in the Philippines using dual-track M&A and IPO strategy. BDO Capital was likewise recognized by *The Asset* as the Best Corporate and Institutional Adviser (Domestic), Best Equity Adviser, and Best Loan Adviser.

In 2020 BDO completed its acquisition of Nomura Holdings, Inc.'s (Nomura) 49% stake in BDO Nomura Securities, Inc. BDO Nomura was subsequently merged with BDO Securities, with the latter as the surviving entity. This effectively consolidated the Bank's stock brokering businesses into a single platform covering a broader market segment.

As a merged entity, BDO Securities' trade volume in 2020 increased to over ₱240 billion, led by our traditional large accounts and online retail investors. As a result, BDO Securities' ranking jumped from 15th in 2019 to 4th among Philippine Stock Exchange (PSE) trading participants in terms of total value traded.

For 2021 and beyond, BDO Securities aims to create a more comprehensive platform to serve its mass affluent and emerging affluent segments by providing a broader set of products and services using a brokerage account. They will play a bigger role in servicing the affluent market. BDO Capital, meanwhile, will continue to leverage and strengthen its market-leading capital markets franchise and will also focus on merger and acquisition opportunities to support industries recovering from the effects of the pandemic.

Wealth Management and Advisory

BDO employs a segmented approach to providing investment and wealth management services across the spectrum — from high net worth (HNW) through BDO Private Bank (BDOPB) to the mass affluent segment through the Trust and Investments Group (TIG) and the BDO Prime service of BDO Securities. By leveraging on its open architecture, clients are able to participate in both local and global investment opportunities.

BDOPB posted a 14% year-on-year growth in net income to ₱1.0 billion. Trust assets under management (AUM) went up 39%, with a 162% growth in trustee accounts. In addition, trust fees reached a record high in 2020.

BDOPB's growth was anchored on anticipating client shifts to higher-yielding instruments as interest rates went down to historic lows. Complementing the shift is the renewed emphasis on the use of estate planning structures, which BDOPB saw as a critical need during the pandemic.

In 2021, BDOPB will continue to create bespoke solutions to meet clients' unique investment requirements and provide unparalleled customer service.

BDO PRIVATE BANK

₱1.0
billion
Net Income

14%
Year-on-Year
Net Income Growth

39%
Year-on-Year
Trust Assets Under
Management Growth

162%
Trustee Accounts
Growth

**TRUST AND
INVESTMENTS
GROUP**

₱1.1
trillion
Assets Under
Management

BDO PRIME

17%
AUM Growth

The TIG ended 2020 with a positive performance, as its Assets Under Management (AUM) grew by 15% to ₱1.1 trillion. TIG is the largest fund manager in the industry with a market share of 25%. TIG is also the first to reach the ₱1-trillion mark in terms of AUM, solidifying the Group's industry leadership. TIG also generated a 13% increase in new accounts in 2020.

For 2021, TIG is factoring a recovery in global economies and taking the opportunity to enhance customer touchpoints, and grow new trust accounts.

BDO Prime, within BDO Securities, is a service catering to the more active mass affluent segment. It offers a more comprehensive portfolio approach to an expanded range of products that include corporate bonds, Unit Investment Trust Funds, mutual funds and equity securities in both Peso and US Dollars.

In December 2020, BDO Prime launched the Prime Standard Portfolio Review that provides an in-depth review of a customer's investment portfolio, with return and exposure analysis vis-à-vis a model portfolio based on the clients' risk profiles. Combined with market research analysis and recommended suitable portfolios, these help customers achieve a potentially higher return without going beyond their risk tolerance. The initial launch received encouraging response and BDO Prime is committed to delivering this service to all of its customers by end 2021.

With its advisory services, BDO Prime helped clients maneuver through the difficult environment last year through timely asset allocation moves, resulting in a 17% increase in AUM levels by year-end.

In 2021, BDO Prime aims to onboard more clients by building customer loyalty through the consistent delivery of its four value propositions: 1) a dedicated relationship management team; 2) access to a wide array of investment products; 3) research and advice on best portfolio strategies based on clients' risk appetite; and 4) a consolidated statement of investment holdings.

These achievements underscore the wealth management teams' deep commitment to investment management, as the Group reassured clients that they were accessible despite the lockdowns and ready to guide them with their investment needs. This created a sense of continuity and stability during these uncertain and difficult times. The Group reached out to clients, kept communication lines open, and provided investment management and research through physical and digital means.

Payments and Information Services

Payments and information services through the Transaction Banking Group (TBG) saw a 13% decline in net income, with the cash management and remittance businesses bearing the impact of the COVID-19 crisis. Depressed business conditions led to decreased cash management transaction volumes, while the displacement or repatriation of Overseas Filipino Workers (OFWs) reduced remittance transactions. Low interest rates also contributed to the year-on-year decline.

For 2020, the Group's cash management business focused on sales and new business development, with a special industries team created to pursue opportunities in strategic industries based on transaction volume, value, and cash management revenue potential. The Group will likewise prioritize the replacement of its current cash management services (CMS) systems with new platforms designed to better address customer needs.

On the remittance side, TBG has intensified Kabayan account acquisition efforts, and also identified top banks and non-banks/ fintechs from different regions of the world to partner with in order to generate more volume and revenue.

The Remittances business is starting to show encouraging results, as remittance volumes and value climbed back to pre-pandemic levels by the fourth quarter of last year, supported by the Filipino cultural tradition of sending money to families back home. TBG maintained its top position in the remittance business with over 40% market share.

Insurance

Property and casualty through BDO Insurance Brokers, Inc. (BDO Insure) reported a 31% decrease in net income due to a drop in premiums and commissions from a slowdown in the Bank's corporate and consumer lending businesses. Delivery of insurance policies were hindered by the logistical challenges brought by lockdowns and quarantine restrictions. On-time payment of premiums were likewise affected by payment extensions imposed through *Bayanihan Acts I and II*.

During the pandemic, BDO Insure focused on renewals and offered credit cards and other flexible payment terms to retain as many existing customers, resulting in a stable renewal persistency of 90% compared to the previous year. In September 2020, BDO Insure transitioned to ePolicies and electronic statements of account (eSOA), allowing the safe delivery of insurance policies and improving the ability of clients to pay premiums on time.

TRANSACTION BANKING GROUP

Over 40%

Market Share in
the Remittance
Business

BDO INSURE

90%

Renewal Persistency

Moving ahead, BDO Insure will continue to focus on renewals, collaborate with other business units of the Bank to look for new business opportunities from existing clients, and implement measures to improve business efficiency to include the launch of its new Core System.

Likewise, the life insurance offered through BDO Life Assurance Co. Inc. (BDO Life) recorded a 68% decline in net income due to decreased in-branch sales activities caused by mobility and lockdown limitations.

Although new sales growth was significantly impacted, renewal premiums held steady. The re-opening of BDO branches in mid-2020 allowed bancassurance activities to resume, gradually bringing back business volumes and allowing BDO Life to keep premiums in 2020 at the same level versus 2019.

BDO Life is investing in digital tools to enhance its digital capabilities that will better serve its customers and improve productivity and operating efficiency. Its new Digital Sales Tool will streamline the life insurance purchasing process and allow for paperless onboarding.

With such tools in place, BDO Life will continue to train its current sales force to refocus on in-branch sales. A separate, smaller scale sales team shall focus on marketing to employees of corporate clients and non-visiting branch clients.

Corporate Governance

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

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

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

This report describes the highlights of our corporate governance practices throughout the financial year ended December 31, 2020.

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 various expertise in fields relevant to BDO's business and strategic plans such as banking, accounting and finance, law, merchandise marketing, strategy formulation, bank regulations, information technology, sustainability, and risk management. It is led by a Non-Executive Chairperson with 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, which includes 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. Independent directors chair eight (8) of nine (9) board committees, namely Risk Management, Board Audit, Corporate Governance, Related Party Transactions, IT Steering, Nominations, Compensation, and Trust. The Board Advisors are considered as integral parts 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. The Nominations Committee leads the process of identifying and evaluating the nominees for directors. It evaluates the balance, skills, knowledge and experience of the existing Board and the

Board Snapshot

DIRECTOR DIVERSITY



DIRECTOR AGE



SKILLS, EXPERIENCE & BACKGROUND



2020 BOARD MEETINGS

Directors	No. of Meetings Attended	Total No. of Meetings	% Rating
Teresita T. Sy	16	16	100.00%
Jesus A. Jacinto, Jr.	16	16	100.00%
Nestor V. Tan	16	16	100.00%
George T. Barcelon	16	16	100.00%
Christopher A. Bell-Knight	16	16	100.00%
Jose F. Buenaventura	16	16	100.00%
Jones M. Castro, Jr.	15*	16	93.75%
Vicente S. Pérez, Jr.	16	16	100.00%
Dioscoro I. Ramos	16	16	100.00%
Josefina N. Tan	16	16	100.00%
Gilberto C. Teodoro, Jr.	16	16	100.00%

* One-time absence from a meeting was due to a medical emergency

requirements of the Bank. The result of the evaluation determines the role and key attributes an incoming director should have. The Nominations Committee receives recommendations for potential candidates and uses, to the extent possible, external search firms or external databases in selecting the pool of candidates for the new members of the Board. The Nominations Committee recommends the most suitable candidate to the Board for appointment or election as director.

For reelection of incumbent directors, the Nominations Committee also considers the results of the most-recent annual evaluation of the performance of the Board, Board Committees and peer evaluation made by the Board members and advisors or by an independent third party evaluator, attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board.

In evaluating the suitability of an individual board member and promoting diversity in the composition of the Board, the Nominations Committee annually reviews the Board and Board Committee composition to ensure appropriate balance of skills, competencies, experience of its members, and diversity to ensure the alignment with the new regulations. The Committee recommends to the Board of Directors the slate of nominees for election to the Board of Directors during the Bank's annual stockholder's meeting. The Committee takes into account the relevant qualifications of every candidate nominated for election, with competence and integrity as the primary factors, including other criteria such as, among others, physical/ 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.

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 approved, reviewed, and oversaw the Bank's budget, business targets and strategies, quarterly declaration of dividends, and the release of the 2019 audited financial statements within 58 days from year end. Its oversight functions include the review of operational and financial performance of senior management and work of the various committees in accordance with their Terms of Reference.

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



In 2020, the Board approved the merger of BDO Nomura Securities, Inc. with BDO Securities Corporation, with the latter as the surviving entity. The Board also authorized the increase in the Bank's Peso Bond Program and the Medium Term Note Program by Php 300 billion and US\$ 3 billion, respectively. Special meetings of the Board were also held to specifically discuss status of strategic plans such as projects to enhance customer journey, digital transformation, and cyber security measures. In anticipation of the expected disruptive economic impact of the Covid-19 pandemic and the Enhanced Community Quarantine, the Board approved an additional Php 20 billion in upfront provisions in June 2020, on top of the Php 2.1 billion set aside in the first quarter of 2020.

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 2020, the Bank appointed Isla Lipana & Co./PwC Philippines (PwC) as external facilitator for the Board Effectiveness Evaluation. PwC facilitated a peer and self-evaluation process on the Board, Board Committees, and individual directors. The results thereof were supplemented by interviews with the individual directors. Feedback from Board Advisors and nominated members of BDO senior management was also obtained through interviews. The 2019 and 2020 consolidated evaluation results for the Board, Board committees and individual directors are positive, and show that the Board has been effective — with strong and satisfactory demonstration of attributes in the areas of Board responsibilities, composition, conduct, interaction and communication, engagement, administration and process, training and oversight of risks. Areas of further focus and development to continuously strengthen Board effectiveness were also identified. The Board of Directors, with its diverse and extensive expertise, experience and perspectives, has a firm understanding of the business and strategy, as well as working relationship with Management.

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 2020. All directors of BDO Unibank attended the in-house corporate governance seminar last 06 March 2020 in Makati City. It concentrated on: a) powerful technology trends that are driving a new wave of digital disruption trends and challenges ahead of the ensuing technological innovation; and b) essential anti-money laundering trends.

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

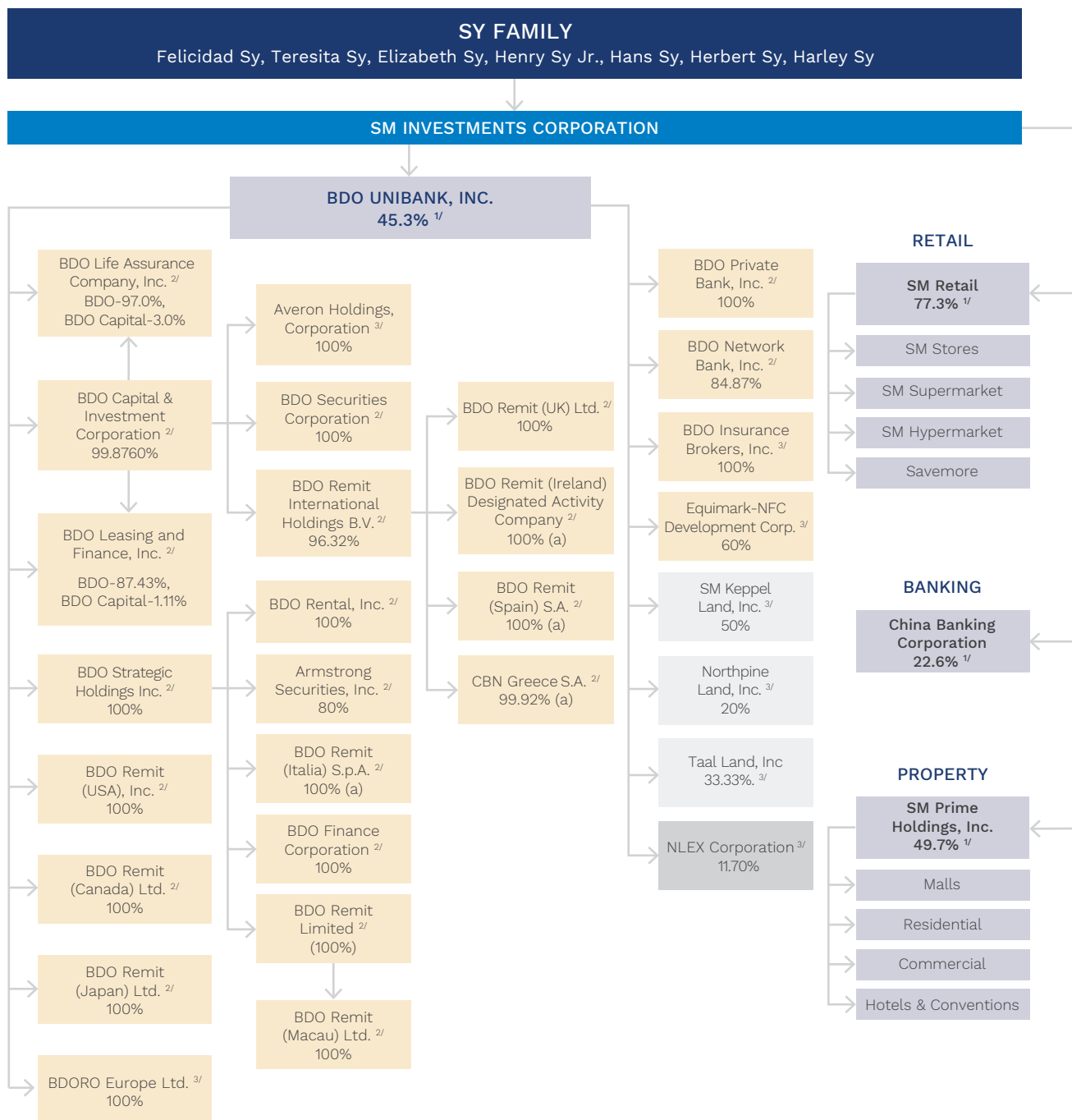
The Bank has established policies and procedures on related party transactions (RPTs) in accordance with BSP and SEC regulations. These include definition of related parties, coverage of RPT policy, guidelines in ensuring arm's-length terms, identification and prevention of management potential or actual 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, 2020



1/ SMIC Group's effective ownership interest as of December 31, 2020 (includes direct & indirect ownership)

2/ Financial entities

3/ Non-Financial entities

(a) For dissolution / under liquidation

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

Major Stockholders

As of December 31, 2020, the following are known to BDO Unibank, Inc. (BDO) to be the direct or indirect beneficial owners of more than 5% of BDO's voting securities:

Title of Class	Name	Citizenship	Percentage
Common and Preferred	SM Investments Corp.	Filipino	39.00%*
Common	PCD Nominee Corp. (Non-Filipino)	Foreign	26.60%
Common	PCD Nominee Corp. (Filipino)	Filipino	15.33%**
Common and Preferred	Sybase Equity Investments Corporation	Filipino	12.89%*
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, 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, 2020, 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, 2020	Percent to Total Outstanding Shares
Teresita T. Sy	Chairperson/ Non-Executive Director	1 st term: 28 2 nd term: 13	394,947 (D)	0.0081%
Jesus A. Jacinto, Jr.	Vice Chairman/ Executive Director	24	802 (D)	0.0000%
Nestor V. Tan	President & CEO/ Executive Director	22	15,448,629 (D)	0.3153%
Jones M. Castro, Jr.	Lead Independent Director	8	12,001 (D)	0.0002%
George T. Barcelon	Independent Director	1	201,001 (D)	0.0041%
Christopher A. Bell-Knight	Non-Executive Director	1 st term: 5 2 nd term: 7	10,623 (D)	0.0002%
Jose F. Buenaventura	Independent Director	7	70,001 (D)	0.0014%
Vicente S. Pérez, Jr.	Independent Director	1	30,000 (D)	0.0006%
Dioscoro I. Ramos	Independent Director	4	203,800 (D)	0.0042%
Josefina N. Tan	Non-Executive Director	1 st term: 4 2 nd term: 13	710,608 (D)	0.0145%
Gilberto C. Teodoro, Jr.	Independent Director	6	1 (D)	0.0000%

Board of Directors



Teresita T. Sy

Chairperson
Non-Executive Director
Filipino, 70 years old

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

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



Jesus A. Jacinto, Jr.

Vice Chairman
Executive Director
Filipino, 73 years old

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



Nestor V. Tan

President & Chief
Executive Officer
Executive Director
Filipino, 62 years old

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

In addition, he is currently the Chairman of the De La Salle University Board of Trustees; Chairman of Bancnet, the operator of the electronic payment system, InstaPay, and the ATM switching utility for Philippine banks; and Chairman of Mastercard Asia Pacific Advisory Board. He is the past president and chairman, and current Director of the Bankers Association of the Philippines.

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



Jones M. Castro, Jr.

Lead Independent
Director
Filipino and American,
71 years old

Jones M. Castro, Jr. was elected to the Board of Directors of BDO Unibank, Inc. on April 20, 2012. Mr. Castro has 48 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 Trustee of PhilDev USA and PhilDev S & T Foundations, 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 master's degree in Business Administration, Accounting & Finance from Stanford University.



George T. Barcelon

Independent Director
Filipino, 71 years old

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



Christopher A. Bell-Knight

Non-Executive Director
Canadian, 76 years old

Christopher A. Bell-Knight was elected to the Board of Directors of BDO Unibank, Inc. on July 27, 2013. Until his election as Director, he had been acting as Advisor to the Board of BDO Unibank for more than two 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, 86 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. He sits on the Boards of Directors of the following companies: BDO Securities Corporation (Independent Director), BDO Finance Corporation (Independent Director), Eximious Holdings, Inc., Cebu Air, Inc., GROW, Inc., GROW Holdings, Inc., Hicap Properties Corporation, Himap Properties Corporation, La Concha Land Investment Corporation, Peter Paul Philippines Corporation, Philippine First Insurance Co., Inc., Philplans First, Inc., Techzone Philippines, Inc., Total Consolidated Asset Management, Inc., Turner Entertainment Manila, Inc., Phosephene Holdings, Inc., and Clinquant Holdings, Inc. Atty. Buenaventura holds Bachelor of Arts and Bachelor of Laws degrees from Ateneo de Manila University, and a Master of Laws degree from Georgetown University Law Center in Washington, D.C.



**Vicente S.
Pérez, Jr.**

Independent Director
Filipino, 62 years old

Vicente S. Pérez, Jr. was elected Independent Director of BDO Unibank, Inc. on April 22, 2019. He is currently an Independent Director of BDO Leasing and Finance, Inc. (BDOLF), BDO Finance Corporation, and DoubleDragon Properties Corp. He is also a Non-Executive Director of Singapore Technologies Telemedia Pte. Ltd. Mr. Pérez is currently the Chairman of Alternergy Group, Philippine renewable power companies in wind, hydro and solar. 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 master's degree in Business Administration from the Wharton Business School of the University of Pennsylvania in 1983 and a bachelor's degree in Business Economics from the University of the Philippines in 1979. He was a 2005 World Fellow at Yale University where he lectured an MBA class at the Yale School of Management.



Dioscoro I. Ramos

Independent Director
Filipino, 62 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, 75 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 Treasurer of the Equestrian Order of the Holy Sepulchre of Jerusalem. Ms. Tan served as President and Director of BDO Private Bank, Inc. from August 29, 2003 to April 17, 2017. She was also Executive Vice President of the former Far East Bank & Trust Co.; Director and President of FEB Leasing & Finance Corporation; Executive Director and Trustee of FEB Foundation, Inc.; and Executive Vice President of FEB Investments, Inc. until 2000. Ms. Tan holds a Bachelor of Arts degree with a major in Communication Arts from Maryknoll College, and a master's degree in Business Administration from Ateneo Graduate School of Business.



**Gilberto C.
Teodoro, Jr.**

Independent Director
Filipino, 56 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 the public sector agencies and is currently the Chairman of the Philippine Air Force Multi-Sectoral Governance Council and sits in a similar one of 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; Bachelor of Laws degree (LLB) from the University of the Philippines; and Master of Laws 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, 75 years old

Edmundo L. Tan has been serving as Corporate Secretary of BDO Unibank, Inc. since July 27, 2007, and of BDO Private Bank, Inc. since February 2012. He was formerly Director of BDO Leasing and Finance, Inc. and now serves as Advisor to the Board. Atty. Tan sits on the Boards of Directors of the following companies: APC Group, Inc. (Director from 2000 to present, Corporate Secretary from 2000 to 2016); Philippine Global Communications, Inc. (Director from 2000 to present, Corporate Secretary from 2000 to 2010); and Aragorn Power and Energy Corporation (Director from 2005 to present, Corporate Secretary from 2005 to 2012). Atty. Tan is also currently a Director of PRC MAGMA Resources, Inc. (2010 to present) and of Ortigas Land Corporation (formerly OHI, July 2012 to present). He was elected Director of Sagittarius Mines, Inc. in March 2016, and Director of Concrete Aggregates Corporation on December 12, 2019. In July 2017, he was elected President of the Philippine Dispute Resolution Center, Inc. (PDRCI), a non-stock, non-profit organization which he co-founded.

Atty. Tan is the Managing Partner of Tan Acut Lopez & Pison Law Offices (1993 to present). Formerly, he was a Senior Partner in Ponce Enrile Cayetano Reyes & Manalastas Law Offices; a Partner in Angara Abello Concepcion, Regala & Cruz Law Offices; and an Associate in Cruz Villarin Ongkiko Academia & Durian Law Offices. Atty. Tan holds a Bachelor of Arts degree from De La Salle College, Bacolod, and a 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



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



Frederic Mark S. Gomez
Head, Information Technology Group



Roberto E. Lapid
President, BDO Finance
Corporation



Estrellita V. Ong
Chief Internal Auditor



Evelyn C. Salagubang
Head, Human Resources Group



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



Federico P. Tancongo
Chief Compliance Officer

The relevant qualifications/experience, age and nationality of senior management officers may be found in SEC Form 17-A: Annual Report that is posted on our website: www.bdo.com.ph/company-disclosures/sec-filings.

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, 2020, 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.

Chairperson:

Teresita T. Sy

Members:

Antonio N. Cotoco
Jesus A. Jacinto, Jr.
Guia C. Lim
Edmundo S. Soriano
Josefina N. Tan
Nestor V. Tan

Executive Committee	No. of Meetings Attended	Total No. of Meetings
Teresita T. Sy	45	45
Antonio N. Cotoco	43	45
Jesus A. Jacinto, Jr.	45	45
Guia C. Lim	43	45
Edmundo S. Soriano	42	45
Josefina N. Tan	44	45
Nestor V. Tan	45	45

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 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 publicly 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 of external auditors, if any, ensuring that it would not conflict with their duties or may pose a threat to their independence. It approves the annual audit plan and reviews audit results focusing on significant findings with financial impact and its resolution. It reviews the implementation of corrective actions to ensure that these are done in a timely manner to address deficiencies, non-compliance with policies, laws and regulations. Annually, it evaluates the performance of the Chief Internal Auditor and internal and external audit functions.
- On compliance, it recommends the approval of the Compliance Charter and reviews annually the performance of the Chief Compliance Officer and the compliance function. It also reviews the annual plans of the Compliance Group including the Anti-Money Laundering Department (AML), and evaluates the effectiveness of the regulatory compliance framework of the Bank to ensure that these are consistently applied and observed throughout the institution. It reviews the report of examination of the Bangko Sentral ng Pilipinas (BSP) and other regulators including replies to such reports for endorsement to the Board for approval.

Chairman:

Jose F. Buenaventura
(Independent Director)

Members:

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

Vicente S. Pérez, Jr.
(Independent Director)

Advisors:

Christopher A. Bell-Knight

Jesus A. Jacinto, Jr.

Corazon S. de la Paz-Bernardo

Board Audit Committee	No. of Meetings Attended	Total No. of Meetings
Jose F. Buenaventura	11	11
Jones M. Castro, Jr.	11	11
Vicente S. Pérez, Jr.	11	11

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 26, 2020, it endorsed for approval of the Board the audited financial statements as of December 31, 2019 including the Notes to the Financial Statements. This was approved by the Board and disclosed to the public on February 27, 2020, 58 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 the internal audit function. The Committee is satisfied that the internal audit function has adequate resources to perform its function effectively.

On external audit, it ensured the independence, qualification, and objectivity of the appointed external auditor, which is accredited by the BSP. 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 approved the revised and expanded Table of Organization of Compliance Group to further complement the group to handle the increasing regulatory requirements for the Bank and its subsidiaries. It reviewed and approved the annual plans and independent compliance testing roadmaps of the Compliance and Anti-Money Laundering Department. It endorsed for approval of the Board of Directors the revised Regulatory Compliance and Management Manual, Money Laundering/Terrorist Financing Prevention Program Manual, Online Gaming Policy of the Bank and the 1st Anti-Money Laundering/Counter Terrorist Financing (AML/CTF) Institutional Risk Assessment, 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 Reports of Examination including the results of regulatory examinations of the Bank's foreign subsidiaries and reviewed Management's replies, thereby ensuring implementation of corrective actions. It also reviewed 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 department, 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 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 oversees 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 Corporate Governance Committee facilitated the compliance of the directors of the Bank and its subsidiaries with the regulatory requirement for an annual corporate governance seminar for Directors as part of their continuing education. The seminar focused on: a) technology trends that are driving a new wave of digital disruption and ahead of the ensuing technological innovation; and b) essential anti-money laundering trends. The Committee continued to focus on the Bank's compliance with local and international corporate governance standards. It reviewed and endorsed for Board approval the Bank's 2019 Integrated Annual Corporate Governance Report to the Securities and Exchange Commission (SEC), which documents Bank's compliance with the SEC Code of Corporate Governance. The Committee also reviewed the independent validation by domestic and regional assessors on the Bank's compliance with the ASEAN Corporate Governance Scorecard and provided guidance to Management to improve compliance. It also spearheaded the independent annual Board evaluation survey facilitated by Isla Lipana & Co./ PwC Philippines (PwC) covering the performance in 2019 and

Chairman:

Gilberto C. Teodoro, Jr.
(Independent Director)

Members:

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

Vicente S. Pérez, Jr.
(Independent Director)

Corporate Governance Committee	No. of Meetings Attended	Total No. of Meetings
Gilberto C. Teodoro, Jr.	7	7
Jones M. Castro, Jr.	7	7
Vicente S. Pérez, Jr.	7	7

2020 of the Board of Directors, Board Committees, Senior Management, each Director, and Board Advisors, as required in the SEC Code of Corporate Governance.

All 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 or any bank executive 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:

- Approves the Trust and Investment Group's overall budget, strategies to meet budget including assets under its management, and industry position.
- Reviews the 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.
- 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.
- Annually, it evaluates the performance of the Trust Officer.

Significant matters taken up by the Committee included, among others, amendments to credit policies and procedures as well as approval of new investment outlets and accreditation of additional counterparties. The Committee approved the switch in target fund, consolidation, and change in benchmark index of several unit investment trust funds.

Chairman:

Dioscoro I. Ramos
(Independent Director)

Members:

Rafael G. Ayuste, Jr.
Christopher A. Bell-Knight
Josefina N. Tan
Nestor V. Tan

Trust Committee	No. of Meetings Attended	Total No. of Meetings
Dioscoro I. Ramos	10	10
Rafael G. Ayuste, Jr.	10	10
Christopher A. Bell-Knight	10	10
Josefina N. Tan	10	10
Nestor V. Tan	10	10

Risk Management Committee

FUNCTIONS:

- Is responsible for the oversight of the enterprise risk management program of the Bank.
- Is responsible for approving risk appetite levels, risk management policies, and risk tolerance limits to ensure that current and emerging risk exposures are consistent with the Bank’s strategic direction and overall risk appetite. It approves the appropriate strategies for managing and controlling risk exposures, including preventing and/or minimizing the impact of losses if risk becomes real.
- Oversees the implementation and review of the risk management plan, including the system of limits of discretionary authority delegated by the Board of Directors to management under its purview and ensures that immediate corrective actions are taken whenever limits are breached.
- Is responsible for evaluating the continued relevance, comprehensiveness and effectiveness of the risk management framework.
- Is also responsible for the appointment/selection, remuneration, performance evaluation, and dismissal of the Chief Risk Officer, and shall ensure that the risk management function has adequate resources and effectively oversees the risk taking activities of the Bank.
- Works with the Audit Committee in certifying in the Annual Report the adequacy of the Bank’s risk management systems and controls.

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, operational risk, including IT risk and information security risk, consumer protection risk and social media 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, results of the BSP-mandated stress tests (i.e. BSP Uniform Stress Test and Real Estate Stress Test), country risk exposures; liquidity gaps and results of liquidity stress tests; reports on Liquidity Coverage Ratio (LCR) and

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.	10	10
Dioscoro I. Ramos	10	10
Nestor V. Tan	10	10

Net Stable Funding Ratio (NSFR); 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; results of performance monitoring of all implemented risk management models; 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, status activities related to the Bank's Data Privacy Management Program (DPMP) in compliance with the requirements of Republic Act No. 10173, otherwise known as the Data Privacy Act (DPA); Trust risk management reports; general profile of client inquiries/requests/complaints and 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.

In 2020, the Committee conducted discussions on the impact of the COVID-19 pandemic on the credit portfolio and loan loss provisioning, Treasury investment portfolio, and on the Bank's operations, including occupational safety and health (OSH). The Committee also conducted discussions on the trigger levels with respect to the Bank's LCR and NSFR, and on the global regulatory initiatives related to the discontinuance of the London Interbank Offered Rate (LIBOR) and the transition to the Secured Overnight Financing Rate (SOFR) particularly for US Dollar LIBOR by end-2021.

Further, the Committee approved: the revisions to the Terms of Reference (TOR) of the Risk Management Committee; amendments to Treasury's PFRS9 Business Models for managing financial assets; results of the annual review of market & liquidity risk policies and limits; results of annual review of country risk limits; amendments to the Customer Assistance Management System (CAMS) Manual; and the Cyber Threat Intelligence Sharing Policy for inclusion in the Bank's Enterprise Information Security Policy.

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 17, 2020 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 June 16, 2020.

The Nominations Committee reviewed and recommended the hiring and appointment of Mr. Nilo L. Pacheco, Jr. as Senior Credit Executive and Member of the Executive Committee, and three (3) other senior vice presidents.

Chairman:

Vicente S. Pérez, Jr.
(Independent Director)

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.	6	6
Jose F. Buenaventura	6	6
Gilberto C. Teodoro, Jr.	6	6

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 2020, the Committee approved and endorsed to the Board for approval, its updated Terms of Reference. Notably, Independent Directors now comprise majority of the Compensation Committee as aligned with global best practices.

Chairman:

Gilberto C. Teodoro, Jr.
(Independent Director)

Members:

Dioscoro I. Ramos
(Independent Director)

Teresita T. Sy
Jesus A. Jacinto, Jr.
until June 16, 2020

Josefina N. Tan
until June 16, 2020

Compensation Committee	No. of Meetings Attended	Total No. of Meetings
Gilberto C. Teodoro, Jr.	1	1
Dioscoro I. Ramos	1	1
Teresita T. Sy	1	1
Jesus A. Jacinto, Jr.	No meeting held during term	
Josefina N. Tan	No meeting held during term	

Information Technology Steering Committee

- 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 2020, the Committee oversaw the implementation of the information technology programs/ projects, the progress of cybersecurity-related initiatives, and measures adopted by the Information Technology Group in order to cope with the community quarantine restrictions.

Chairman:

George T. Barcelon
(Independent Director)

Members:

Frederic Mark S. Gomez
Nestor V. Tan

Information Technology Steering Committee	No. of Meetings Attended	Total No. of Meetings
George T. Barcelon	6	6
Frederic Mark S. Gomez	6	6
Nestor V. Tan	6	6

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. In 2020, the Committee approved the interest rate approval matrix and revised benchmarking template for related party transactions.

Chairmen:

Gilberto C. Teodoro, Jr.
(Independent Director)
George T. Barcelon
(Independent Director)
until February 1, 2020

Members:

Jones M. Castro, Jr.
(Lead Independent Director)
Jose F. Buenaventura
(Independent Director)

Advisor:

Jesus A. Jacinto, Jr.

Independent Control Functions

Compliance

BDO's Compliance Group, through 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. BDO Compliance Group reports to and is under the direct supervision of the Board Audit Committee. It is responsible for overseeing, coordinating, monitoring and ensuring compliance of the Bank with existing laws, rules and regulations through the implementation of the overall compliance system and program in accordance with the requirements of the BSP and other regulatory agencies, including but not limited to the identification and control of compliance risks, prudential reporting obligations as well as compliance training. BDO's Compliance System forms the processes, people, policies and other components that, as an integral unit, ultimately drive the Bank's initiatives to conform to industry laws, regulations and standards. In line with the Bank's initiatives is its commitment to ensure that activities of the Bank and its personnel are conducted in accordance with all applicable banking laws and regulations and industry standards, and this commitment to compliance serves to protect the Bank and its stakeholders. BDO's Compliance Group, as provided in its Charter, conducts independent

Related Party Transactions Committee	No. of Meetings Attended	Total No. of Meetings
Gilberto C. Teodoro, Jr.	10	10
George T. Barcelon	2	2
Jones M. Castro, Jr.	11	12
Jose F. Buenaventura	12	12

compliance tests and reports to the Board Audit Committee any significant compliance issues or breaches.

The Anti-Money Laundering Department (AML/D) under the Compliance Group, together with the Anti-Money Laundering Committee (AMLCom), focuses on the enforcement of the Bank's Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Program, in accordance with the Anti-Money Laundering Law as amended; Terrorism Financing Prevention and Suppression Act, and Anti-Terrorism Act (ATA) and their respective Implementing Rules and Regulations (IRRs). The Bank also adheres with BSP and Anti-Money Laundering Council (AMLC) Rules, Regulations and Directives. The AML Program of the Bank is articulated in the Bank's Board-approved Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual, which covers AML/CTF policies and information such as: (i) customer on-boarding, (ii) customer risk assessment and due diligence, (iii) handling and monitoring of clients and their transactions, (iv) Covered and Suspicious reporting, (v) record-keeping, (vi) AML/CTF training (vii) AML System and technology platforms, and (viii) Institutional Risk Assessment. AML/D likewise oversees the investigation of suspicious transactions under the auspices of the AMLCom that is comprised of select key senior officers of the Bank.

The Compliance Group and its compliance program endeavors to protect the Bank's franchise, manage compliance risks and simultaneously supports the business goals and growth of the Institution by providing appropriate compliance insights and regulatory guidance to safeguard the Bank and its stakeholders.

Internal Audit

The Internal Audit Function covers the entire Group including foreign and local subsidiaries and offices. It adheres to the principles required by the ISPPA (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.

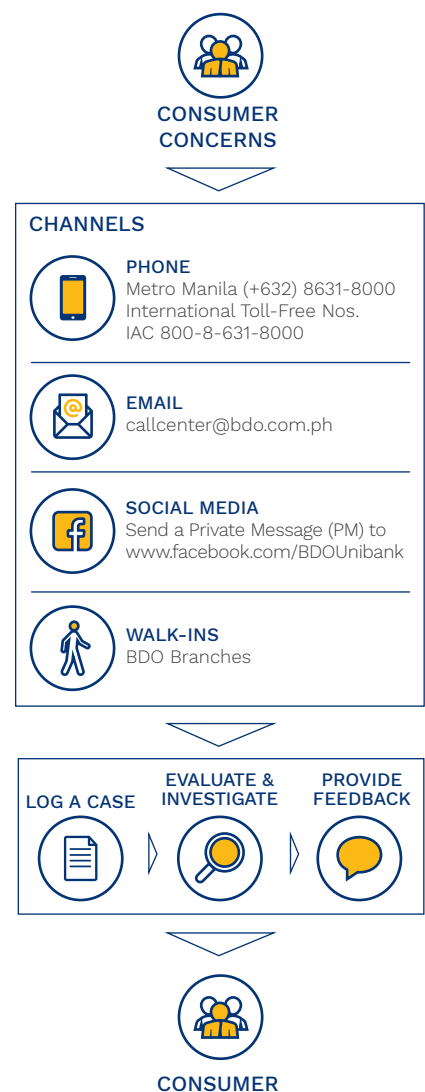
BDO’s Code of Conduct reflects the Bank’s commitment to ensuring that its customers are always treated fairly and professionally. The Bank established in November 2015 a Consumer Assistance Management System (CAMS) to address consumer concerns. To ensure its effective implementation, the BDO Customer 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 2020, CAMS logged around 6 million customer cases of which only 349,707 (5.87%) were problem-related in nature and only 189,367 (3.18%) were valid complaints. A majority of the cases were inquiries (60.80%) and requests (33.32%).

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

CONSUMER ASSISTANCE MANAGEMENT SYSTEM



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) 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 advised to disclose in their Annual Report the company's compliance with the Code of Corporate Governance and where there is non-compliance, to identify and explain the reason for such issue. We confirm that as of December 31, 2020, the Bank has substantially complied with the recommendations of the Code except for the following: 1) Policy on retirement age of directors; 2) Disclosure of executive remuneration on an individual basis; 3) voting system for majority of non-related party

shareholders to approve material related party transactions during shareholders meeting; 4) voting mechanism such as supermajority or “majority of minority” to protect the minority shareholders against action of controlling shareholder.

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 Executive Officers, the figures for key executives are presented in aggregate due to possible adverse security issues and poaching of talents by competitors in the industry.

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.

On the voting system for material related party transactions by majority of non-related parties, although a formal voting system is not in place, material RPTs are presented during the annual stockholders meeting, together with the other acts of the Board for ratification by stockholders whereby effectively, the majority of non-related party shareholders is also included in the voting.

On the voting mechanism for minority shareholders such as super majority or “majority of minority”, even with the lack of structured voting mechanism in place, the Bank affirms the voting rights given to the minority shareholders relative to certain major corporate acts as such require the approval of at least 2/3 of the shareholders, which effectively include already the “majority of the minority” shareholders. In accordance with law, the Bank recognizes also the appraisal right of any shareholder in case of dissenting vote on any approved major corporate actions. As additional mechanisms to protect minority shareholders, the Bank has in place policies on Related Party Transactions to protect against improper conflict of interest, Personal Trading Policy to prevent insider trading and Whistle Blower to provide a channel for reporting of illegal practices, abuse of authority and fraudulent activity, etc. without fear of reprisal.

Looking Ahead

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

Corporate Social Responsibility

Sustaining social responsiveness amid a pandemic

It was a difficult year for the Philippines. Still reeling from the previous year's natural disasters, the nation and its people faced challenges that felt insurmountable — volcanic eruptions and earthquakes, typhoons reminiscent of Ondoy and Yolanda, the novel coronavirus pandemic and an economic downturn disrupted lives.

Despite the limited mobility caused by COVID-19, BDO Foundation, the corporate social responsibility arm of BDO Unibank, found ways to fulfill its advocacies in the areas of disaster response, rehabilitation and rebuilding, and financial inclusion. As it implemented core programs under very different circumstances, BDO Foundation also developed interventions to help address the effects of the pandemic for the benefit of vulnerable sectors of society most affected by the health crisis.



COVID-19 programs launched

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

The foundation launched the Peso-for-Peso Donation Drive, inviting BDO personnel, clients, partners and the public to send donations, which the foundation matched peso for peso. The fundraising campaign raised ₱9.3 million, which helped finance the distribution of food packs to underserved families and the donation of test kits to hospitals in communities with high incidence of COVID-19. The initiative was supported by all BDO business units as well as BDO employees and clients.

BDO Foundation contributed to the government's RapidPass System, donating 300 smartphones with prepaid loads and 550 power banks to the Department of Science and Technology. The donation enabled the Armed Forces of the Philippines and Philippine National Police to safely scan QR codes at checkpoints and efficiently facilitate the passage of vehicles of more than 500,000 frontliners in compliance with the enhanced community quarantine. RapidPass enabled critical service personnel to pass through special lanes without the need for additional documents. The system minimized vehicle congestion at 180 control points and sped up the delivery of essential goods, which helped stimulate economic activity.

BDO Foundation also supported ReliefAgad, a web application that automated and accelerated the distribution of financial assistance to beneficiaries of the government's Social Amelioration Program. The foundation helped facilitate one-time passwords to users of the app and ensured that millions of underserved Filipinos who lost their incomes due to the pandemic received subsidies in a timely and secure manner. Managed by the Department of Social Welfare and Development and the Department of Information and Communications Technology, ReliefAgad enabled the efficient collection of beneficiary information.

As part of efforts to support underserved communities affected by the pandemic, BDO Foundation donated 10,000 reverse transcription-polymerase chain reaction (RT-PCR) test kits to 10 hospitals, which agreed to use the kits for frontliners and patients who could not afford the high costs of testing. The recipients were as follows:

1. De La Salle University Medical Center, Cavite
2. DOH-Center for Health Development Northern Mindanao, Cagayan de Oro



3. Mercado General Hospital San Jose del Monte Inc., Bulacan
4. Ospital ng Imus, Cavite
5. Qualimed Health Network, Iloilo
6. Research Institute for Tropical Medicine, Metro Manila
7. The Medical City, Metro Manila
8. UERM Memorial Medical Center, Metro Manila
9. V. Luna Medical Center, Armed Forces of the Philippines Health Service Command, Metro Manila
10. Western Visayas Medical Center, Iloilo

The foundation also distributed 8,000 relief packs containing food, rice and drinking water to underprivileged families in cities with barangays still on lockdown. Beneficiaries included residents of the City of Bacoor, Cavite; City of Caloocan; City of San Jose del Monte, Bulacan; and City of Santa Rosa, Laguna.

Supported by BDO Foundation, BDO Remit donated 1,900 hygiene kits to overseas Filipino workers (OFWs) stranded at Terminals 1 and 2 of the Ninoy Aquino International Airport and passengers at the Parañaque Integrated Terminal Exchange. The hygiene kits, which were procured through the foundation, contained essential items to help beneficiaries cope with their extended stay in transport terminals.

The donation benefited repatriated OFWs (many of whom arrived from Japan, Qatar, Lebanon and Taiwan) and locally stranded individuals who could not travel back to their provinces due to quarantine restrictions. Cancelled flights forced many people to stay in airports and public spaces for days while waiting for the results of their COVID-19 tests.

Aware of the importance of mass testing in efforts to control the spread of the virus, BDO Foundation funded the pilot implementation of pooled testing in the Philippines. The foundation, in partnership with Go Negosyo, launched the initiative in three key cities: Makati, Cebu and Mandaluyong. Implementation was made possible by local government units, the Cebu Chamber of Commerce, Office of the Presidential Assistant for the Visayas, Philippine Children's Medical Center, Philippine Society of Pathologists, University of Cebu Medical Center and Vicente Sotto Memorial Medical Center. The initiative targeted 18,000 market vendors, public utility vehicle drivers and medical frontliners in the aforementioned cities.

Go Negosyo commended BDO Foundation for being the first and biggest supporter of pooled testing in the country and for helping make the mass testing intervention accessible in disadvantaged communities. The results of the initiative served as reference for the Interim Guidelines on the Conduct of COVID-19 Pooled Testing, a Department of Health (DOH) memorandum that documents procedures on how pooled testing should be conducted.

Pooled testing combines swab samples from groups of 5, 10 or 20 people and examines them together using a single RT-PCR test kit. Considered a game changer in efforts to contain COVID-19, the testing strategy boosts capacities, expedites procedures and significantly reduces the cost of mass testing. The method is highly touted by the medical community as an effective approach.

As the year came to a close and vaccines started to become available, BDO Foundation partnered with pharmaceutical firm AstraZeneca, the National Task Force Against COVID-19, Go Negosyo and other companies. Through the foundation, BDO Unibank funded the donation of 200,000 doses of vaccines, which the government will make available to frontliners.

With the pandemic far from over, BDO Foundation affirmed its commitment to continue helping the nation recover from the health crisis.

A hundred rural health units rehabilitated

BDO Foundation reached a major milestone despite the restrictions, lockdowns and limitations caused by COVID-19. Since the start of the project in 2012, the foundation has completed the rehabilitation of 100 rural health units across the country — 36 in Luzon, 47 in the Visayas and 17 in Mindanao — benefitting 5.7 million Filipinos. Even in the midst of a pandemic, it finished 17 structures including its 100th located in the City of Batac, Ilocos Norte.

Supported by the DOH and local government units, the milestone was made possible by officers of BDO and BDO Network Bank branches, who helped identify rural health units that needed assistance and handled local coordination.

The rehabilitation program is in line with the foundation's efforts to help improve the healthcare delivery system, one of the goals under the Philippine health agenda. It is also the foundation's contribution to the achievement of the United Nations Sustainable Development Goal no. 3 to ensure healthy lives and promote the well-being of all people at all ages.

Rural health units rehabilitated in 2020	Population covered
Concepcion Municipal Health Office, Iloilo	45,363
Panay Municipal Health Office, Capiz	47,600
Bago City Health Office, Negros Occidental	175,858
Lemery Rural Health Unit, Iloilo	32,666
Magallanes Rural Health Unit, Agusan del Norte	22,199
Calatrava Rural Health Unit and Birthing Facility, Negros Occidental	82,924
Municipal Health Office Currimao, Ilocos Norte	12,585
Mercedes Rural Health Unit, Eastern Samar	31,295
Pontevedra Health Unit and Birthing Facility, Capiz	48,417
Ayala Health Center, Zamboanga City	90,907
Canelar Health Center, Zamboanga City	12,175
Buenavista RHU and Reproductive Health Care Center, Agusan del Norte	65,109
Palanas Rural Health Unit, Masbate	27,562
Burgos Rural Health Unit and Birthing Center, Isabela	24,000
Guiuan Rural Health Unit I and Birthing Home, Eastern Samar	57,235
Municipal Health Office of Cabatuan and Birthing Facility, Isabela	41,444
City Health Office City of Batac, Ilocos Norte	57,005
Total	874,344

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

As a result of these improvements, rural health units received high assessment scores from the DOH and accreditation from PhilHealth. Doctors, nurses and midwives were better equipped to provide primary and maternal health services to their constituents. More child- and elderly-friendly spaces were made available to the public. More patients were accommodated. Healthcare services were provided with improved efficiency.

The rehabilitation program gained even greater significance amid the novel coronavirus pandemic. Rural health units proved to be instrumental in efforts to conduct mass testing, provide patient care and support hospitals overwhelmed with COVID-19 cases. According to the government's vaccination and immunization plan, rural health units are expected to play a crucial role in the distribution and administration of vaccines particularly in provinces.



Financial literacy levels raised

Working closely with the Bangko Sentral ng Pilipinas (BSP), BDO Foundation continued to promote financial inclusion and undertake measures to institutionalize financial education in the capacity-building initiatives of government agencies.

Programs in partnership with the Department of Education (DepEd), Overseas Workers Welfare Administration (OWWA), Civil Service Commission (CSC) and Armed Forces of the Philippines (AFP) continued. Programs with new partners including the Bureau of Fire Protection (BFP), Bureau of Fisheries and Aquatic Resources (BFAR), and Philippine National Police (PNP) commenced.

BDO Foundation and its partners shared financial literacy lessons with public school students, teachers and non-teaching personnel; OFWs and recipients of remittances; civil servants; and uniformed and civilian personnel of the armed forces. Beneficiaries learned lessons on saving, budgeting and financial planning, investments, debt management, the responsible use of credit, entrepreneurship, avoiding scams and retirement planning, among other topics. The foundation equipped the target audience with the tools, resources and skills to make sound financial decisions.

To support the implementation of the programs, the foundation embarked on several key initiatives.

As part of the financial education program for public schools, BDO Foundation helped organize a series of workshops for more than 20 personnel of the DepEd. The workshops, which were facilitated by consultants from the Asian Development Bank, enabled participants to develop tools to measure the impact of the program on beneficiaries.

Discussions focused on the formulation of the Financial Education Integration Policy and Roadmap as well as the Monitoring and Evaluation System for Financial Education. The policy, roadmap and M&E system will help DepEd assess the gains of the financial education program, identify opportunities for growth and set guidelines for the integration of financial education concepts in learning areas across all grade levels.

Recognizing the exceptional talent of the Filipino youth, BDO Foundation awarded the outstanding financial literacy videos developed by public school students as part of Sineliksik, the video-making competition of DepEd's annual National Festival of Talents. Sineliksik 2020 honored 16 regional and five national winners at a virtual event viewed by more than 100,000 students and teachers across the country.

The foundation sponsored the contest, which resulted in the development of 64 learner-generated and learner-appropriate videos that DepEd will use as part of its learning resources. It funded the medals and cash incentives the students received as well as the laptops and LCD projectors awarded to the winning schools.

Working with BSP's Center for Learning and Inclusion Advocacy, BDO Foundation organized training sessions for trainers tasked to teach financial literacy lessons to target audiences across the country. The training of trainers helped improve the teaching skills of subject matter experts from the aforementioned government agencies. The foundation also developed a training manual for OWWA's Pre-Departure Orientation Seminars.

To further support the training initiatives, BDO Foundation produced 10 new financial education videos — three for OFWs and recipients of remittances, three for government workers, three for armed forces personnel and a Banking 101 video, which encourages unbanked Filipinos to open accounts and save. A total of 26 financial education videos developed by the foundation can now be used in the training initiatives of its partners.



Reaffirming its reputation as a staunch advocate of financial inclusion, BDO Foundation implemented financial education programs in support of BSP's National Strategy for Financial Inclusion. The foundation helped raise the country's financial literacy levels, contributed to the development of a financially literate citizenry and supported nation-building.

Disaster-affected families supported

In line with its disaster response advocacy and in the spirit of *bayanihan*, BDO Foundation mounted relief operations across the country, providing aid in provinces placed under a state of calamity and helping thousands of affected families.

The initiative was made possible by officers and staff of BDO and BDO Network Bank branches, who helped the foundation identify communities that needed assistance, gather beneficiary information and coordinate relief efforts.

Prior to the pandemic, BDO Foundation mobilized employee-volunteers from branches and satellite offices. Led by region, area and branch heads, the volunteers visited evacuation sites in cities and towns hit hardest by the disasters to distribute hygiene kits and relief packs containing food, rice and drinking water. BDO personnel, some of whom served as first responders, immediately extended assistance even as they themselves were affected by the rains, floods and earthquakes. BDO personnel did not only volunteer, they also made generous monetary contributions to the relief operations.

As the quarantines were imposed all over the country, the foundation leveraged the support of partner non-governmental organizations, churches, police personnel, the military and local government units for aid distribution.

For more than a decade now, BDO Foundation has been conducting relief operations in underserved communities affected by natural disasters. Through these initiatives, BDO volunteers extended a helping hand to fellow Filipinos in their time of need.

Disaster	Area	No. of beneficiary families
Earthquakes	Cotabato and Davao del Sur	158
Typhoon Ursula	Aklan, Eastern Samar and Iloilo	22,960
Earthquakes	Davao del Sur and Masbate	8,530
Taal Volcano eruption	Batangas, Cavite and Laguna	7,380
Typhoon Pepito	Bulacan, Nueva Ecija and Quezon	7,080
Typhoon Quinta	Bulacan, Oriental Mindoro and Pampanga	7,300
Typhoon Rolly	Albay, Camarines Norte, Camarines Sur and Catanduanes	26,480
Typhoon Ulysses	Cagayan, Isabela, Nueva Vizcaya and Rizal	21,512
Total		101,400



Disadvantaged communities served

BDO Foundation made a remarkable impact on its beneficiaries in many other ways.

The foundation partnered with Mitsubishi Corporation to provide capacity enhancement training to the Kooperatibang Likas ng Nueva Ecija. Made possible by a donation from Mitsubishi and the volunteerism of educators from National University, the initiative helped improve the financial literacy, productivity and income-generating capability of more than 100 rice farmers in the province. The partnership also resulted in the donation of two farm tractors, which are currently being leased by the cooperative to its members, an arrangement that gives beneficiaries easy access to these farm equipment and generates income for their organization.

BDO Foundation repaired seven school buildings it has constructed in typhoon-stricken Leyte, Iloilo and Samar. It distributed 12,050 mother- and child-friendly products donated by Beiersdorf, the global skincare company behind the Nivea brand, to beneficiaries in underserved communities all over the country and provinces affected by the Taal Volcano eruption. In partnership with the Branch Banking Group, the foundation gave food packs to 18,900 underserved families nationwide as part of a Christmas gift-giving program dubbed Handog sa 'Yo ng BDO.

International awards received

In the past several years, BDO Foundation received recognition for its corporate citizenship initiatives. Last year was no different.

For its efforts to advocate financial inclusion and help raise the Philippines' financial literacy levels, BDO Foundation was awarded by Singapore-based finance publication *Asian Banking & Finance* and international non-governmental organization Enterprise Asia. The foundation was honored for its financial education program for OFWs, an on-going initiative that helps migrant workers achieve financial independence.

Asian Banking & Finance conferred the Financial Inclusion Initiative of the Year Award in an online presentation of Retail Banking Awards 2020. According to the publication, “For showcasing a strong initiative to drive financial education among the country’s citizens both within and outside the country as well as supporting key government agencies in monitoring and evaluating the state of financial education programs in place, BDO Foundation is deservedly taking home the award.”

Enterprise Asia, on the other hand, presented its award at the Asia Responsible Enterprise Awards 2020, a virtual event witnessed by thousands of viewers across the continent. Out of the more than 200 entries submitted from 19 countries, the financial education program was among 81 honored at the online ceremony. BDO Foundation was one of only two Philippine organizations awarded.

The way forward

Moving forward, BDO Foundation will continue to conduct relief operations, rehabilitate rural health units and implement financial education programs, among other corporate citizenship initiatives. The foundation will devote a considerable amount of attention to help address the problems caused by the novel coronavirus pandemic. It will adapt to the changing environment and navigate the new situation to fulfill its advocacies and continue to be relevant to its beneficiaries.

Supported by the BDO Unibank family, BDO Foundation will continue to find ways to help underserved sectors of society, give back to the community and support national development.



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, 2020, 2019 and 2018, 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 24th day of February 2021

Statements of Financial Position

BDO UNIBANK, INC. AND SUBSIDIARIES

DECEMBER 31, 2020 AND 2019

(Amounts in Millions of Philippine Pesos)

	Notes	BDO Unibank Group		Parent Bank	
		2020	2019	2020	2019
RESOURCES					
CASH AND OTHER CASH ITEMS	7	P 74,851	P 64,140	P 72,301	P 62,726
DUE FROM BANGKO SENTRAL NG PILIPINAS	7	308,636	309,040	305,079	306,938
DUE FROM OTHER BANKS	8	65,289	38,956	63,281	35,820
TRADING AND INVESTMENT SECURITIES	9	508,810	435,905	399,456	345,278
LOANS AND OTHER RECEIVABLES - Net	10	2,301,981	2,225,777	2,259,686	2,175,655
PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	11, 12	44,330	46,551	40,832	42,494
INVESTMENT PROPERTIES - Net	13	15,851	16,911	11,835	12,595
OTHER RESOURCES - Net	14	55,152	51,578	82,913	81,594
TOTAL RESOURCES		P 3,374,900	P 3,188,858	P 3,235,383	P 3,063,100
LIABILITIES AND EQUITY					
DEPOSIT LIABILITIES	16	P 2,610,151	P 2,485,228	P 2,548,291	P 2,438,737
BILLS PAYABLE	17	209,744	167,524	202,867	147,321
SUBORDINATED NOTES PAYABLE	18	-	10,030	-	10,030
INSURANCE CONTRACT LIABILITIES	19	58,410	42,473	-	-
OTHER LIABILITIES	20	103,574	113,016	92,171	97,802
Total Liabilities		2,981,879	2,818,271	2,843,329	2,693,890
EQUITY	21				
Attributable to:					
Shareholders of the Parent Bank		391,423	368,932	392,054	369,210
Non-controlling Interests		1,598	1,655	-	-
		393,021	370,587	392,054	369,210
TOTAL LIABILITIES AND EQUITY		P 3,374,900	P 3,188,858	P 3,235,383	P 3,063,100

See Notes to Financial Statements.

Statements of Income

BDO UNIBANK, INC. AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Millions of Philippine Pesos Except Per Share Data)

	Notes	BDO Unibank Group			Parent Bank		
		2020	2019	2018	2020	2019	2018
INTEREST INCOME	22	P 157,031	P 160,572	P 129,040	P 149,697	P 153,081	P 122,615
INTEREST EXPENSE	23	23,331	40,681	30,748	22,400	38,581	28,720
NET INTEREST INCOME		133,700	119,891	98,292	127,297	114,500	93,895
IMPAIRMENT LOSSES - Net	9, 10, 14, 15	30,240	6,166	6,286	29,596	5,699	5,700
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		103,460	113,725	92,006	97,701	108,801	88,195
OTHER OPERATING INCOME	24	55,210	60,111	50,429	37,254	43,145	35,823
OTHER OPERATING EXPENSES	24	112,640	114,649	98,789	90,067	94,337	81,794
PROFIT BEFORE TAX		46,030	59,187	43,646	44,888	57,609	42,224
TAX EXPENSE	30	17,776	15,019	11,007	16,282	13,376	9,512
NET PROFIT		P 28,254	P 44,168	P 32,639	P 28,606	P 44,233	P 32,712
Attributable to:							
Shareholders of the Parent Bank		P 28,246	P 44,194	P 32,708			
Non-controlling Interests		8	(26)	(69)			
Earnings Per Share:	31						
Basic		P 6.37	P 10.02	P 7.40			
Diluted		P 6.37	P 10.02	P 7.40			

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 Finance Corporation

Finance Lease

Operating Lease

Factoring of Receivables

Amortized Commercial Loan

Installment Paper Purchase

Floor Stock Financing

BDO Network Bank, Inc.

Microfinance Loans

Salary 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 Armstrong Securities, Inc.

Stock Brokering

Fixed Income Brokering

Wealth Management

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.**

Best Bank, Philippines
(2010–2016, 2018, 2020)
Alpha Southeast Asia
14th Annual Best Financial Institution Awards

Best Bank in the Philippines
(2010–2020)
FinanceAsia 2020
Country Awards

Best Bank in the Philippines
(2014–2017, 2019–2020)
Global Finance World's Best Bank Awards

Best Bank in the Philippines
(2011, 2013–2020)
The Asset Triple A Country Awards 2020

Best Commercial Bank, Philippines
International Banker
2020 Banking Awards

Best Domestic Bank, Philippines
(2011, 2014–2020)
2020 Asiamoney
Best Bank Awards

Corporate Excellence Award Financial Services Industry
Asia Pacific Enterprise Awards 2020

BEST INVESTMENT BANK **BDO CAPITAL & INVESTMENT CORPORATION**

Best Investment Bank in the Philippines
(2013–2014, 2017–2020)
Global Finance World's Best Investment Bank Awards

Best Equity House in the Philippines
(2008, 2013, 2016–2017, 2020)
Alpha Southeast Asia
14th Annual Best Financial Institution Awards

Best Local Currency Bond Deal of the Year Philippines
(SM Investments Corporation's PHP10 billion Fixed Rate Bonds; Joint issue manager, joint lead underwriter and joint bookrunner: BDO Capital & Investment Corporation)
Alpha Southeast Asia
14th Annual Best Deal & Solution Awards 2020

Best Sovereign Bond Deal of the Year
(Republic of the Philippines' PHP516.34 billion 5-Year Retail Treasury Bonds, Tranche 24; Joint issue manager and selling agent: BDO Capital & Investment Corporation)
Alpha Southeast Asia
14th Annual Best Deal & Solution Awards 2020

Best Equity Deal of the Year, Philippines
(Converge's PHP29.1 billion IPO; Joint local underwriter and joint bookrunner: BDO Capital & Investment Corporation)
Alpha Southeast Asia
14th Annual Best Deal & Solution Awards 2020

Best Acquisition Finance & Best Secondary Deal of the Year, Philippines
(Acquisition loan to support the acquisition of Metro Pacific Hospital Holdings, Inc. by KKR and GIC; Mandated

lead arranger and bookrunner: BDO Capital & Investment Corporation)
Alpha Southeast Asia
14th Annual Best Deal & Solution Awards 2020

Green Deal of the Year – Philippines
(Helios Solar Energy Corporation's PHP6.50 billion omnibus loan; Role: Sole transaction manager, lead arranger and bookrunner)
Asian Banking & Finance Corporate and Investment Banking Awards 2020

Corporate & Investment Bank of the Year – Philippines
(2018–2020)
Asian Banking & Finance Corporate and Investment Banking Awards 2020

Best Corporate & Investment Bank, Philippines
2020 Asiamoney Best Bank Awards

Best ECM House in the Philippines
(2017, 2020)
FinanceAsia 2020
Country Awards

Best Corporate and Institutional Adviser in the Philippines
(2015–2020)
Best Equity Adviser
(2015, 2017–2020)
Best Loan Adviser
(2015–2020)
The Asset Triple A Country Awards 2020

Best M&A Deal

(KKR consortium US \$1.3 billion acquisition of majority stake in Metro Pacific Hospital Holdings; Mandated lead arranger and bookrunner: BDO Capital)
The Asset Triple A Country Awards 2020

Project Finance House of the Year, Philippines

(2018–2020)
The Asset Triple A Asia Infrastructure Awards 2020

Renewable Energy Deal of the Year – Solar

(Helios Solar Energy Corporation PHP6.50 billion omnibus loan; Sole transaction manager, lead arranger and bookrunner: BDO Capital)
The Asset Triple A Asia Infrastructure Awards 2020

Renewable Energy Deal of the Year – Wind

(Alternergy Wind One Corporation PHP3.71 billion omnibus loan; Transaction manager, lead arranger and bookrunner: BDO Capital)
The Asset Triple A Asia Infrastructure Awards 2020

Green Project of the Year

(AC Energy Finance International US\$410 million CBI-certified climate bonds; Domestic lead manager: BDO Capital)
The Asset Triple A Asia Infrastructure Awards 2020

Asia's Best Local Currency Green Bond

The Asset Triple A Regional Awards 2020

AEV's Bond Issuance, Finance Deal of the Year

5th Annual ALB Philippine Law Awards 2020

Investment House of the Year

(2016–2019)

Best Equity House

(2016–2017, 2019)

Best Fixed Income House

(2015–2019)

Best Project Finance House

(2016–2017, 2019)

Best Advisory House

(2017, 2019)

Best IPO for Small-Medium Cap: Fruitas

(2019)

Investment House Association of the Philippines (IHAP)

BEST PRIVATE BANK BDO PRIVATE BANK

Best Private Wealth Management Bank in the Philippines

(2008–2020)

Alpha Southeast Asia 14th Annual Best Financial Institution Awards

Best Domestic Private Bank, Philippines

(2019–2020)

Asiamoney Private Banking Awards 2020

Best for HNW, Philippines

Asiamoney Private Banking Awards 2020

Wealth Management Platform of the Year, Philippines

Asian Banking & Finance Retail Banking Awards 2020

Best Private Bank – Philippines

(2015–2020)

Asian Private Banker 10th Awards for Distinction 2020

Best Private Bank in the Philippines

(2008–2020)

FinanceAsia 2020 Country Awards

Best Private Bank in the Philippines

(2015–2020)

Global Finance Best Private Bank Awards 2020

Best Private Bank, Philippines

(2010–2020)

The Asset Triple A Private Capital Awards for Private Banks, Wealth & Investment Bank Advisers, Solutions and Index Providers

Best Sovereign Bond Deal of the Year

(Republic of the Philippines' PHP516.34 billion 5-Year Retail Treasury Bonds, Tranche 24; Selling agent: BDO Private Bank)
Alpha Southeast Asia 14th Annual Best Deal & Solution Awards 2020

PRODUCTS & SERVICES

Best Cash Management Bank

(2008–2009, 2015–2020)

Alpha Southeast Asia 14th Annual Best Financial Institution Awards 2020

Cash Management: Market Leader in the Philippines (Asian Banks)

Trade Finance: Best Services in the Philippines (Asian Banks)
2020 Euromoney–Asiamoney Trade Finance Survey

1st for Market Leaders in the Philippines among domestic banks (as voted by corporations)
Asiamoney Cash Management Survey

Domestic Cash Management Bank Of The Year, Philippines (2014–2016, 2018–2020)
Asian Banking & Finance Wholesale Banking Awards 2020

Best Cash Management Solution in the Philippines
(Corporate Cash Deposit Machine (CCDM) across the country)
Alpha Southeast Asia 14th Annual Best Deal & Solution Awards 2020

Best Asset Manager (Fixed Income Funds)
(2019–2020)

Best Online & Mobile Platform (Asset Manager) (2020)

Best Fund Manager for Pension Mandates & Private Retirement Schemes (2020)

Best Fund with the optimal sharpe ratio (2019–2020)
11th Annual Alpha Southeast Asia Fund Management Awards 2020

Asset Management Company of the Year, Philippines
(2018–2020)
The Asset Triple A Sustainable Investing Awards for 2020

Best Investment Management Company, Philippines
(2016–2020)
World Finance Investment Management Awards

Best Wealth Manager, Philippines (BDO Trust)
(2019–2020)
The Asset Triple A Private Capital Awards for Private Banks, Wealth & Investment Bank Advisers, Solutions and Index Providers

Best Bank for Real Estate Services Overall Category, Philippines
(2019–2020)
Euromoney Real Estate Survey 2020

Best FX Bank for Structured Hedging Solutions & Proprietary Trading Ideas
(2019–2020)

Best Corporate Treasury Sales & Structuring Team
(2019–2020)
Alpha Southeast Asia FX & Treasury Awards 2020

Best Foreign Exchange Provider
(2017–2020)
Global Finance Best Foreign Exchange Providers 2020

Best Innovation in Retail Banking, Philippines
(2019–2020)
International Banker 2020 Banking Awards

Rank #2: BDO Unibank, Top Investment House in Asian Local Currency Bonds, Philippines
The Asset Triple A Benchmark Research Awards 2020

Rank #5: BDO Unibank, Top Sell-side Firms in the Secondary Market (PHP Corporate Bonds)
The Asset Triple A Benchmark Research Awards 2020

Rank #2: BDO Unibank, Top Arrangers, Investors' Choice for Primary Issues (PHP Corporate Bonds)
The Asset Triple A Benchmark Research Awards 2020

Best in Treasury and Working Capital-LLCs, Philippines
The Asset Triple A Treasury, Trade, Supply Chain & Risk Management Awards 2020

Best Payments and Collections Solution, Philippines
(Provider: BDO; Client: Petron)
The Asset Triple A Treasury, Trade, Supply Chain & Risk Management Awards 2020

Best Retail Bond
(BDO Unibank PHP36 billion Fixed Rate Bond)
The Asset Triple A Country Awards 2020

Best Sovereign Bond Deal of the Year
(Republic of the Philippines' PHP516.34 billion 5-Year Retail Treasury Bonds, Tranche 24; Selling agent: BDO Unibank)
Alpha Southeast Asia 14th Annual Best Deal & Solution Awards 2020

Best Acquisition Finance & Best Secondary Deal of the Year, Philippines

(Acquisition loan to support the acquisition of Metro Pacific Hospital Holdings, Inc. by KKR and GIC; Sole lender: BDO Unibank)
Alpha Southeast Asia 14th Annual Best Deal & Solution Awards 2020

Best M&A Deal

(KKR consortium US\$1.3 billion acquisition of majority stake in Metro Pacific Hospital Holdings; Sole lender: BDO Unibank)
The Asset Triple A Country Awards 2020

Renewable Energy Deal of the Year – Solar

(Helios Solar Energy Corporation PHP6.50 billion omnibus loan; Lender: BDO Unibank)
The Asset Triple A Asia Infrastructure Awards 2020

Renewable Energy Deal of the Year – Wind

(Alternergy Wind One Corporation PHP3.71 billion omnibus loan; Lender: BDO Unibank)
The Asset Triple A Asia Infrastructure Awards 2020

SUSTAINABILITY AND ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE)

BDO Foundation, Financial Inclusion Initiative of the Year

Asian Banking & Finance Retail Banking Awards 2020

Asia's Best CSR awardee

Corporate Governance Asia, 10th Asian Excellence Award 2020

BDO Foundation (Category: Social Empowerment)

Enterprise Asia's Asia Responsible Enterprise Awards (AREA) 2020

BDO Unibank, Asian Excellence awardee

(2011–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Best Investor Relations Company (Philippines) awardee

(2011–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Best Corporate Communications awardee

(2014–2015, 2017–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Best Environmental Responsibility awardee

Corporate Governance Asia 10th Asian Excellence Award 2020

Best Investor Relations in the Philippines

FinanceAsia 20th Best Companies in Asia Poll 2020

Ranked 2nd in Best Corporate Governance

FinanceAsia 20th Best Companies in Asia Poll 2020

Platinum Award

(2010–2020)
The Asset ESG Corporate Awards 2020

INDIVIDUAL RECOGNITION

Asia's Best CEO (Investor Relations) awardee: Teresita Sy-Coson, Chairperson

(2013–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Asia's Best CEO (Investor Relations) awardee: Nestor V. Tan, President & CEO

(2011–2012, 2016–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Asia's Best CFO (Investor Relations) awardee: Dalmacio D. Martin, EVP & Treasurer

Corporate Governance Asia 10th Asian Excellence Award 2020

Best Investor Relations Professional (Philippines) awardee: Luis S. Reyes, Jr., EVP

(2011–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Best CEO, Nestor V. Tan

FinanceAsia 20th Best Companies in Asia Poll

BDO Group of Companies

PHILIPPINE SUBSIDIARIES AND AFFILIATES

Armstrong Securities, Inc.

33/F BDO Towers Valero
8741 Paseo de Roxas
Salcedo Village
Makati City 1226
+63 (2) 8840-7000
local 32457, 8878-4564,
8878-4558

Averon Holdings Corporation

6780 Ayala Avenue
San Lorenzo Village
Makati City
+63 (2) 8840-7000
local 33066, 5310-5532

BDO Capital & Investment Corporation

33/F BDO Towers Valero
8741 Paseo de Roxas
Salcedo Village
Makati City 1226
+63 (2) 8840-7000,
8878-4549 / 8878-4564

BDO Finance Corporation

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

BDO Insurance Brokers, Inc.

43/F and 44/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 Private Bank, Inc.

BDO Equitable Tower
8751 Paseo De Roxas
Makati City 1226
+63 (2) 8848-6300

BDO Rental, Inc.

BDO Corporate
Center Ortigas
12 ADB Avenue
Mandaluyong City 1554
+63 (2) 8840-7000,
8688-1288

BDO Securities Corporation

33/F BDO Towers Valero
8741 Paseo de Roxas
Salcedo Village
Makati City 1226
+63 (2) 8840-7000,
8878-4070, 8840-7080,
8878-4564

BDO Strategic Holdings, Inc.

BDO Building
Paseo De Roxas corner
Sen. Gil Puyat Avenue
Makati City
+63 (2) 8840-7000

Equimark-NFC Development Corporation

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
+63 (2) 8570-9832

Taal Land, Inc.

12/F PSBank Center
777 Paseo De Roxas
Makati City
+63 (2) 8898-8890

FOREIGN SUBSIDIARY/ AFFILIATE

BDORO EUROPE LTD.

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London, EC4A 3AE
United Kingdom
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REMITTANCE SUBSIDIARIES/AFFILIATES

ASIA

BDO Remit Limited

Shops 231-234 and 237
Worldwide House
19 Des Voeux Road
Central, Hong Kong
+852 253-77148,
2525-5629, 2234-9588
Philippines: +63 (2) 8840-7000
local 31030

Shop 159, G/F Lik Sang Plaza
269 Castle Peak Road
Tsuen Wan, New Territories,
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+852 2412-0399

Express Padala HK Ltd.

Shops 231-234 and 237
Worldwide House
19 Des Voeux Road
Central, Hong Kong
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2525-5629, 2234-9588
Philippines: +63 (2) 8840-7000
local 31030

BDO Remit (Macau) Ltd.

Avenida de D. Joao IV
No. 2 6B Edificio China Plaza
R/C (U) Macau, SAR
+853 2837-4385, 2837-3324
Philippines: +63 (2) 8840-7000
local 31031

432 Avenida Dr. Sun Yat Sen
Edificio Wa Fong Kok,
Unit E R/C Taipa, Macau
+853 2885-5389
Philippines: +63 (2) 8840-7000
local 31032, 43631

Avenida de Almeida Ribeiro
No. 61 Circle Square Bldg.
1/F Unit B Macau, SAR
+853 2872-3552
Philippines: +63 (2) 8840-7000
local 57620

BDO Remit (Japan) Ltd.

Zenken Plaza II, 1F & 2F 3-13
Nishi-Shinjuku 1-chome
Shinjuku-ku, Tokyo
Japan 160-0023
+81 (3) 5909-0601, 5909-0602
Philippines: +63 (2) 8840-7000
local 33391 and 33392

EUROPE

**BDO Remit (UK) Ltd
London**

Part Lower Ground Floor,
Strand Bridge House,
138-142 Strand, London,
WC2R 1HH
+44 (20) 7462-3000

USA

**BDO Remit (USA), Inc.
Daly City**

350 Gellert Boulevard
Daly City, California 94015
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+1 (800) 472-3252
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local 31033

CANADA

BDO Remit (Canada) Ltd.

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Toronto, Ontario M4S 1Z7
Canada
+1 (647) 350-1236,
+1 (647) 350-0236
Philippines: +63 (2) 8840-7000
local 33212

REPRESENTATIVE OFFICES

ASIA

**BDO Unibank, Inc.
Taipei Representative Office**

Suite A 7/F Hung Kuo Building
167 Tun Hua North Rd.
Taipei, Taiwan
+886 (2) 2545-6887
Philippines: +63 (2) 8840-7000
local 31020

**BDO Unibank, Inc.
Seoul Representative Office**

23/F Seoul Finance Center
136 Sejongdaero, Jung-Gu
Seoul, South Korea 04520
+82 (2) 3783-0801, 3783-0800
Philippines: +63 (2) 8840-7000
local 31900

**BDO Unibank, Inc.
Beijing Representative Office**

Units 09-10, Level 24
China World Office 1
1 Jianguomenwai Avenue
Beijing, China 100004
+86 (10) 6505-7083,
6505-2713, 6505-3793
Philippines: +63 (2) 8840-7000
local 41874

**BDO Unibank, Inc.
Xiamen Representative Office**

#244-246, 2/F SM City
No. 468 Jiahe Road
Xiamen, 361009
Fujian Province, China
+86 0592 555 0316

EUROPE

**BDO Unibank, Inc.
Milan Representative Office**

Piazza del Duomo 17
20121 Milan, Italy
+39 351 953-6208

**BDO Unibank, Inc.
Paris Representative Office**

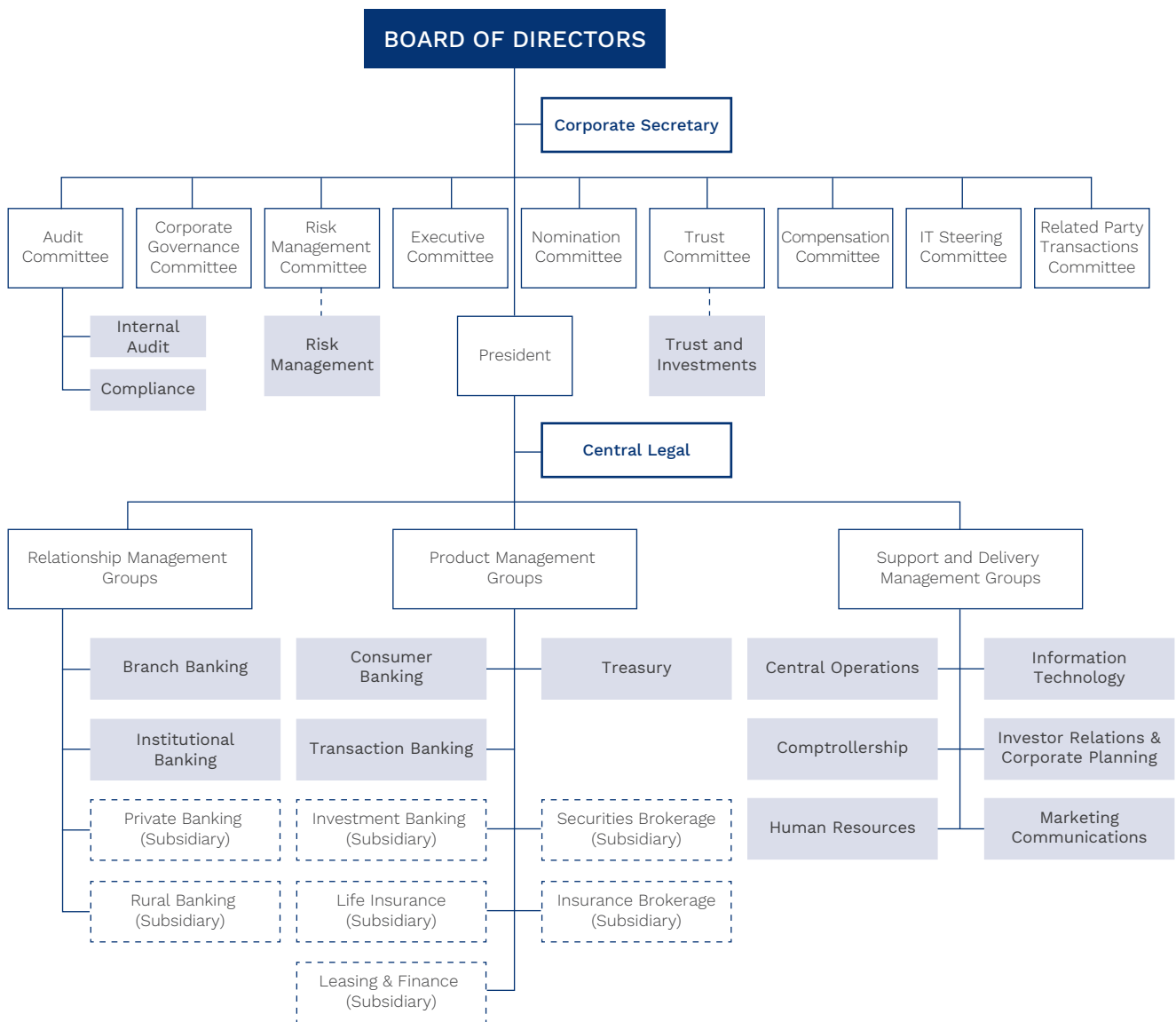
76/78 Avenue
des Champs-Elysees
75008 Paris, France
+33 (1) 5659-7650

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

George T. Barcelon
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

Executive Vice Presidents

Stella L.
Cabalatungan*
Julie Y. Chua
Gerard Lee B. Co
Lucy C. Dy
Eduardo V. Francisco*
Jesus Antonio S.
Itchon*
Jeanette S. Javellana
Ma. Corazon A.
Mallillin
Dalmacio D. Martin
Ricardo V. Martin
Luis S. Reyes, Jr.
Edwin Romualdo G.
Reyes
Cecilia Luz L. Tan
Evelyn L. Villanueva
Albert S. Yeo*

Senior Vice Presidents

Noel L. Andrada*
Maria Carina S.
Antonio
Rafael G. Ayuste, Jr.
Ferdinand C.
Bacungan
Melanie S. Belen
Maria Carla Josefa G.
Campos

Edmund S. Chan
Romeo R.M. Co, Jr.
Jonathan T. Cua*
Ramon S. David
Montiel H. Delos
Santos
Geronimo D. Diaz
Noel D. Dizon
Gwyneth M. Entao
Belinda C. Fernandez
Andre M. Flores
Gina Marie C. Galita
Geneva T. Gloria
Jonathan Cua Bian T.
Go II
Alvin C. Go
Marilyn K. Go
Sonia Maribel D. Go*
Frederic Mark S.
Gomez
Richard Emil R. Grau*
Lazaro Jerome C.
Guevarra*
Enrico R. Hernandez
Geraldine C. Liggayu
Gabriel U. Lim*
Juan Sabino P.
Lizares*
Joseph Rhoderick B.
Lledo
Manuel Z. Locsin, Jr.
Rhodora M. Lugay*
Jose Paolo Enrique A.
Magpale
Roy Allan V. Magturo
Manuel Patricio C.
Malabanan
Angelita C. Manulat
Edgardo R. Marcelo, Jr.
Jose Noel M.
Mendoza*
Tomas Victor A.
Mendoza
Ramon T. Militar*

Aurea Imelda S.
Montejo
Jaime M. Nasol
Carlo B. Nazareno
Annie H. Ngo**
Cristina G. Ngo
Frederico Rafael D.
Ocampo
Estrellita V. Ong
Maria Rhoda B.
Orsolino
Jose Alfredo G.
Pascual
Antonio O. Peña
Rogel A. Raya
Maria Nannette R.
Regala
Susan Audrey P.
Rivera
Evelyn C. Salagubang
Cerwina Elenore A.
Santos
Roberto Ramon L.
Santos
Ma. Theresa S. Simbul
Paul J. Siy
Howard Lincoln D. Son
Noel B. Sugay
Robert W. Sy
Edwin R. Tajanlangit
Christopher Raymund
P. Tan
Maria Theresa L. Tan*
Federico P. Tancongo
Reynaldo A.
Tanjangco, Jr.
Edna R. Tarroza
Dante R. Tinga, Jr.
Agnes C. Tuason
Myla R. Untalan

First Vice Presidents

Donabel R. Aala
Jeffrey R. Abacan
Maria Lourdes P. Abellar
Edna C. Agajan
Jocelyn D. Agas
Rachel T. Alferez
Dulce Amor E. Alimbuyuguen*
Carlos S. Alindogan
Milagros R. Alindogan
Jose Virgilio O. Alvarez
Leticia L. Ang Ley
Stanley A. Ang*
Apolinario E. Aquino
Roland P. Arcadio
Rowena P. Asistores
Onofre D. Avellanosa
Maria Cecilia M. Avila
Janet B. Bagnes
Pedro C. Bautista, Jr.
Jose Luis F. Bautista
Lilli Ann D. Bautista**
Barbara May M. Billano*
Ismael C. Billena, Jr.
Manuel Patricio J. Bondad
Ernesto F. Borlado, Jr.
Adelo C. Brabante
Maria Eleanor B. Briones
Rolino C. Bucao, Jr.
Mary Grace R. Caguioa
Michael R. Cahigas*
Franchette C. Cardona*
Jose Rene C. Carlos*
Maria Judith L. Castillo*
Aurora M. Castro
Regina G. Caynap
Susie S. Cham
Leandro M. Chan, Jr.

Francis L. Chiu
Abigail Kathryn L. Chiu*
Arlene Y. Chong
Albert N. Chu
Aileen R. Chua
Edwin L. Chua
Keith H. Chua
Ruby A. Chua
Salva Fe S. Cirilos
Giovanni Cornelius D. Co
Luisa J. Co
Sonia C. Co
Ma. Cristina Barbara V. Concepcion
Maria Cristina P. Cordero
Rosario C. Crisostomo*
Edna Christine P. Cruz
Lolita L. Damasco
Cesario C. Dayego
Iris Suzanne F. De Guzman
Ma. Cecilia B. De Paz*
Amaneci Grace R. De Silva
Priscilla R. De Villa
Lamberto B. Del Fonso, Jr.
Ma. Victoria F. Dela Cruz
Mario A. Deriquito*
Marie Francesca D. Diaz*
Rolando L. Dillague
Pollyanna B. Diokno*
Angela Veronica M. Dulalia
Maria Fe H. Dy
Rolando A. Embrador
Armina C. Empeño
Joel M. Escala
Marie Celeste L. Esma
Elizabeth G. Estrada**

Felicisimo G. Falcon, Jr.
Marirose A. Fernando
Bernard M. Florencio
Caroline H. Garcia
Cheryll B. Gaviño*
Sarah Kathryn T. Geronimo
Katherine L. Go
Yolanda M. Go
Renato S. Gongora
Maria Carmela M. Guerrero
Bremel Peter R. Guiao
Joyleen Vivienne O. Ho
Lily C. Huang
Jasper M. Jimenez*
Anabelle F. Kabigting
Ernesto L. Ladrado IV
Cirila S. Lao
Grace G. Lastimosa
Rojelim C. Lauron
John Angelo T. Limcangco
John Emmanuel M. Lizares
Peter S. Lo, Jr.
Hannah Regina H. Lopez
Michael Christopher B. Lualhati
Gertrudes J. Lumain
Francis Jay T. Magboo
Maria Dolores P. Magsalin
Ronald M. Manalastas
Jesus A. Mañego, Jr.
Elena D. Mariano
Rosano B. Marpuri
Thelma D. Mazo
Abigail P. Melicor
Proceso Z. Mendoza, Jr.
Maria Paz L. Mendoza
Anthony R. Milan
Edelwina Victoria E. Millan

Dalisay S. Molas*
Mary Ann C. Muñoz
Francis Jay F. Nacino*
Sarah Jessica M. Navarro
Glenn Birch G. Ong
Sophia O. Ong
Arnaldo Emerito E. Palad
Irmira R. Pantanosas
Eva M. Paz
Yolanda A. Pilapil
Cyrus M. Polloso
Jose Eduardo A. Quimpo II*
Alberto O. Quiogue*
Maria Teresa (Marisa) M. Quiogue
Edlyn L. Quiroz*
Eduardo C. Ramos
Gilbert P. Ramos
Jonathan L. Ravelas
Concepcion G. Reyes
Rose Mary T. Reyes
Gerardo Clemente C. Rivera*
Maritess D. Rivera
Lily T. Roxas
Luisito S. Salazar
Rosana R. Salcedo
Bernard Q. Santos
Ma. Cecilia S. Santos
Roberto P. Sarile
Mary Lou D. Son Keng Po
Ma. Theresa M. Soriano*
Evelyn K. Sy*
Lorelei Lorraine L. Sy
Angelita C. Tad-Y*
Jaime A. Talingdan*
Divina N. Tan
Judy C. Tan**
Marites L. Tan
Richard R. Tan
Dennis M. Tangonan

Jennifer M. Tantan
 Brenda S. Taruc*
 Steven C. Te
 Alice O. Teh
 Ken Arthur J.
 Tiambeng
 Marvin I. Tiburcio
 Marilyn G. Tin
 Ma. Rosita J. Tinio
 Frederick N. Tiu*
 Robert John R.
 Tolentino
 Ramon Antonio C.
 Torres
 Cosme S. Trinidad, Jr.
 Bernhard Aloysius G.
 Tsai*
 Arlene Marie H. Uson*
 Maria Dolores C.
 Uyliapco
 Blandina Uvyhilda B.
 Vicente*
 Sharon Mae S.
 Vicente*
 Noemi T. Villanueva*
 Mary Lou B. Villarba
 Dandy T. Yap
 Joy T. Yap
 Margaret L. Yu
 Beatriz Y. Zalazar*

Vice Presidents

Virginia N. Abad
 Sharon T. Abalos
 Kara Q. Abrogar
 Irma I. Acayan
 Ana Marie R. Acuña
 Joel B. Adriano
 Editha Marnette I.
 Agoncillo*
 Niccolo N. Aguirre
 John Edward F.
 Alabastro
 Nadine Anne R.
 Alapan

Maria Angelina Victoria
 Salome A. Albert
 Mary Ann L. Alcalde
 Edgardo L. Alcaraz
 Nena G. Alonzo
 Marla G. Alvarez
 Patricia Lei S. Alvarillo
 Ana Marie M. Amaya
 Janet D. Amora*
 Jose Joel S. Andres
 Jeane K. Ang
 Jeffrey O. Ang
 Jocelyn A. Ang
 Mary Ann Q. Ang
 Allan T. Antonio
 Alvin V. Antonio
 Editha M. Apacible
 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
 Maria Estelita H.
 Balatbat**
 Lear B. Baldostamon*
 Emiliano P. Balignasa, Jr.
 Mark Joseph A.
 Bantigue
 Olivia A. Barcarse
 Daisy D. Basco
 Edgar C. Basconcillo
 Ma. Judith V. Bautista
 Rodora V. Bautista
 Rose R. Beltran
 Clarissa V. Bereña
 Maria Venus F. Bohn
 Josephine Anne N.
 Bongat
 Mary Jean T. Borbe

Lelisa R. Bouazzi
 Marc Dominique M.
 Brion
 Ma. Eloisa S. Britanico
 Conrado T.
 Buenaventura VI
 Mary Josephine C.
 Buencamino
 Julius O. Buendia
 Lydia Rosa T.
 Cabañero
 Norberto Robert S.
 Cabañero*
 Benilda G. Cabardo
 Marisa Alice S.
 Cabazor
 Bernardito D.
 Caburnay
 Gerardo O. Calvelo
 Emmanuel A. Camua
 Maria Carla D. Cancio
 Argeo B. Cantillana
 Salvador Federico J.
 Carlota, Jr.
 Maria Corazon N.
 Casanova
 Katrina Ryan R.
 Castellano
 Natalie P. Castro
 Ma. Fatima C.
 Catambacan
 Lucila R. Celestino*
 Rhodora D. Cenizal
 Eileen R. Cerezo**
 Pamela Lourdes T.
 Cervantes
 Caroly Y. Chan
 Ramon A. Chan
 Rossana C. Chan*
 Vennice Veronica S.
 Chavez
 Jeanne K. Ching
 Ronell C. Chiong
 Catherine S. Choa*
 Christine T. Chow

Abigail-Sarena T. Chua
 Alona S. Chua
 Joana 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
 Dan Ross D. Comia
 Rita V. Coronel
 Dennis L. Crisostomo
 Irva Monica L. Cruz
 Letty T. Cu
 Jerry S. Cureg
 Maria Rowena B.
 Cuvin
 Carmelita C. David
 Emil D. De Guzman
 Aldwin Martin L.
 De Jesus*
 Romeo Josef G.
 de la Cruz
 Ma. Rita K. De La Vega
 Lea C. De Leon
 Ronald Allan E.
 De Leon*
 Celine Therese Y.
 de los Santos
 Vicente A. De
 Ocampo III
 German C. De Ocampo
 Teresita Q.
 De Ocampo*
 Anna Patricia A. Dee*
 Ma. Teresita M.
 Del Mundo
 Maria Teresa A.
 Del Pinal
 Mamerto B.
 Del Rosario
 Joy Kerwin U.
 Dela Cruz*

Mary Ann G. Dela Cruz	Rommel S. Gomez	Augusto S. Lopez	Michael G. Munsayac
Liezel Y. Diño	Ma. Gloria G. Gonzales	Lawrence Lou	Mercedita J. Nablo**
Albert Dizon	Patricia Ann F.	Teresa L. Lozada	Lucila R. Nabong
Ellie Cecilia R. Dizon	Gonzalez*	Maripaz A. Luague	Edgar T. Namoc
Ma. Eliza Cristina G.	Grace M. Granatin	Gemma Theresa A.	Jean V. New
Dolina	Elena O. Guevara	Lustre	Maria Aleli P. Nievera
Cezar G. Domingo	Neil S. Guimmayen	Sheryll O. Luy	Ramon Edilberto R.
Eileen May E.	Betty P. Gumatay	Prima R. Madrelejos	Nonato*
Domingo	Ian Raphael G. Gutierrez	Peter Louie G.	Cynthia T. Nopia
Jason Rex F. Drilon	Miguel Antonio M.	Magdame	Deborrah Marie G.
Leila D. Dumlao	Hernando	Vivian D. Malonjao	Ocampo
Francis Dennis R.	Charles Bryan S. Ho	Lilia N. Manalang**	Jose V. Onda
Dungo	Rowena W. Hodin	Jesus Carlo M.	Dennis H. Ong
Candy U. Dy*	Romeo O. Ibo	Manalo	Rosalina G. Ong
Francis Javier P.	Camille Zinna S. Idea	Maria Victoria H.	Mark Anthony M.
Ejercito	Francis S. Jacinto	Manotok	Orendain
Girlie Melani A.	Marietta M. Jamilla	Maria Lourdes S.	Christy K. Ortega*
Enriquez	Zerlita Esperanza Z.	Maraingan*	Rossana Leonora H.
Rolando C. Eriga	Jandoc	Ma. Theresa H.	Ortiz
Maria Socorro Y.	Monina M. Jao	Maramba	Ruth J. Pagilagan
Escario	Mariann Camille M.	Joseph Y. Marcelo	Edward Palamos
Earl L. Espinosa	Javellana	Marie Antoniette E.	Raymund V. Pamittan
Jeanette M. Espinosa	Maria Agnes E.	Mariano	Catalina E. Papa
Rosemarie M.	Jazmines	Jose Alexis B.	Maria Rozelle A.
Espinosa*	Frieda Concepcion T.	Marquez	Papasin
Agnes H. Espiritu	Jimenez*	Lizza R. Marquez	Ma. Alma Ruth M.
Imelda S. Espiritu	Ma. Karla F. Kallos	Ma. Paz Gladina B.	Paraiso
Marilou M. Espiritu*	Lorybel V. Katigbak	Marquez	Rommel L. Parong
Nancy T. Estrada	Ma. Elvira M. Lacaba	Myra A. Marquez	Raymund Gerard T.
Maria Vilma D.	Emma M. Lacsamana	Michael Geronimo G.	Pastor
Fabian*	Belle D. Lamug	Martin*	German H. Penales
Ronaldo J. Fabian	Michele Y. Lao*	Martin Paolo L. Marty	Jocelyn A. Peralta
Alma P. Fausto	Rainelda R. Lastimosa	Sheila L. Masiclat	Divina D. Perez
Grace C. Figueroa	Jeromy T. Lastino	Ariel T. Melo	Roman M. Perez
Ireene Claire C. Flores	Rhoda D. Lazaro	Aloysius D. Mendoza	Toriven R. Piano
Patricia L. Forbes	Avelino F. Lazona, Jr.**	Raymund V. Mendoza	Jason L. Pinto
Jennette T. Gallenero	Edith T. Lee**	Virlane S. Mendoza	Roderico A. Posadas
Trina Marie S. Gamu	Nanny G. Lee	Jocelyn S. Mereria	Mildred F. Protesta
John Bernard D.	Michelette S. Legaspi	Michael Anthony A.	Cynthia A. Puno
Garcia	Felicitas S. Leonor	Meresen	Laurice C. Quiambao**
Rossana V. Garcia	Karen C. Lim*	Juan Nemesio V.	Marieflor A. Quirim
Suzette L. Garcia	Lilian Leslie T. Lim	Miraflor III	Dina U. Ramos
Ramon Alberto B.	Roderick L. Lim*	Jose Marlo Jude A.	Lorna S. Rayat
Gatmaytan	Rosita C. Lim	Moises	Rosario D. Raymundo
Angeline Grace T. Go	Francisco Gerardo C.	Liza M. Montajes	Charisse B. Recto**
Enrique Jose Y.	Llamas	Francis Ali B. Morales	
Godinez	Jocelyn Ann G. Lo	Rolin P. Morcillo*	
	Henares		

Paul Richard P. Regondola	Leopoldo T. San Juan Quirino C. Santiago	Ma. Estrellita S. Soriano	Melissa F. Tong Evelyn F. Torres
Raoul L. Reniedo	Erlinda C. Santos	Joel S. Sta. Ana	Jay P. Torres
Katherine U. Resari	Gerard R. Santos	Geraldine I. Suarez	Jose Anton A. Torres
Marie D. Retuya	Jennifer B. Santos	Justin Marco H. Sunico	Zenaida A. Triunfante**
Christopher D. Reyes	John Benedict S. Santos*	Dorilyn A. Sy**	Warren N. Ty
Leo Nathaniel M. Reyes	Marie Anne C. Santos	Richard S. Sy	Jeffrey S. Uy
Ma. Ana Elena R. Reyes	Patrick Peter R. Santos	Dean Arvin D. Tabanao	Sherwin G. Uy
Myra A. Reyes	Maria Lourdes M. Sevilla*	Aeleen E. Tan	Theresa S. Uykieng
Ray R. Reyes	Khristine M. Siayngco	Brecilda G. Tan	Anson L. Villaluz
Albert Henry G. Rios	Gerald Jose O. Silva	Catherine C. Tan**	Louis Cesar C. Villanueva
Maria Asuncion R. Rivamonte	Beverly Melanie T. Sim	Grace C. Tan	Ma. Patricia F. Villareal
Anthony B. Rivera	Yvette Rhodora A. Siongco	Jose Maria Angel Y. Tanjuatco	Ma. Rebecca S. Villegas
Joseph Rey M. Rivera	Marirose G. Sioson	Aimee Kathleen T. Tann	Ma. Amalia Lourdes D. Villenas
Edna T. Rogando	Ma. Christina P. Sistelo	Amy T. Te	Raul B. Vivas
Marissa A. Romero	Jennifer F. So*	Myrna O. Tee	Richard O. Wenceslao
Maria Martha B. Roxas	Ma. Corazon H. Socorro	Rowena D. Temporal	Carolyn Ann Y. Yao
Emil Y. Ruiz	Changsoo Sohn	Amylen C. Teo	Belinda Rose S. Yap*
Jocelyn G. Sa-A*	Katrina Tanya P. Soncuya	Joel Eric R. Tesoro	Joel T. Yee
Cynthia Sadang	Gerardo C. Soriano	Esmeraldo S. Tiburcio	Margaret C. Young
Evangelina G. Salgado		Eric Noel D. Tiongquico	Avery U. Yu*
Paulo Ysmael T. Salome		Margarita M. Tobias	Shakira C. Yu
Prescy A. Samson		Marcelino S. Tolosa, Jr.	Jennifer A. Zoleta
			Nichola Marie Zosa

Senior Credit Executives

Antonio N. Cotoco, Guia C. Lim, Nilo L. Pacheco, Jr., Mario B. Palou, Edmundo S. Soriano

* Seconded to a BDO subsidiary or affiliate.

** No longer with the Bank as of March 31, 2021.

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 to 12
Facsimile: +63 (2) 8403-2414

The Bank will provide, without charge, a copy of the 2020 Annual Report and Financial Statements to its stockholders upon receipt of a written request addressed to the Corporate Secretary.

BDO Corporate Secretary

21/F BDO Towers Valero
8741 Paseo de Roxas
Salcedo Village
Makati City 1226
Philippines
Telephone: +63 (2) 8840-7000 local 37610
Email: corporate_secretary@bdo.com.ph

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

4/F South Tower
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Email: irandcorplan@bdo.com.ph



The 2020 Annual Report and the Financial Supplements can be viewed and downloaded online at www.bdo.com.ph/company-disclosures/annual-reports. The 2020 Sustainability Report can be viewed and downloaded online at www.bdo.com.ph/company-disclosures/sustainability-report.

BDO