



Finding ways

2018 ANNUAL REPORT



2018 ANNUAL REPORT



In Memoriam

Henry was a gifted visionary and an inspiring leader who played a significant role in shaping Filipino commerce. His was a life of extraordinary achievement and charity. We will miss him.

Henry Sy, Sr.

1924-2019

Henry was a man of tremendous ambition, insight, and generosity. His legacy will endure in the culture of the enterprises that he created and in the lives of the many that he touched. We honor his achievements and contributions in the service of our country and our company.

At a young age, he migrated to the Philippines to help with his father's neighborhood store in Manila. When the store was destroyed during World War II, Henry helped his family survive by selling imported shoes, a business that he ultimately expanded into ShoeMart, which later evolved into the SM Group of Companies. Widely considered as the "Father of Philippine Retail", Henry went on to build a retail empire, introducing the concept of the one-stop shop through novel combinations of retail outlets such as groceries, department stores, arcades, and services.

Henry's business empire grew as he ventured into real estate development and then banking, ultimately creating SM Investments, which today includes SM Retail, the operator of the nation's largest supermarket and department store chain; SM Prime Holdings, the largest shopping mall operator and property developer; and BDO Unibank, the nation's largest bank.

An incredibly steadfast entrepreneur, Henry was uninhibited by our nation's various challenges, building his legacy against the backdrop of political changes and economic downturns, most notably the Philippine debt restructuring of 1983 and the Asian financial crisis of 1997-1998.

Throughout his professional life, Henry was also a generous philanthropist. He was a significant donor to charitable causes, allotting millions of pesos each year to finance school buildings and giving college scholarships to thousands of underprivileged Filipino youth. To this day, SM Foundation provides funds for health care centers, medical missions, disaster response, and farmers' training in the Philippines.

Henry was a gifted visionary and an inspiring leader who played a significant role in shaping Filipino commerce. His was a life of extraordinary achievement and charity. We will miss him.

Table of Contents

07	Corporate Profile <ul style="list-style-type: none">Corporate MissionCorporate VisionCore Values	73	Corporate Social Responsibility
08	Message from the Chairperson	85	Financial Statements <ul style="list-style-type: none">Statement of Management's Responsibility for Financial StatementsStatements of Financial PositionStatements of Income
10	Q&A with Nestor V. Tan, President & CEO	88	Products and Services
14	2018 at a Glance	89	Awards and Recognition
16	Financial Highlights	93	BDO Group of Companies
18	Market Overview	96	Organizational Structure
20	Our Strategy	97	Board and Management Directory
23	Risk Management	102	Corporate Information
26	2018 Performance <ul style="list-style-type: none">Report on Operations		
39	Corporate Governance		
49	Board of Directors		

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 Leasing and Financing, Investment Banking, Private Banking, 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. 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 more than 1,300 operating branches and over 4,000 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, 2018, 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, accounting, finance, law, risk management, and retailing/marketing.

BDO is a publicly listed company (PLC), with its shares currently being traded at the Philippine Stock Exchange under the symbol "BDO".

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.



Message from the Chairperson

We made good progress toward becoming our clients' preferred full-service bank and financial services company in every market that we serve.

Dear Fellow Shareholders,

On behalf of your Board of Directors, it is my pleasure to report that BDO continued to create long-term shareholder value in 2018. We made good progress toward becoming our clients' preferred full-service bank and financial services company in every market that we serve.

We executed well on key strategic initiatives, broadening our market coverage in both urban and provincial areas, while continuing to invest in our digital capabilities. As a result, net income expanded to P32.7 billion on strong growth across various business segments. We also continued to lead the industry with P3.0 trillion in assets, P2.0 trillion in loans, P2.4 trillion in deposits, P328 billion in capital, and over P1.1 trillion in trust assets under management.

We strongly believe that BDO's reputation is a direct result of the culture fostered at the Board level. Comprised largely of professional and independent directors who are highly distinguished individuals with a diverse base of knowledge and experience, our Board of Directors has contributed greatly to setting the strategic direction of the organization while firmly upholding the principles of strong and effective governance. Our Board is committed to implementing the best practices in corporate governance as it works towards the delivery of long term shareholder value.

Moving forward, we will continue to strengthen the BDO franchise through branch expansion and additional market coverage. We will also continue to create value via strategic initiatives aimed at financial inclusion, enhanced product and service capabilities, and an agile and secure digital platform. We remain committed to cultivating customer relationships centered on highly differentiated solutions as we pursue the vision to "become the preferred bank in every market we serve".

I am sincerely grateful to our management team and to all of our employees for their tireless dedication to serving our customers, as well as their unwavering commitment to our vision.

Yours truly,

A handwritten signature in black ink, appearing to read "Teresita T. Sy", written over a horizontal line.

Teresita T. Sy
Chairperson



Q&A with Nestor V. Tan, President and Chief Executive Officer

We will continue to go after the underserved and unserved markets. We want more Filipinos to enjoy the benefits of banking and to achieve that, we will bring the Bank to their communities.

Q: How did market conditions influence performance?

A: Generally, the market environment was less favorable in 2018 than in 2017, as external factors created difficult conditions in the Philippines and affected several of our businesses.

Over the course of 2018, the Federal Reserve of the United States raised interest rates four times as the US economy showed continuous strength. That, coupled with a spike in oil prices, the imposition of additional taxes on fuel products under the TRAIN law, and domestic supply chain problems affecting our most basic commodity, rice, created a challenging chain of events. These drove inflation beyond target levels that the Bangko Sentral ng Pilipinas (BSP) had to raise key policy rates by 175 basis points to 4.75%. Market liquidity tightened, resulting in a rise in funding costs and creating a temporary squeeze in interest rate spreads. Investment and capital markets activity including the stock market slowed down partly, aggravated by the rise in time deposit rates.

We therefore experienced difficulties in our wealth management businesses as growth in assets under management decelerated, our life insurance business was affected by the decline in value of BDO Life's investment portfolio, and BDO Capital as deal flows slowed down.

Additionally, legislative changes affected the salary loan business that set back our growth plans at ONB.

Q: Did execution in 2018 meet your expectations?

A: From a financial standpoint, I would say yes. We posted a record net income of P32.7 billion, which increased 17% compared to last year and exceeded our guidance of P31 billion.

While some businesses of the Bank faced challenges in 2018 from market volatility and higher interest rates, these were more than offset by the strong performance of our core lending and deposit-taking businesses.

In terms of the achievement of strategic milestones, I would say, generally, yes. The strategic initiatives launched by our various businesses were generally on track, from branch deployment, to the rollout of our MSME sites, to the increased coverage of branches with Financial Advisors for life insurance.

For our information technology initiatives, I feel we could have done better. We have put in place digital enhancements and upgrades to improve our service and make us more agile. It always feels like we are not doing it fast enough or managing it tightly enough.

Compared to the rest of the industry, we outpaced our competitors in most measures, from balance sheet growth to profitability to asset quality ratios. We maintained our market-leading position in most of our businesses, and we continue to grow our market share as we expand to new markets.

BDO was also named the most reputable bank in the Philippines in a 2018 corporate reputation study released by Kantar TNS, one of the world's largest research agencies. The quantitative study compared numerous Philippine banks in terms of overall reputation, favorability, trust, success, and product and service quality. We are honored to receive such a significant accolade, a direct reflection of BDO's relentless pursuit of standard-setting, client-centric service.

Overall, I am very happy with the Bank's achievements in 2018 and I commend our management team and all of our employees for their dedication and hard work.

Q: What key initiatives did BDO undertake in 2018 to create long-term value for its stakeholders?

A: Our way of creating long-term value for our stakeholders is two-fold: by continuing to grow and strengthen our existing franchise, and by investing in new businesses and capabilities to expand our reach.

Our strategy of growing the bank's businesses is hinged on good quality growth. We delivered a 15% expansion in gross customer loans, led by our middle market and consumer lending segments. This was complemented by the double-digit ADB growth in CASA deposits, resulting in an expansion in our net interest margin and a 20% growth in net interest income, which is the highest among our peers.

We want to reach out to the broader banking public, and to achieve that, we opened 128 branches and banking offices throughout the country. We extended our reach to the underserved through ONB's MSME initiatives, so that small businesses can have access to formal credit sources. We also created a direct sales force aimed at improving financial inclusion by providing deposit pick-up and cash management services to SMEs.

To ensure the consistent delivery of quality services to our clients, we also invested in our digital infrastructure and capability. We complemented our physical branches with upgraded mobile and online banking services, enhanced our cyber resiliency, and developed a multi-year plan to move our operational capabilities to the next generation architecture.

Q: What lessons did you learn in 2018 and how will you apply those strategically?

A: First, we should never underestimate the vulnerability of a small economy like the Philippines to outside developments, which may or may not be economic in nature. Second, legislative changes can have a profound effect on any business, almost immediately, as was the case in our salary loan business. Therefore, it raises the importance of our strategic objective of building a portfolio of strong businesses that can diversify our income sources. We need to build resiliency in the long-term sustainability of our operating profits.

Q: What's next for BDO?

A: For 2019, it will be more of the same, a continuation of the initiatives we started the last year or two.

We will continue to go after the underserved and unserved markets. We want more Filipinos to enjoy the benefits of banking and to achieve that, we will bring the Bank to their communities.

We will also continue to invest in life insurance. This is part of our commitment to customers to serve their varying financial needs, and to protect them and their assets against the unplanned. Given the rising affluence of Filipinos, we also expect this to be a new growth area in the coming years.

Lastly, we will invest in and build business enablers that will provide us with the necessary competitive advantage to prepare us for new competitors, whether banks or non-banking institutions.

Q: What are you doing to cope with changes in banking and to sustain BDO's relevance in the future?

A: I often say, "What got us here will not get us there." We need to be agile and be able to keep pace with changing market and customer needs, wants, and lifestyles. We need to invest in technology and analytics to better understand and serve customers. We will continue with our financial inclusion initiative by going to new markets and expanding our network. We will establish partnerships where warranted. We will strive to achieve best-in-class delivery capability in all products offered to all segments of customers we serve.

2018 at a Glance

First Philippine bank to reach

₱3 trillion

Total Assets

₱32.7 billion

All-time-high Net Income

-
- #1
- Total Resources
 - Gross Customer Loans
 - Total Deposits
 - Assets Under Management
 - Remittances
 - Credit Cards
-

Largest distribution network

129

New Branches and Banking Offices

1,309

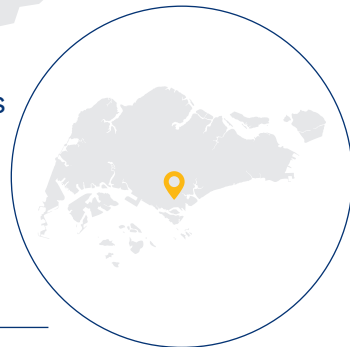
Total Branches and Banking Offices

4,325

ATMs

Foreign branch network:

Singapore and
Hong Kong



Awards and Recognition

Best Bank in the Philippines

Alpha Southeast Asia 12th Annual
Best Financial Institution Awards

Euromoney Awards for
Excellence 2018

FinanceAsia 2018 Country Awards

Strongest Bank in the Philippines

The Asian Banker Strongest Banks
by Balance Sheet 2018

Best Investment Bank

Alpha Southeast Asia 12th Annual
Best Financial Institution Awards

Global Finance World's Best
Bank Awards

Best Private Bank in the Philippines

Asian Private Banker Awards for
Distinction 2018

FinanceAsia 2018 Country Awards

Global Finance Best Private Bank
Awards 2018

The Asset Triple A Private Banking,
Wealth Management, Investment
and ETF Awards 2018

Alpha Southeast Asia 12th Annual
Best Financial Institution Awards

#1072 on 2000 World's Largest
Public Companies List

#24 on 500 World's Best
Employers List

#140 on 250 World's Best
Regarded Companies List

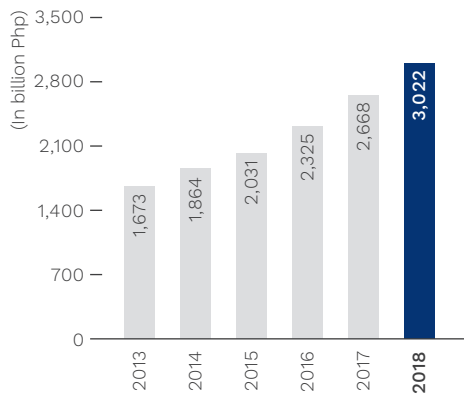
2018 Forbes Global 2000

Corporate Social Responsibility Program of the Year (Gold Award)

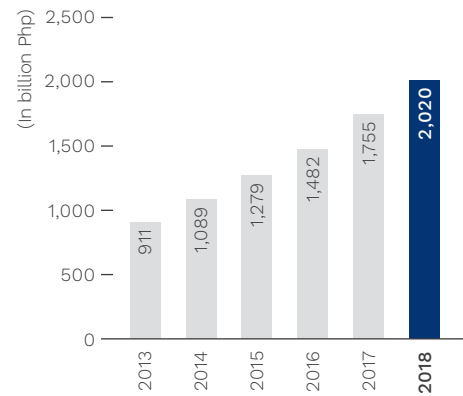
Asian Banking & Finance Retail
Banking Awards 2018

Financial Highlights

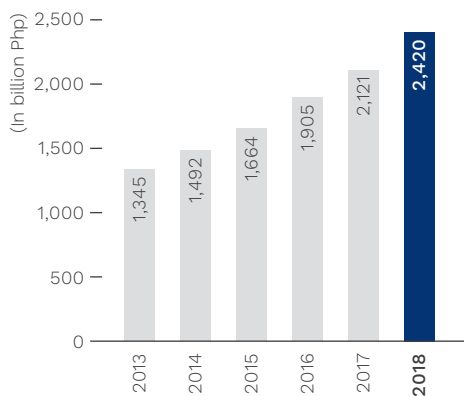
RESOURCES



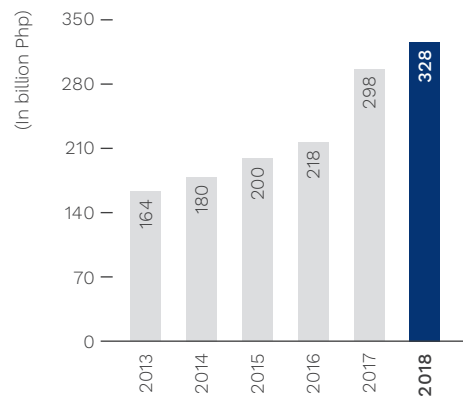
GROSS CUSTOMER LOANS



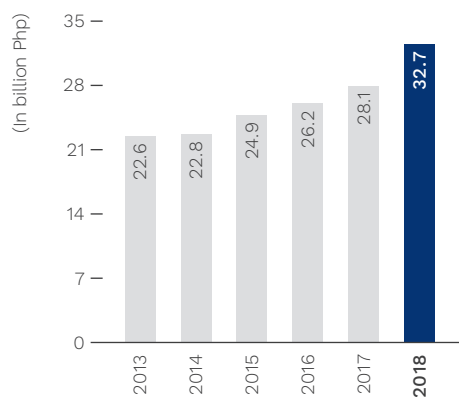
DEPOSIT LIABILITIES



CAPITAL FUNDS



NET INCOME*



* attributable to shareholders of the parent bank

Financial & Operating Highlights

	Consolidated			Parent Bank		
	2018	2017	Change	2018	2017	Change
BALANCE SHEET (in billion Php)						
Resources	3,022.2	2,668.1	13%	2,891.8	2,524.6	15%
Trading and Investment Securities	385.2	332.9	16%	304.3	258.2	18%
Liquid Assets	919.6	842.7	9%	825.8	736.4	12%
Gross Customer Loans	2,020.1	1,754.9	15%	1,966.5	1,700.9	16%
Deposits	2,420.0	2,121.0	14%	2,362.3	2,045.3	15%
Equity ¹	328.1	298.3	10%	327.6	297.7	10%
INCOME STATEMENT (in billion Php)						
Net Interest Income	98.3	81.8	20%	93.9	77.4	21%
Non-Interest Income	49.7	47.2	5%	35.8	33.6	7%
Gross Operating Income	148.0	129.0	15%	129.7	111.0	17%
Operating Expenses	98.0	84.9	16%	81.8	68.9	19%
Pre-provision Profit	49.9	44.1	13%	47.9	42.1	14%
Impairment Losses	6.3	6.5	-4%	5.7	5.8	-2%
Net Profit ²	32.7	28.1	17%	32.7	28.0	17%
FINANCIAL PERFORMANCE INDICATORS						
Profitability						
Return on Average Common Equity	10.7%	10.2%		10.7%	10.2%	
Return on Average Equity	10.6%	10.2%		10.6%	10.2%	
Return on Average Assets	1.1%	1.1%		1.2%	1.2%	
Margins and Liquidity						
Net Interest Margin	3.6%	3.5%		3.7%	3.5%	
Gross Customer Loans to Deposit Ratio	83.5%	82.7%		83.2%	83.2%	
Liquid Assets to Total Assets	30.4%	31.6%		28.6%	29.2%	
Cost Efficiency						
Cost to Income Ratio	66.3%	65.8%		63.1%	62.1%	
Cost to Average Assets Ratio	3.4%	3.4%		3.0%	2.9%	
Asset Quality						
NPL to Gross Customer Loans	1.0%	1.2%		0.9%	1.0%	
NPL Cover	183.1%	146.2%		198.2%	156.7%	
Capital and Leverage						
CET 1 Ratio ³	12.1%	12.9%		11.7%	12.2%	
Tier 1 Ratio ³	12.4%	13.1%		11.9%	12.4%	
Capital Adequacy Ratio ³	13.8%	14.5%		13.3%	13.8%	
Assets to Equity Ratio	9.2x	8.9x		8.8x	8.5x	
DISTRIBUTION NETWORK AND MANPOWER						
Branches	1,309	1,180	11%	1,126	1,053	7%
ATMs	4,325	4,022	8%	4,097	3,788	8%
Employees	36,387	33,747	8%	31,370	29,567	6%
SHAREHOLDER INFORMATION						
Market Value						
Share Price (in Php)	130.80	164.00	-20%			
Market Capitalization (in billion Php)	572.13	716.50	-20%			
Valuation						
Earnings per Share (in Php)	7.40	6.42	15%			
Book Value per Share (in Php)	73.67	66.91	10%			
Price-Earnings Ratio	17.7x	25.5x				
Price to Book Value Ratio	1.8x	2.5x				
Dividends						
Cash Dividends Paid to Common Shareholders (in billion Php)	5.2	5.2				
Cash Dividends per Common Share (in Php)	1.20	1.20				
Dividend Payout Ratio ⁴	15.9%	18.5%				
Dividend Yield ⁵	0.9%	0.9%				

¹ Total capital accounts, inclusive of non-controlling interest and preferred shares

² Net Income attributable to shareholders of the parent bank

³ Based on audited financial statements

⁴ Cash dividends paid during the year divided by net profit for the year

⁵ Cash dividends per common share paid during the year divided by average daily closing price for the year

Market Overview

Economic Environment

Coming from a robust 6.7% growth in 2017, the Philippine economy headed into 2018 with a strong air of optimism hinged on the expected economic benefits of the Tax Reform for Acceleration and Inclusion (TRAIN) Law implemented at the start of the year. These included funding support for the government's Build, Build, Build Program new investments and more activity due to multiplier effects, and revitalized consumption spending on reduced personal tax rates.

However, several domestic and external challenges during the year weighed on the country's performance. Foremost of these was the higher inflation resulting from the combined impact of the following:

- Surging rice prices due to a severe supply shortage;
- Successive oil price hikes on the sustained rise in international oil prices coupled with increased excise taxes on fuel (which caused knock-on effects on transport fares as well as power rates); and
- Elevated tax rates for consumer items covered by the TRAIN Law.

Thus from 3.4% in January, the inflation rate peaked at 6.7% in September and October, before slowing down to end the year at 5.1% as measures to address the rice shortage began to take effect and international oil prices began to fall. The average for the year stood at 5.2%, breaching the BSP's inflation target of 2%-4%.

Further, the BSP raised key policy rates by a total of 175 basis points to 4.75%, the highest in nine (9) years, to quell the further rise in inflation as well as prop up a weakening peso (which closed at a 13-year low of P52.72 in 2018) on pressures from the continued US Fed rate tightening as well as concerns on the country's current account deficit.

As a result, the country's economic pace moderated to 6.2% in 2018. Government spending and fixed investments drove economic growth, but this was not enough to compensate for the deceleration across-the-board. Household spending was limited by shrinking purchasing power on rising inflation, which held back the growth in retail trade (the biggest component in services). Meanwhile, real export growth decelerated at a steeper pace due to the generally sluggish global trade activity, resulting in the slowdown in manufacturing (largest contributor to industry), versus real import growth which also eased on soft domestic demand.

Coming from a robust 6.7% growth in 2017, the Philippine economy headed into 2018 with a strong air of optimism hinged on the expected economic benefits of the Tax Reform for Acceleration and Inclusion (TRAIN) Law implemented at the start of the year.

Regulatory Environment

The BSP continued the implementation of Basel III reforms in 2018 as it required banks to comply with the following: the Liquidity Coverage Ratio (LCR), which states that banks' high-quality assets must meet 90% of their obligations under normal and stressed conditions, increasing to 100% in 2019; the Leverage Ratio, which requires banks to put up at least 5% of Tier 1 capital against risk exposures; and the third and final tranche of the Domestic Systemically Important Banks (DSIB) surcharge, which takes effect by January 2019.

As well, the BSP issued the implementing guidelines on Net Stable Funding Ratio (NSFR), which mandates that bank' assets and activities must be structurally funded with long-term and more stable funding sources, and with minimum requirement at 100% beginning January 2019. The BSP also released the guidelines on the Countercyclical Capital Buffer (CCyB) which requires banks to set aside additional capital as reserves to cover potential losses arising from cyclical systemic risks. The BSP initially set the CCyB at 0%, citing no imminent risk from ongoing credit buildup.

Further, banks were required to adopt the Philippine Financial Reporting Standards 9 (PFRS9) beginning 2018, which covered among others, the classification and measurement of financial assets and liabilities, investment portfolio, and impairment methodology.

Moving forward, the BSP is expected to continue with additional macro-prudential measures and expand its financial toolkit to better monitor risks from potential overheating and ensure financial stability.

Outlook for 2019

Global economic growth is expected to decelerate in 2019 on continuing trade tensions and an extended China slowdown. Combined with the higher interest rate environment along with the uncertainty over other tax reform packages that may potentially impact on investments, the Philippine economic pace is seen to continue moderating.

Nevertheless, growth will be supported by the rebound in consumer demand on easing inflation trends and added boost from election-related spending for the mid-term elections in May, supplemented by the government's continued rollout of infrastructure projects, particularly in regions outside Metro-Manila.

Inflation is seen falling within the BSP's 2%-4% target range and should allow the BSP to keep interest rates on hold and even cut reserve requirements. The more stable market environment should benefit the banking sector in terms of sustained, albeit more tempered loan growth while asset quality is generally expected to remain benign.

Our Strategy

We are driven to empower our customers to achieve their goals.

BDO's overall strategy focuses on further building on its strong business franchise to maintain leadership positions across most business lines and strengthen its capabilities to support future growth, while nimbly responding to strategic opportunities and market challenges.

The Bank's strategy is focused on three (3) core areas, namely:

- Building a diversified and sustainable earnings stream through branch expansion, provincial lending and deposit-taking initiatives and increased fee income via cross-selling
- Creating operating leverage by setting up an operating platform to support future growth, complemented by digital strategies
- Prudently managing its balance sheet by conservatively provisioning for risk assets, complementing current funding with long-term funding sources and ensuring sufficient capital to support growth

Strategic Initiatives

BDO has extended its market reach to cover customers in the underserved/unbanked segments by expanding its product offering across multiple platforms. Microfinance loans are now accessible through One Network Bank (ONB), which has implemented a nationwide rollout of branches and loan offices to serve small businesses. BDO Life sustained its growth in insurance premiums by continually deploying Financial Advisors in BDO's growing branch network, achieving 92% coverage of BDO branches. For the emerging affluent and high net worth individuals, BDO Private Bank and BDO's Trust & Investment Group strive to create dynamic wealth plans that are appropriate for their respective clients' needs and risk appetite. For digital-savvy clients, BDO Nomura has enhanced its online trading platform to provide real-time deposit and withdrawals, real-time updating of buying power, more trading functionalities and easy access to other investment products of BDO.

Our Core Strategic Focus Areas



Among the actions taken by BDO in 2018 to advance these long-term strategies were:

Franchise expansion

Total domestic operating branches went up by 11% with 128 new branches opened. The continuing expansion in branches takes into account the low penetration of the Philippine banking market, where 70% of adults still do not have bank accounts and one third of the country's towns and municipalities do not have a banking presence. These statistics indicate that there is still a lot of ground to cover in terms of improving financial inclusion. BDO also opened a new branch in Singapore this year, which will cover the requirements of local residents as well as Singapore and Philippine corporates with cross border transactions. This brings BDO's foreign branch network to two, including the Hong Kong branch.

Increased market coverage

- ONB has expanded its coverage of micro, small and medium scale enterprises (MSME) through additional branches and loan sales offices. Aside from providing working capital loans, ONB contributes to financial inclusion by encouraging its borrowers to open deposit accounts and complementing it with deposit pick-up services and agency banking. To bolster ONB's microfinance business, ONB signed an agreement with Osmanthus Investment Holding Pte. Ltd. (Singapore), a private equity fund that targets small-mid cap companies in high growth sectors in Southeast Asia.
- Life insurance is also one of the markets with a very low penetration rate, estimated at less than 2% of GDP. To serve the growing life insurance needs of the mid-income market, BDO Life increased its Financial Advisor (FA) coverage of BDO branches to 92% as of end 2018 from 89% in 2017. This has allowed BDO Life to maintain an annual premium growth of at least 20%.
- BDO Nomura's trading platform was upgraded to be more user-friendly and interactive. Fixed income research was also launched for bond investors. BDO Nomura currently has over 200,000 accounts, derived from the Bank's wide distribution network.
- BDO Private Bank's open architecture allowed it to reach more emerging affluent and high net worth individuals. To date, BDO Private Bank is the only Philippine onshore private bank that offers wealth advisory services comparable to offshore private banks.

Strengthened digital infrastructure

These include moving more applications to the cloud, complementing physical branches with digital channels, enhancing cybersecurity and harnessing big data to gain more client insight, support cross-selling initiatives and monitor feedback for marketing programs. These are intended to make BDO agile and nimble enough to adjust to rapid shifts in consumer behavior and competition.

Targeted leadership and skills training

The Bank instills a customer-focused organization through sustained values immersion for BDO employees to internalize BDO's We Find Ways service culture, and offers developmental and training programs at all levels.

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 (BoD) which is responsible for establishing and maintaining a sound risk management system. The BoD assumes oversight over the entire risk management process and has the ultimate responsibility for all risks taken. It regularly reviews and approves the institution's tolerance for risks, as well as, its business strategy and risk philosophy.

The BoD has constituted the Risk Management Committee (RMC) as the Board-Level Committee responsible for the development and oversight of the risk management program. Considering the importance of appropriately addressing credit risk, the BoD has also constituted the Credit Committee. The Credit Committee is responsible for approving credit-specific transactions, while the RMC is responsible for approving credit portfolio risk-related policies and limits, as well as, market, liquidity, and operational risk policies and limits.

The Assets and Liabilities Committee (ALCO), 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, ALCO 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 (RMG), which reports to the RMC, is mandated to adequately and consistently evaluate, manage, control, and monitor the overall risk profile of the Bank's activities across the different risk areas (i.e., credit, market, liquidity, and operational risks including IT risk and information security risk) to optimize the risk-reward balance and maximize return on capital, in line with the Bank's risk management mission. RMG also has responsibility for recommending to the appropriate body, risk policies across the full range of risks to which the Bank is exposed.

Risk Oversight Framework



Areas of Oversight

- Credit Risk
- Market Risk
- Interest Rate Risk
- Liquidity Risk
- Operational Risk

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.



2018 Performance

The year 2018 was a record year for BDO, as we achieved new milestones while creating value for our stakeholders. We were able to achieve record profits while maintaining our market-leading positions in our major business lines.

We reported an all-time-high net income of P32.7 billion in 2018 on strong growth across all business segments, exceeding the Bank's earnings guidance, and marking a 17% rise year-on-year. Excluding consolidation effects of our investments in the life insurance and ONB businesses, this represented a strong 21% jump in core earnings on the back of solid growth in loans, low-cost deposits and fee-income.

Customer loans rose by 15% to P2.0 trillion on broad-based increases across all loan segments, while total deposits went up by 14% to P2.4 trillion, led by the sustained growth in low-cost CASA deposits (comprising 70% of total deposits). As a result, net interest income rose by 20% to P98.3 billion.

Non-interest income contributed P49.7 billion, higher by 5%, with fee-based income accounting for P30.7 billion for a 6% expansion. Insurance premiums went up by 20% which compensated for the expected 44% decline in trading and forex gains given the rising interest rate and depreciating peso environment. Overall, gross operating income advanced by 15% to P148.0 billion.

Meanwhile, operating expenses rose by 16% to P98.0 billion. The taxes and licenses component of operating expenses grew by 41% as a result of higher business volumes and increased documentary stamp taxes (DST) under TRAIN. Excluding these, operating expenses would have grown by only 13%, reflecting BDO's continuing investments in its branch network and strategic initiatives. In 2018, BDO including One Network Bank (ONB) opened 128 new domestic branches, and 1 new foreign branch in Singapore to bring total operating branches to 1,309.

The Bank set aside provisions amounting to P6.3 billion to cover required provisioning associated with the change in loan loss methodology to Expected Credit Losses (ECL) related to BSP Circular 855 and PFRS9. Gross non-performing loan (NPL) ratio improved to 1.0% from 1.2%, while NPL cover rose to 183% from 146% in 2017.

The Bank's capital base stood at P328.1 billion, with Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) ratio at 13.8% and 12.1%, respectively, both well above regulatory levels.

Looking to 2019, BDO believes that it is well positioned to benefit from growth opportunities related to the country's favorable demographics and the government's infrastructure build-up.

2018 Record-Breaking Achievements

₱32.7 billion

Net Income

₱3 trillion

Total Assets

₱2 trillion

Gross Customer Loans

1,309

Total Operating Branches

₱328.1 billion

Capital Base

Report on Operations

BDO provides a full range of banking products and services, including lending, deposit-taking, cash management and treasury, under the BDO Unibank brand and its subsidiaries.

Commercial Banking

Business Lending

While the momentum of the country's growth tempered somewhat compared to 2017, the Institutional Banking Group (IBG) posted a 19% year-over-year increase in loan ADB (Average Daily Balance). Business activity among large and small to medium sized enterprises was strong, as was the appetite for real estate and construction loans. Strong growth was seen from clients in tourism, utilities and infrastructure, agriculture, real estate, and retail trade.

IBG expanded its market reach by creating more teams, adding more talent, and opening lending offices in new locations. These helped address the growing number of new accounts, especially in fast-rising provincial areas.

Looking ahead, IBG intends to continue to support infrastructure projects under the Build, Build, Build Program. To further expand its market reach, IBG is increasing the penetration of its relationship franchise in provincial areas. The Group is likewise expanding its supply-chain financing package to leverage on its strong client relationships.

Growth will continue to be carefully balanced with loan quality to ensure proper risk-return trade-offs.

In 2018, BDO Leasing and Finance (BDOLF) faced more challenging economic conditions compared to the prior year due to the government's implementation of TRAIN Law I and BSP's policy rate increases. These factors created a margin squeeze on BDOLF's portfolio as funding costs went up rapidly against a 3-5 year fixed yield on its assets. In spite of the difficult macroeconomic backdrop, BDOLF was able to grow its portfolio to P34 billion, while maintaining a 1.02% NPL ratio, which is significantly better than industry average. Compared to last year, the challenging economic conditions, coupled with higher funding and operating costs, created pressure on income performance.

Institutional Banking Group

19%

ADB Loan Growth
year-on-year

This performance was achieved by leveraging on the Bank's extensive network and availing of opportunities associated with regional economic growth. New account growth enabled BDOLF to meet its net income target of P330 million.

For 2019 and beyond, the growth prospects for BDOLF continue to be optimistic. As both local and multinational clients compete for large infrastructure projects expected over the next several years, BDOLF is expected to be a key beneficiary. As well, the surge in fintech companies will be an excellent growth opportunity as BDOLF seeks to service the lease requirements for their IT and hardware infrastructure. Lastly, BDOLF will continue to expand into provincial areas with an emphasis on cross-selling against the IBG client base.

Consumer Lending

BDO's retail lending business, operated through the Consumer Lending Group (CLG), also demonstrated strong performance in spite of unfavorable macroeconomic conditions. On a year-over-year basis, total loans across all segments grew 18%, with provincial lending up 22% led by credit cards and home loans.

In 2018, CLG grew credit card fees 17% year-over-year and achieved continued market leadership, garnering a 21% share of the credit card receivables market, and an over 50% share of the market for merchant acquiring.

By offering competitive interest rates and expeditious processing to an expanding customer base, CLG was able to significantly outpace industry growth for both home and auto loans. As well, market leadership was maintained, with a 2018 market share of 18% in Auto Loans and 29% in Home Mortgage Loans. CLG achieved home loan growth of 17% year-over-year in spite of the impact of higher interest rates. Similarly, CLG drove a 14% increase in auto loans despite the effect of an auto industry excise tax, which went into effect in early 2018, and drove vehicle sales lower by 15%.

To maintain its strong momentum, CLG will continue to focus on expanding its loan book and seek new opportunities in the unbanked sector, through increased market coverage, use of multiple channels, process improvements, and use of customer intelligence initiatives.

BDO Leasing & Finance

₱330 million

Net Income

Consumer Lending Group

18%

Total Loan Growth across all segments year-on-year

21%

Market Share of Credit Card Receivables

29%

Market Share of Home Mortgage Loans

18%

Market Share of Auto Loans

Branch Banking

BDO's vast banking network has been, and continues to be, strategically located to reach and empower all Filipinos, from large institutions with diversified banking needs to individuals in remote areas seeking personal banking services. One of the Bank's major achievements in 2018 was the opening of 129 new branches for the combined Group, including One Network Bank (ONB) and 1 foreign branch in Singapore, to bring its total operating branches to 1,309, making it the largest branch network in the country.

The Branch Banking Group's (BBG) thrust to increase market coverage is in recognition of the country's low banking penetration rate, where 70% of the adult population still do not have a bank account. Network expansion in 2018, combined with longer banking hours, extended banking days, and continued emphasis on customer satisfaction, enabled the group to meet its growth targets, including strong deposit growth, with a CASA ratio of 70%.

Technology is facilitating BBG's drive to make banking more convenient. ATMs, Teller Assist Units, Queue Management Systems, and Cash Deposit Machines are increasingly being rolled out to BBG branches, and online and mobile banking services are being enhanced to sustain excellent service delivery. Branch employee training on new regulations, systems, policies and procedures continues to be implemented to further enhance client satisfaction.

BBG's strategy to maintain its position at the forefront of Philippine Banking is to continue to prioritize strong CASA growth and to leverage its extensive branch network to do more cross-selling. BDO will also progressively extend its reach into more underserved markets and create an experience that engages customers, reinforces the BDO brand, and generates deep and sustained customer relationships.

Branch Banking Group

70%

CASA ratio

129

New Branches Opened

1,309

Total Operating Branches

Rural Banking

One Network Bank Inc. (ONB) saw its profit growth in 2018 set back by legislative changes which affected its salary loan business in the first half of the year. The resumption of salary loans in the second semester was not enough to offset the impact in the early part of 2018. However, ONB saw strong growth in CASA deposits which increased by 15%. This helped reduce ONB's cost of funds to 0.70% in 2018, much lower than the parent bank's funding cost, and that of much bigger commercial banks with larger branch networks.

ONB successfully implemented its Micro, Small and Medium Enterprise (MSME) roll-out of over 100 sites throughout the country, and achieving its target portfolio level. This initiative represents the Bank's effort to serve the unbanked/underserved segments in the provincial areas, thereby contributing to the BSP's drive to improve financial inclusion. To further strengthen its thrust in microfinance, ONB signed an agreement with Osmanthus Investment Holdings Pte. Ltd. (Singapore), a private equity fund, for the latter to acquire a 15% stake in ONB.

For 2019, ONB will continue to grow its salary loan and MSME businesses by reaching out to more unbanked/underserved markets, in the process contributing to improved financial inclusion and countryside development.

Treasury

Despite rising interest rates and volatile foreign exchange markets, the Treasury Group recorded strong trading gains and net interest income growth in 2018 of 15% and 10%, respectively.

The Treasury Group was able to diversify the maturity of the Bank's funding sources and support expansion plans by accessing the capital markets on favorable terms. The Bank became the first financial institution to issue Green Bonds via a \$150 million private placement with the International Finance Corporation (IFC). In April 2018, P8.2 billion in LTNCDs were issued, an offering which was upsized significantly from the original P5.0 billion due to strong demand from both retail and institutional investors.

One Network Bank

15%

CASA deposit growth

Over 100

MSME sites around the country serving the unbanked and the underserved

Treasury

US\$150 million

Green Bond issuance with IFC as sole investor

10%

Net Interest Income Growth

For 2019 and beyond, the Treasury Group will aim to expand its portfolio to take advantage of higher yields and improve the net interest income contribution to the Bank. An aggressive marketing effort on investment and hedging products will also be sustained to maintain market leadership in Metro Manila and in the regional centers.

Investment Banking

BDO's investment banking subsidiary, BDO Capital & Investment Corporation (BDO Capital), maintained its focus on successful transaction delivery for its clients, and once again led a number of high profile equity and debt capital market deals.

BDO Capital's strategy is to advise clients on options that allow access to capital and liquidity that have been proven effective through market cycles. BDO's distribution capabilities, robust balance sheet support, innovative portfolio of products, and prudent risk management, make BDO Capital the premier choice for clients seeking access to debt and capital markets.

The year 2018 was characterized by a highly volatile equities market, rising interest rates, and significantly fewer deals in the equity and debt capital markets. Intense competition continued to create pressure on fees across the industry. Against this challenging backdrop, BDO Capital successfully sustained its market leadership position while skillfully meeting the needs of borrowers, issuers, and investors.

Highlights from the year include BDO Capital's continued deal leadership, as it participated in 11 of 14 deals offered to the public: 9 of 10 non-bank corporate bond issuances and 2 of 4 equity offerings (excluding bank stock rights offerings). BDO Capital also successfully arranged project finance transactions for Bloomberry Resorts and Hotels, Inc. (the largest syndicated loan drawn by a private sector corporate in the Philippines to-date), Cavitex Infrastructure Corporation

BDO Capital

11/
14 deals

offered to the public

#5

Ranking among local stockbrokers for BDO Securities, BDO Nomura, and Armstrong Securities combined

46 names

BDO Nomura Research Coverage (One of the largest among all houses in the Philippines)

and MPCALA Holdings, Inc., as well as corporate notes for Maynilad Water Services, Inc., Metro Pacific Investments Corporation, Esquire Financing, Inc. and San Miguel Corporation. Moreover, the Group's combined stock brokerage businesses, which include BDO Securities, BDO Nomura and Armstrong Securities, ranked 5th among local stock brokers in terms of value turnover in 2018. BDO Nomura has a research coverage of 46 names, one of the largest among all houses in the Philippines.

Looking forward to 2019 and beyond, BDO Capital will seek to capitalize on repeat business from clients, explore middle market clients' appetite for capital markets deals, and continue to provide advisory services, particularly to clients interested in going public or expanding and diversifying their funding sources. By creating new products and creating value for clients, BDO Capital is well-positioned to serve the Bank's growing corporate and individual client base.

Wealth Management and Advisory

BDO's trust and wealth management teams effectively navigated the volatile domestic equity and fixed income markets, expanding consolidated assets under management by 11%.

As capital market volatility depressed asset values and consequently, the ability to grow fee income, trust fund levels and trust fees were tempered compared to 2017. More importantly though, BDO maintained its dominant industry position, garnering a 34% market share of total assets under management.

As clients sought reduced market exposure due to the volatility and negative returns that afflicted 2018, TIG's Unit Investment Trust Funds (UITF) business contracted nearly 30%. TIG was able to respond to client needs aptly, offering product arrangements that took advantage of more attractive returns from fixed income and alternative investments. As

Trust and Investments Group

11%

Growth in Consolidated Assets Under Management

34%

Market Share of Total Assets Under Management

a result, the outflows from TIG's UITFs were successfully captured in other product lines, particularly in Investment Management Accounts, which experienced 144% growth compared to last year.

TIG is harnessing technology to better serve digital savvy investors and to provide more value to customers by improving online access while reducing manual operations. Its online investment platform, BDO Invest Online, is being enhanced to ultimately provide full mobile access for BDO UITF and Personal Equity and Retirement Account (PERA) clients, with Easy Investment Plan (EIP) capabilities for all UITF products and full-service Invest Online functionality. The integration of front to back applications in the core trust system is also being prioritized.

TIG's aim going forward is to be the preferred investment manager for Filipinos locally and anywhere in the world as a seamless, multi-channel, multi-distribution organization with commanding presence in its core markets. To increase penetration of the larger mass retail segment, TIG is also driving aggressive financial literacy efforts via continuous market education and the promotion of programmed investments.

BDO Private Bank (BDOPB) focuses on wealth management with highly personalized client service, building the breadth and diversity of its offering of products and services to increasingly help clients achieve their financial goals. BDOPB was the first institution in the Philippines to adopt the open architecture approach, which provides clients with access to unique investment opportunities beyond BDO proprietary products.

In 2018, BDOPB continued to make progress against a multi-year strategy to enhance future growth. The strategy prioritizes three major initiatives: emphasis on trustee accounts, expansion of investment options to cater to clients' global aspirations, and extension of the family office function.

BDO Private Bank

37%

Growth in Trustee Accounts

₱312 billion

Assets Under Management

By growing the business mix in favor of trustee accounts, BDOPB intends to gradually move up the value chain of wealth management. In 2018, BDOPB achieved a solid 37% growth in trustee accounts, leading assets under management (AUM) to increase to P312 billion. However, lower trading income and the impact of rising interest rates on cost of funds negatively impacted net income. In response to client needs for sophisticated advice and best-in-class investments and solutions in the years ahead, BDOPB will continue to expand its investment offering to grow the share of global non-traditional assets in its client portfolio. Lastly, the upgrading of its family office services will enable clients to better diversify their portfolios and achieve full end-to-end solutions for their wealth management requirements.

For 2019 and beyond, BDOPB intends to capitalize on the expanding breadth of client services for the growing class of high net worth Filipinos. Technology will continue to be a critical differentiator as BDOPB seeks to deliver products and services best suited to their clients' needs.

BDO Nomura's innovative online platform is becoming an increasingly attractive option for retail customers. Mid-way through 2018, BDO Nomura launched a new platform, which was duly certified by the Philippine Stock Exchange. The platform connects seamlessly with client accounts, offering real time deposit and withdrawal facilities thus permitting clients to respond to market movements quickly. As a result, BDO Nomura experienced a five-fold increase in accounts opened during the year. BDO Nomura aims to be the preferred investment platform in the coming years, providing tech-savvy emerging affluent clients with an unmatched range of options, including access to foreign and alternative investments. The platform will be accessible through various digital channels to improve client access to their investments, anytime, anywhere.

BDO Nomura

Five-fold

Increase in Accounts Opened

Payments and Information Services

BDO's Transaction Banking Group (TBG), through what is more commonly known as Remittance, Corporate Cash Management, Business Online Banking and Personal Online Banking, aims to empower Filipino corporate and retail customers so that they can make the best financial decisions, execute transactions in a timely manner, and make the most of their money on a daily basis. TBG seeks to ensure that the fast, secure, convenient, and cost efficient payments and information service capabilities that it provides will ultimately create additional value for BDO clients and enhance account growth.

Overall, TBG generated solid results in 2018, achieving year-over-year income growth of 23% driven primarily by significant growth of cash management and remittance businesses. Cash Management income grew 58% as a result of a more focused and intensified sales effort.

Despite the threat of fintechs and local banking competition, remittance volume grew by 6%, more than double overall industry growth, on the back of solid core dollar value and transactional numbers. That strong performance enabled BDO to maintain its dominant 41% market share. However, origination volume continues to be affected by shift in transactions to technology-enabled alternatives and local mainstream banks from traditional remittance companies.

While a strong branch network gives BDO an unrivalled presence in the Philippines, investments in technology are necessary to nimbly meet expanding client requirements. As corporate clients do more business via digital platforms, information is expected to be instantly available. Demographic shifts are also pushing digital usage much faster as younger generations are creating an even greater need for efficiency and convenience. Customers, broadly, are becoming more open to using technology and tools for their cash management needs.

Transaction Banking Group

23%

Income Growth Year-on-Year

58%

Cash Management Income Growth

41%

Market Share of Remittance

6%

Growth in Remittance Volume

To address these dynamics and to maintain customer loyalty, TBG is driving multiple investment initiatives including direct partnerships with fintechs and payment ecosystems.

For 2019 and beyond, TBG intends to pursue improved market penetration with a focus on community building. The acquisition of accounts through grassroots marketing will continue to be emphasized. Key focus areas for personal cash management include enhancing the reliability of current platforms, keeping pace with evolving customer demands, unifying the customer experience across channels, and opening the bank's architecture to connect to other platforms. Process efficiency and controls will also be improved to enhance the stability of legacy systems and processes and increasingly eliminate manual processes.

Insurance Services

BDO Insurance Brokers (BDOI) had a strong year in spite of the challenges created by a higher interest rate environment. Both retail and corporate market segments delivered growth in commissions with an average of 17% growth. Overall, income grew 35% compared to 2017. Importantly, BDOI sustained its No. 1 position in the industry in terms of premiums and commissions, a performance made possible by strong synergies with the Bank's lending and branch units.

Going forward, BDOI will continue to develop products and innovative ways to better serve customers and grow its distribution network for cross-selling opportunities and new markets. For example, BDOI has created product packages that are pre-approved by insurers, thereby eliminating the need for BDOI marketing personnel to obtain insurer approval before sending proposals. This allows quicker responses to client needs and enhanced agility in capturing new business. "BDO Insure", a program that will enable BDOI to directly engage the retail market through online advertising and online selling of insurance products, will also be launched soon. Lastly, the insurance brokering system is being upgraded to a new platform that will generate process efficiencies and permit the organization to address a larger number of customers in the years to come.

BDO Insurance Brokers

#1

Insurance Brokerage

35%

Income Growth

17%

Growth in Commissions

As a wholly-owned subsidiary of the nation's largest financial services group, BDO Life Assurance (BDO Life) has enviable advantages: an exceptional team, a growing customer base, and a strong balance sheet. BDO Life aims to position itself as the only local company in the Top 5 life insurers in the Philippines, not just in terms of new sales and weighted premiums, but also in terms of profitability and brand recall. Just as BDO has become a household name, BDO Life is fast becoming the nation's preferred life insurance provider.

BDO Life achieved a 20% growth in premiums in 2018. The continuing deployment of financial advisors in BDO's growing branch network successfully offset the impact of inflation and equity market volatility, which pressured insurance plan sales. By the end of 2018, 92% of BDO's branches have been equipped with a Financial Advisor ready to serve the unique insurance needs of BDO clients.

In 2018, BDO Life continued to position for growth and competition in a digitally empowered environment by crafting a digital roadmap aimed at serving customers faster and more efficiently. The first component of that roadmap, the Financial Advisor Support System (FASS), was launched midway through the year. FASS is a self-service portal that enables branch-based advisors to access information instantly and respond quickly to client inquiries. An automated Field Underwriting System is being piloted for launch early in 2019, and the Customer Portal is set for a mid-2019 launch.

For 2019 and beyond, BDO Life will continue to focus on the protection business and improve the customer journey through digitization. Moreover, as BDO Life's sales efforts are reinforced by digital and automated tools and supported by a more systematic branch referral system, their extended client base will now cover transaction banking clients, employees of corporate clients, and credit card holders.

BDO Life

20%

Growth in Premiums

92%

BDO branches equipped
with a Financial Advisor

Corporate Governance

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

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

BDO has continued to comply with the SEC Code of Corporate Governance for Publicly-Listed Companies and provisions of BSP Circular 969 on Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions in its Corporate Governance Manual, which form part of its continuing commitment to comply with the latest rules and regulations. It has also continued to follow the international best practices of corporate governance issued by globally recognized standards setting bodies such as the Organization for Economic Cooperation and Development (OECD) and the ASEAN Corporate Governance Scorecard which serve as essential points of reference.

This report describes the highlights of our corporate governance practices throughout the financial year ended December 31, 2018.

Governance Structure

Board of Directors

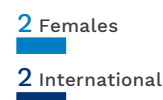
Responsibility for good governance lies with the Board. It is responsible for providing effective leadership and overall direction to foster the long-term success of the Bank. It oversees the business affairs of the Bank, reviews the strategic plans and performance targets, financial plans and budgets, key operational initiatives, capital expenditures, acquisitions and divestments, annual and interim financial statements, and corporate governance practices. It oversees management performance, enterprise risk management framework, internal control system, 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 5 Advisors. The members of the Board are all professionals with expertise in banking, accounting and finance, law, merchandise marketing, strategy formulation, bank regulations and risk management. It is led by a Non-Executive Chairperson with 5 Independent Directors, 3 Non-Executive Directors and 2 Executive Directors who are the Vice Chairman and the President & CEO. Independent Directors make up 45.45% of the members of the Board which exceeds the requirement of the Securities and Exchange Commission (SEC) and the Bangko Sentral ng Pilipinas (BSP). Non-Executive Directors, who include Independent Directors, constitute 82% of board strength. This is more than the BSP's requirement that non-executive directors should comprise at least majority of the board of directors. Seven of nine Board committees namely Risk Management, Board Audit, Corporate Governance, Related Party Transactions, Information Technology Steering, Nominations, and Compensation are chaired by Independent Directors. 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. No Director serves as such in more than five publicly-listed companies.

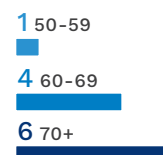
The Board is responsible for the selection of nominees for directors through the Nominations Committee. It leads the process of identifying and evaluating the nominees for directors. It evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of

Board Snapshot

Director Diversity



Director Age



Skills, Experience & Background



2018 Board Meetings

Attendance

Directors	No. of Meetings Attended	Total No. of Meetings	% Rating
Teresita T. Sy	13	14	92.86%
Jesus A. Jacinto, Jr.	14	14	100%
Nestor V. Tan	14	14	100%
Christopher A. Bell-Knight	13	14	92.86%
Jose F. Buenaventura	13	14	92.86%
Jones M. Castro, Jr.	14	14	100%
Antonio C. Pacis	13	14	92.86%
Dioscoro I. Ramos	7	14	50%
Josefina N. Tan	13	14	92.86%
Jimmy T. Tang	13	14	92.86%
Gilberto C. Teodoro, Jr.	13	14	92.86%

the Bank. The result of the evaluation determines the role and key attributes of an incoming director should have. The Nominations Committee receives recommendations of 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 re-election of incumbent directors, the Nominations Committee also considers the results of the most recent self-assessments of the Board and peer evaluation, attendance record in meetings, participation in Board activities and overall contributions to the functioning of the Board.

In evaluating the suitability of an individual board member and promoting diversity in the composition of the Board, the Nominations Committee takes into account the relevant qualifications of every candidate nominated for election such as, among others, physical/mental fitness, relevant educational and professional background, personal track record, experience/training, commitment to contribute, willingness to serve and interest to remain engaged and involved without regard to race, gender, ethnic origin, religion, age or sexual orientation.

The Board is also responsible for approving the selection and appointment of a competent executive management led by the President/CEO including the heads of units who will exercise control functions i.e. Chief Compliance Officer, Chief Risk Officer and Chief Internal Auditor. Fit and proper standards are applied in the selection of key officers and utmost consideration is given to their integrity, technical expertise, and banking industry experience.

Each year, the composition of the Board and board committees including the skills and competencies of its members is reviewed to ensure appropriate balance of skills and experience, and alignment with the new regulations.

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 difference 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.

Strong Independent Oversight

Seven of nine Board committees namely Risk Management, Board Audit, Corporate Governance, Related Party Transactions, Information Technology Steering, Nominations, and Compensation are chaired by Independent Directors. 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.

Director Independence

2 Executive Directors

5 Independent Directors

4 Non-Executive Directors

During the year, the Board reviewed and approved the Bank's budget and business targets, quarterly declaration of dividends and the release of the 2017 audited financial statements within 60 days from year end. Its oversight functions include the review of operational and financial performance of senior management and work of the various committees in accordance with their mandates.

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 adviser. They are required to complete the questionnaire explaining the rationale and objectives of the performance evaluation. Based on the returns from each respondent, the ratings and responses 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 2018, the results of the self-assessment were presented to the Board including directors' recommendations to improve effectiveness in its governance functions. The overall assessment showed that the Board continues to operate on a very high standard of independence, committees function effectively and senior management has the relevant professional experience, necessary skills and ability to manage the Bank while the directors have rigorously maintained independence of views and the relationship between the Board and committee members remains strong.

Director Continuing Education

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. In 2018, the annual corporate governance seminar for directors concentrated on Financial Technology (FinTech).

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, bonus and the Employee Stock Option Plan as a long term incentive program. It is linked to corporate and individual performance, based on an annual appraisal of senior management officers. The five (5) most highly compensated management officers are the President & CEO, three (3) Senior Executive Vice Presidents and (1) Executive Vice President. Non-Executive Directors (NEDs) receive per diem for attending board and committee meetings. There is no distinction on the fee for a committee chairman or member. 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.

Dividends

On the dividend policy, 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 P0.30 per quarter, or an annual equivalent of P1.20 per share and will endeavor to do so while maintaining financial flexibility. The procedures in paying dividends entail prior board approval of the record and payment dates as recommended by Management based on the BSP, PSE, and SEC rules on declaration of cash dividends, and amount to be paid to eligible common shareholders. Upon Board approval, necessary disclosures are made in compliance with regulatory requirements. Upon disclosure of a cash dividend declaration, the necessary trading blackout on BDO shares is imposed upon BDO Directors and Employees. Dividends are paid within 30 days from date of declaration. The full dividend policy statement is published in the corporate website.

Related Party Transactions

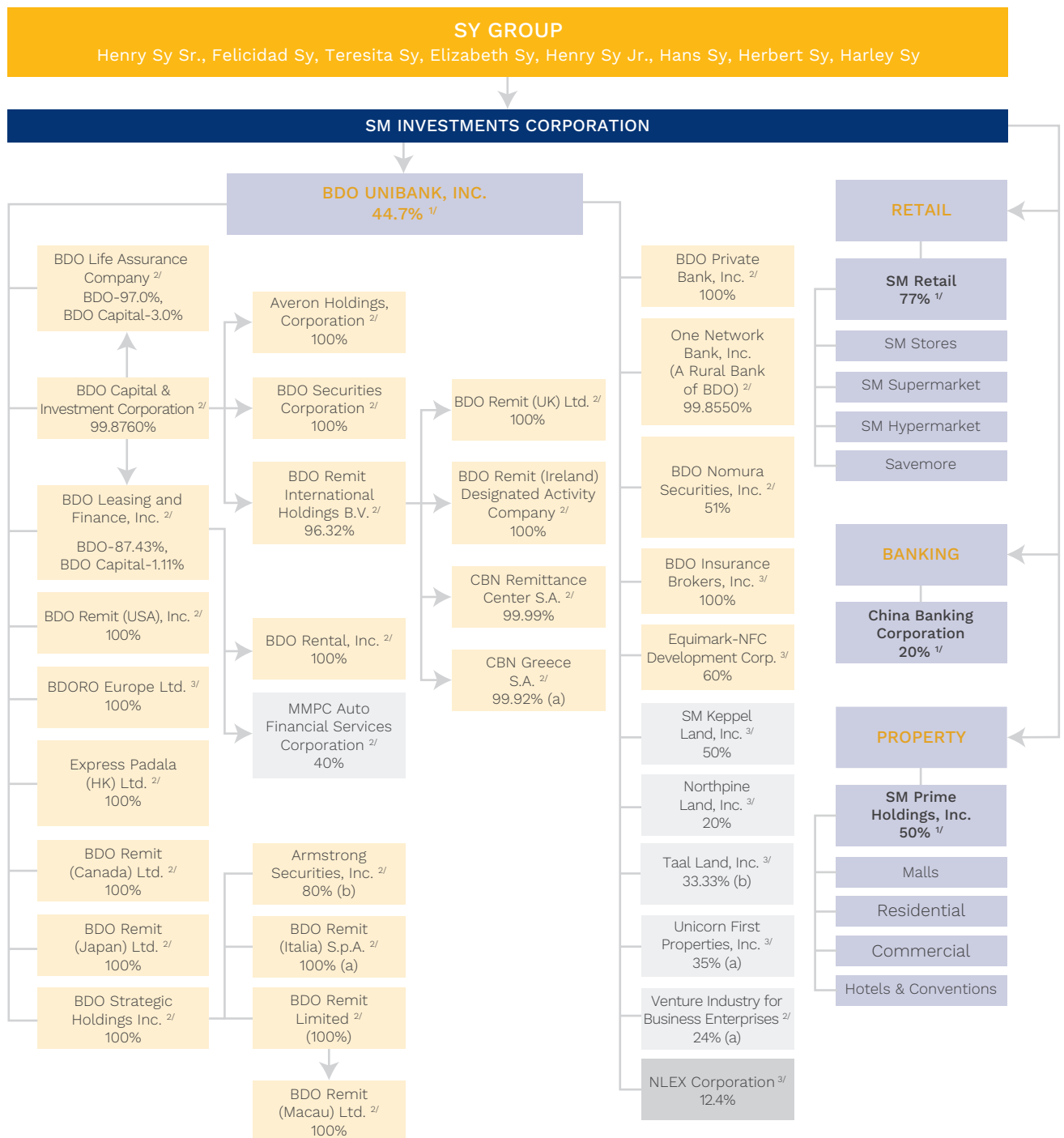
The Bank has established policies and procedures on related party transactions. These include definition of related parties, coverage of RPT policy, guidelines in ensuring arm's-length terms, identification and prevention of management potential or actual conflicts of interest which arise, adoption of 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., its subsidiaries and affiliates, as applicable and intended to ensure that every related party transaction is conducted in a manner that will protect the Bank from conflict of interest which may arise between the Bank and its Related Parties; and proper review, approval, ratification and disclosure of transactions between the Bank and any of its related party/ies as required 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 party transaction and any member of the Board who has interest in the transaction must abstain from the deliberation and approval of any related party transaction. 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 independent 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, 2018



1/ SMIC Group's effective ownership interest (includes direct & indirect ownership)

2/ Financial entities

3/ Non-Financial entities

(a) For dissolution
(b) For sale

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

Major Stockholders

As of December 31, 2018, the following are known to BDO Unibank, Inc. (BDO Unibank) to be directly or indirectly the record and/or beneficial owners of more than 5% of BDO Unibank's voting securities:

Title of Class	Name	Citizenship	Percentage
Common and Preferred	SM Investments Corp.	Filipino	38.34%
Common	PCD Nominee Corp. (Non-Filipino)	Foreign	27.17%
Common and Preferred	Sybase Equity Investments Corporation	Filipino	12.91%*
Common	PCD Nominee Corp. (Filipino)	Filipino	11.39%**
Common	Multi-Realty Development Corporation	Filipino	5.96%*

* Inclusive of PCD-lodged shares

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

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

Security Ownership of Directors

As of December 31, 2018, the following are known to BDO to be directly the record and/or beneficial owners of BDO voting securities:

Name of Director	Position/Type of Directorship/ Principal Stockholder Represented if Nominee	No. of Years as Director	Total No. of Direct (D) and Indirect (I) Shares as of December 31, 2018	Percent to Total Outstanding Shares
Teresita T. Sy	Chairperson/Non-Executive Director/SM Investments Corporation	1 st term: 28 2 nd term: 11	394,947 (D)	0.0081%
Jesus A. Jacinto, Jr.	Vice Chairman/Executive Director	22	24,502 (D)	0.0005%
Nestor V. Tan	President & CEO/Executive Director	20	10,671,794 (D)	0.2183%
Christopher A. Bell-Knight	Non-Executive Director	1 st term: 5 2 nd term: 5	123 (D)	0.0000%
Jose F. Buenaventura	Independent Director	5	1 (D)	0.0000%
Jones M. Castro, Jr.	Lead Independent Director	6	1 (D)	0.0000%
Antonio C. Pacis	Non-Executive Director	14	4,230 (D)	0.0001%
Dioscoro I. Ramos	Independent Director	3	179,440 (D)	0.0037%
Josefina N. Tan	Non-Executive Director	1 st term: 4 2 nd term: 11	596,458 (D)	0.0122%
Jimmy T. Tang	Independent Director	34	17,605 (D)	0.0004%
Gilberto C. Teodoro, Jr.	Independent Director	4	1 (D)	0.0000%

Board of Directors

Teresita T. Sy

Chairperson

Non-Executive Director

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 Capital & Investment Corporation, BDO Foundation, Inc., and BDO Life Assurance Company, Inc. Ms. Sy also serves as Advisor to the Board of One Network Bank, Inc. (A Rural Bank of BDO).

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.



Filipino
68 years old

Jesus A. Jacinto, Jr.

Vice Chairman

Executive Director

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.



Filipino
71 years old

Nestor V. Tan

President & Chief Executive Officer Executive Director

Nestor V. Tan is the President and CEO of BDO Unibank, Inc. He was elected to the Board of Directors on June 27, 1998. He concurrently holds the Chairmanship of the following BDO Unibank Subsidiaries: BDO Strategic Holdings, Inc. and One Network Bank, Inc. (A Rural Bank of BDO). He also concurrently holds vice chairmanships and/or directorships in the following subsidiaries of BDO Unibank, Inc.: BDO Leasing and Finance, Inc., BDO Capital & Investment Corporation, BDO Insurance Brokers, Inc., BDO Life Assurance Company, Inc., BDO Private Bank, Inc., BDO Remit (USA), Inc., and SM Keppel Land, Inc. He is also a Trustee of BDO Foundation, Inc., Chairman of the De La Salle University Board of Trustees, and a Director of the Asian School of Business and Technology. He currently serves as President and Director of the Bankers Association of the Philippines and the BAP Credit Bureau. He is also the Chairman of the Philippine Dealing System Holdings Corporation, Bancnet, and the RBB Microfinance Foundation Board of Trustees.

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



Filipino
60 years old

Christopher A. Bell-Knight

Non-Executive Director

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.



Canadian
74 years old

Jose F. Buenaventura

Independent Director

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, and Director and Corporate Secretary of 2B3C Foundation, Inc. and Peter Paul Philippines Corporation. He sits on the Board of the following companies: BDO Securities Corporation (Independent Director), Eximious Holdings, Inc., Cebu Air, Inc., GROW, Inc., GROW Holdings, Inc., Hicap Properties Corporation, Himap Properties Corporation, La Concha Land Investment Corporation, Philippine First Insurance Co., Inc., Philplans First, Inc., Techzone Philippines, Inc., Total Consolidated Asset Management, Inc., and Turner Entertainment Manila, Inc. Atty. Buenaventura holds Bachelor of Arts and Bachelor of Laws degrees from Ateneo de Manila University, and a Master of Laws from Georgetown University Law Center in Washington, D.C.



Filipino
84 years old

Jones M. Castro, Jr.

Lead Independent Director

Jones M. Castro, Jr. was elected to the Board of Directors of BDO Unibank, Inc. on April 20, 2012. Mr. Castro has 45 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 managed 12 countries, 11 overseas offices, 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 managed 25 countries, 3 overseas offices, 30 team members, and a US\$1.8-billion loan portfolio. From 2005 to 2006, he was Executive Vice President and International Banking Group Head of the Union Bank of California, San Francisco. From 1990 to 1994, he was Senior Vice President – Controller of Bank of California, San Francisco, and from 1994 to 1997, he was its Senior Vice President of Strategic Planning in Office of the President. Mr. Castro is currently Executive Vice Chairman and Trustee of the PhilDev USA and PhilDev S & T, Director of AI Wave Computing, Inc., Advisor of Wave Computing, Inc., and is a Fellow at the Institute of Corporate Directors. Mr. Castro obtained his bachelor's degree in Applied Mathematics in Economics and graduated *cum laude* from Harvard University. He received his Masters in Business Administration, Accounting & Finance from Stanford University.



Filipino and American
69 years old

Antonio C. Pacis

Non-Executive Director

Antonio C. Pacis was elected to the Board of Directors of BDO Unibank, Inc. on June 25, 2004. He currently serves both BDO and BDO Capital & Investment Corporation as a director. He has been in law practice since 1967, counseling bank and corporate clients in the areas of regulatory, business, corporate and trust law, and individuals in the areas of family law and estate planning. In the course of his practice, he has served in various capacities in companies upon the invitation of clients. He holds degrees from Ateneo de Manila University (AB), Ateneo School of Law (LLB), and Harvard Law School (LLM).



Filipino
78 years old

Dioscoro I. Ramos

Independent Director

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 in Business degree from Wharton School, University of Pennsylvania.



Filipino
60 years old

Josefina N. Tan

Non-Executive Director

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 Chairperson of the Board of Miriam College and a Trustee of the Development Center for Finance and the Laura Vicuña Foundation. She 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 Communications Arts from Maryknoll College, and a Masters in Business Administration from Ateneo Graduate School of Business.



Filipino
73 years old

Jimmy T. Tang

Independent Director

Jimmy T. Tang was elected to the Board of Directors of BDO Unibank, Inc. on July 27, 2002. He served as a regular director of BDO from March 31, 1984 until his election as independent director. He is President and Chairman of the Board of the Avesco Group of Companies. He currently serves as Honorary President of the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc. (FFCCCII); Honorary Adviser of the Federation of Electrical and Electronics Suppliers and Manufacturers of the Philippines, Inc. (PESA); and Chairman Emeritus of PESA Foundation. He also served two terms as the 11th President of FFCCCII. Mr. Tang was the ninth President of PESA and the first Chairman of the PESA Foundation, where he served for seven years. He holds a bachelor's degree in Electrical Engineering from the Mapua Institute of Technology and was awarded "Top Outstanding Mapuan for Entrepreneurship" in 1987.



Filipino
83 years old

Gilberto C. Teodoro, Jr.

Independent Director

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; a Bachelor's in Law degree (LLB) from the University of the Philippines; and a Masters in Law degree (LLM) from Harvard Law School. He placed first in the Philippine Bar Examinations of 1989 and was admitted to the State Bar of New York.



Filipino
54 years old

Edmundo L. Tan

Corporate Secretary

Edmundo L. Tan serves as Corporate Secretary of BDO Unibank, Inc. from July 27, 2007 up to the present. He is also the Corporate Secretary of BDO Private Bank, Inc. from February 2012 up to the present. He was formerly a Director of BDO Leasing and Finance, Inc. and now serves as Advisor to the Board. Atty. Tan is a Director and the Corporate Secretary of APC Group, Inc. from 2000 until his resignation as Corporate Secretary on May 31, 2017. He serves as Director and Corporate Secretary of Philippine Global Communications, Inc. from 2000 until his resignation as Corporate Secretary in 2010, and Aragorn Power and Energy Corporation from 2005 until his resignation as Corporate Secretary in 2012. He is currently Director of PRC MAGMA Resources (2010 to the present). He is a Director of OCP Holdings, Inc. from July 2012 up to the present. He was elected as Director of Sagittarius Mines, Inc. in March 2016 up to the present. Atty. Tan was a charter member and elected as Trustee of the Philippine Dispute Resolution Center, Inc. on August 13, 2016 and became President in July 2017 to the present.

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



Filipino
73 years old



George T. Barcelon
Independent Advisor



Vicente S. Pérez, Jr.
Independent Advisor



**Corazon S. de la Paz –
Bernardo**
Advisor



Jose T. Sio
Advisor



Harley T. Sy
Advisor

Senior Management



Walter C. Wassmer

Head, Institutional Banking Group



Jaime C. Yu

Head, Branch Banking Group



Ador A. Abrogena

Head, Trust and
Investments Group



Lucy Co Dy

Comptroller



Pedro M. Florescio III

Treasurer
(Until December 31, 2018)



Eduardo V. Francisco

President, BDO Capital &
Investment Corporation



Jesus Antonio S. Itchon

President, One Network Bank,
Inc. (A Rural Bank of BDO)



Ricardo V. Martin

Chief of Staff,
Office of the President



Edwin Romualdo G. Reyes

Head, Transaction Banking Group



Rolando C. Tanchanco

Head, Consumer Lending 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



Maria Cecilia G. Fonacier
Head, Marketing
Communications Group



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



Frederic Mark S. Gomez
Head, Information
Technology Group



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



Aurea Imelda S. Montejo
Central Operations Group
Head of Enterprise Support
Operations



Estrellita V. Ong
Chief Internal Auditor



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



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



Gregorio C. Severino
Central Operations Group
Head of Transaction Banking
and Support



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



Federico P. Tancongco
Chief Compliance Officer



Joseph Gerard D. Tiamson
Central Operations Group
Head of Transaction Processing
& Support Services



Myla R. Untalan
Head, Digital Infrastructure
Services

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.

The standing committees of the Board are as follows:

Executive Committee

Functions:

- Acts as the main approving body for Bank exposures, particularly approval and confirmation of credit proposals, investment and acquisitions as well as credit-related issues up to its delegated authority, property-related proposals, technology-related projects or such other initiatives to enhance the Bank's operating and service delivery capabilities, and operating policies and/or manuals including amendments thereto as may be recommended by Management.
- Approves loans and credit facilities, leases and sale of acquired assets, credit policies, write-offs, resolutions of remedial/problem accounts, leases and acquisitions of branch sites within its Board-delegated authority.
- In December 2018, the Executive Committee was tasked as the oversight committee for the implementation of the Bank's Sustainability Framework.

Chairperson:

Teresita T. Sy

Members:

Antonio N. Cotoco
Jesus A. Jacinto, Jr.
Guia C. Lim
Mario B. Palou
(Commencing on April 20, 2018)
Edmundo S. Soriano
(Commencing on December 8, 2018)
Josefina N. Tan
Nestor V. Tan

Meetings:

The Executive Committee met fifty one (51) times in 2018.

Teresita T. Sy 47/51
Antonio N. Cotoco 43/51
Jesus A. Jacinto, Jr. 47/51
Guia C. Lim 47/51
Mario B. Palou 33/35
Josefina N. Tan 50/51
Nestor V. Tan 43/51

Audit Committee

Functions:

- The Audit Committee is empowered by the Board to oversee the financial reporting process, internal control and risk management systems, internal and external audit functions, and compliance with governance policies, applicable laws and regulations.
- On financial reporting, the committee reviews the integrity of the reporting process to ensure the accuracy and reliability of financial statements and compliance with financial reporting standards and disclosure requirements set for listed companies.
- On internal control and risk management, it monitors and evaluates the adequacy, soundness and effectiveness of the Bank's established internal control and risk management systems, policies and procedures including implementation across all units of the Bank to provide reasonable assurance against fraud or other irregularities and material misstatement or loss.
- On internal and external audit, it recommends the appointment, reappointment and removal of the external auditors, remuneration, approval of terms of audit engagement and payment of fees. It reviews non-audit work, if any, ensuring that it would not conflict with their duties as external auditors or may pose a threat to their independence. It approves the annual audit plan and reviews audit results including the BSP Report of Examination focusing on significant findings with financial impact and its resolution. It reviews the implementation of corrective actions to ensure that these are done in a timely manner to address deficiencies, non-compliance with policies, laws and regulations.
- On compliance, it reviews 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 approves the annual compliance plans, budget, charter, performance and compensation of the Chief Compliance Officer.

Chairman:

Jose F. Buenaventura
(Independent Director)

Members:

Jones M. Castro, Jr.
(Lead Independent Director)
Jimmy T. Tang
(Independent Director)

Advisors:

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

Meetings:

The Audit Committee met thirteen (13) times in 2018.

Jose F. Buenaventura 12/13
Jones M. Castro, Jr. 13/13
Jimmy T. Tang 13/13

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

On financial reporting, the Committee reviewed and recommended for approval to the Board the 2017 quarterly unaudited and the audited financial statements as of December 31, 2017 ensuring compliance with accounting standards and tax regulations, including the Notes to the Financial Statements. This was approved by the Board on February 24, 2018 and disclosed to the public on February 26, 2018, 57 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 adoption of the Philippine Financial Reporting Standards 9, were likewise reviewed.

In overseeing the internal audit function, it reviewed and revised 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 more time to be addressed. It ensured the Internal Audit's independence and unfettered access to all records, properties and information to be able to fully carry out its function. It also assessed the performance of the Chief Internal Auditor and key audit officers. The Committee is satisfied that the internal audit function has adequate resources to perform its function effectively.

On external audit, it ensured the independence, qualification, and objectivity of the appointed external auditor, which is accredited by the BSP. It reviewed and discussed the content of the engagement letter, audit plan, scope of work, focus areas, composition of engagement team among others, prior to the commencement of audit work. It comprehensively discussed the external audit reports, focusing on internal controls, risk management, governance and matters with financial impact particularly on the changes in accounting

and reporting standards. It reviewed the Management Letter as well as Management's response and action taken on the external auditor's findings and recommendations.

On regulatory compliance, it reviewed and approved the annual plans and independent compliance testing roadmaps of the Compliance and Anti-Money Laundering (AML) units. It endorsed for approval of the Board of Directors the revised Regulatory Compliance and Management Manual and Money Laundering Prevention Program Manual of the Bank, which incorporates new and amended regulations. It monitored the progress and reviewed the results of the independent compliance and AML testing, timely submission of regulatory and prudential reports, compliance to mandatory ratios, as well as continuous improvement of the compliance and AML systems. It discussed in detail the BSP Report of Examination including the results of regulatory examinations of the Bank's foreign subsidiaries and reviewed Management's replies, thereby ensuring implementation of corrective actions. It assessed the performance of the Chief Compliance Officer.

Reports on cases in operations, whistleblower 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 2018 performance based on its Terms of Reference. The Committee likewise evaluated the performance of Internal Audit, Compliance and Anti-Money Laundering Units and External Audit to ensure their effectiveness and achievement of objectives.

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

Corporate Governance Committee

Functions:

- Primarily tasked to assist the Board in formulating the governance policies and overseeing the implementation of the governance practices of the Bank as well as its subsidiaries and affiliates.
- Conducts the annual performance evaluation of the Board of Directors, its committees, executive management, peer evaluation of directors, and conducts a self-evaluation of its performance.
- Provides an assessment of the outcome and reports to the Board the final results of the evaluation including recommendations for improvement and areas of focus to enhance effectiveness.
- Oversees the continuing education program for directors and key officers and proposes relevant trainings for them.

During the year, the Corporate Governance Committee spearheaded the annual Board evaluation survey covering the performance of the Board of Directors, Board Committees, Senior Management, each Director, and Board Advisers. The tabulated results were then referred to the Board. Focus in 2018 was directed on the review of the Bank's Integrated Annual Corporate Governance Report that was submitted to the Securities and Exchange Commission, and the independent validation of the Bank's representations in the ASEAN Corporate Governance Scorecard. It also recommended the amendment of the Bank's Corporate Governance Manual. It facilitated the compliance of the directors of the Bank and its subsidiaries to the regulatory requirement for an annual corporate governance seminar for Directors.

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

In 2018, BDO was recognized as one of the top 20 publicly-listed companies in the Philippines that earned high scores in the ASEAN Corporate Governance Scorecard.

Chairman:

Gilberto C. Teodoro, Jr.
(Independent Director)

Members:

Jones M. Castro, Jr.
(Lead Independent Director)
Jimmy T. Tang
(Independent Director)

Meetings:

The Corporate Governance Committee met six (6) times in 2018.

Gilberto C. Teodoro, Jr. 6/6
Jones M. Castro, Jr. 6/6
Jimmy T. Tang 5/6

Trust Committee

Functions:

- Reviews and approves transactions between trust and/or fiduciary accounts, accepts and closes trust and other fiduciary accounts, and approves the investment, reinvestment and disposition of funds or property.
- Evaluates trust and other fiduciary accounts at least once a year.
- Reviews the Trust and Investment Group's overall performance, profile of funds and accountabilities 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.

Significant matters taken up by the Committee included, among others, amendments on the investment process, guidelines, and procedures as well as the development of the BDO Global Emerging Markets Equity Index Feeder Fund. It also approved the offshore investments of its various trust accounts and the features of an investment advisory account. In terms of policy development, it approved the methodology concerning the fair valuation of non-marketable securities.

Risk Management Committee

- Responsible for the development of the Bank's risk policies, sets the risk appetite and defines the appropriate strategies for identifying, quantifying, managing and controlling risk exposures including preventing and/or minimizing the impact of losses when they occur.
- Oversees the implementation and review of the risk management plan on an integrated enterprise-wide basis, system of limits of Management's discretionary authority delegated by the Board and takes immediate corrective actions when breached.
- Responsible for reassessing the continued relevance, comprehensiveness and effectiveness of the risk management plan and to revise it when needed.
- Works with the Audit Committee in certifying in the Annual Report the adequacy of the Bank's internal control and risk management systems.

Chairman:

Antonio C. Pacis

Members:

Ador A. Abrogena
Christopher A. Bell-Knight
Dioscoro I. Ramos
(Independent Director)
Nestor V. Tan

Meetings:

The Trust Committee met eleven (11) times in 2018.

Antonio C. Pacis 10/11
Ador A. Abrogena 11/11
Christopher A. Bell-Knight 10/11
Dioscoro I. Ramos 4/11
Nestor V. Tan 11/11

Chairman:

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

Members:

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

Advisor:

Christopher A. Bell-Knight

Meetings:

The Risk Management Committee met twelve (12) times in 2018.

Jones M. Castro, Jr. 12/12
Dioscoro I. Ramos 4/12
Nestor V. Tan 11/12

In accordance with its mandate, the Committee conducted regular discussions on the Bank's exposures to various risks (i.e., credit risk, market risk, liquidity risk, and operational risk) including mitigation strategies, where necessary and applicable, such as, large exposures and concentration, asset quality, results of credit stress tests and its impact on capital adequacy; liquidity gaps and results of liquidity stress tests; macroeconomic and market updates and forecasts; Value-at-Risk (VAR), Earnings-at-Risk (EAR), results of market risk stress tests and impact on capital adequacy; operational risk profile of the Bank, significant risk incidents, operational losses and impact on capital adequacy, results of Business Continuity Plan (BCP) testing, any information security and data privacy incidents, results of the BSP-mandated stress tests (i.e. BSP Uniform Stress Test and Real Estate Stress Test) for banks, results of performance monitoring of all implemented risk management models, profile of client inquiries/requests/complaints and a general description of the resolutions/actions taken, in compliance with BSP Circular 857 on Consumer Protection, and social media risk report in compliance with BSP Circular 949 on the Guidelines on Social Media Risk Management, and status of compliance activities related to the Bank's Data Privacy Management Program (PMP), in compliance with the requirements of Republic Act No. 10173, also known as the Data Privacy Act (DPA).

It approved the Bank's Business Models and Expected Credit Loss (ECL) Methodologies for Loans & Receivables and Investments, in compliance with the mandatory implementation of PFRS9, new Treasury products/activities and corresponding product limits, results of the annual review of the Bank's risk management policies and limits, newly developed or redeveloped risk management models, IT Risk Management Framework and Policy in accordance with BSP Circular 808 on the Guidelines on Information Technology Risk Management, and the appointment of the Chief Information Security Officer (CISO) in accordance with BSP Circular 982 on the Enhanced Guidelines on Information Security Risk Management.

Nominations Committee

- Leads the process for identifying and recommending to the Board candidates for appointment as Directors of the Bank as well as other positions requiring appointment by 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 current directors, the gaps in skills and competencies identified, and the search for the most qualified candidates.
- Makes recommendations to the Board on the composition and chairmanship of the various committees.
- Reviews 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 recommends any changes to the Board.

After reviewing the composition of the Board and Committees, it approved the nominations for the regular and independent directors on March 12, 2018. After due deliberations, it recommended to the Board the appointment/ election of nominees for the positions of Chairman Emeritus, Chairperson, Vice Chairperson, and Board Committees, as well as the appointment of Mr. Jones M. Castro, Jr as the Lead Independent Director, and the Bank's corporate officers at the Bank's Organizational Board Meeting held on April 20, 2018. The Nominations Committee recommended the extension of Mr. Nestor V. Tan as the President and Chief Executive Officer of the Bank until March 1, 2023, and the appointment of Independent Director Jose F. Buenaventura as alternate member of the Related Party Transactions Committee. It also recommended to the Board for approval the appointment of 1 VP, 3 SVPs and 3 EVPs for various key positions in the Bank subject to the confirmation of the BSP. Likewise, it deliberated and recommended for approval the promotion of 1 FVP to SVP.

Chairman:

Jimmy T. Tang
(Independent Director)

Members:

Jose F. Buenaventura
(Independent Director)
Gilberto C. Teodoro, Jr.
(Independent Director)

Meetings:

The Committee had seven (7) meetings during the year with all the members in attendance.

Jimmy T. Tang 7/7
Jose F. Buenaventura 7/7
Gilberto C. Teodoro, Jr. 7/7

Compensation Committee

- Provides oversight on directors' compensation and remuneration of senior management and other key personnel, ensuring that the compensation scheme is consistent with the Bank's culture and strategy, effectively aligned with prudent risk taking and commensurate with corporate and individual performance.
- Ensures consistency of the compensation policies and practices across the Group.

Chairman:

Jimmy T. Tang
(Independent Director)

Members:

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

Meetings:

The Committee had one (1) meeting during the year with all the members in attendance.

Jimmy T. Tang 1/1
Jesus A. Jacinto, Jr. 1/1
Teresita T. Sy 1/1
Josefina N. Tan 1/1

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.
- 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.

Chairman:

Gilberto C. Teodoro, Jr.
(Independent Director)

Members:

Frederic Mark S. Gomez
(Commencing on March 1, 2018)
Ricardo V. Martin
(until February 29, 2018)
Nestor V. Tan

Meetings:

The Committee had seven (7) meetings during the year with all the members in attendance.

Gilberto C. Teodoro, Jr. 7/7
Frederic Mark S. Gomez 5/5
Ricardo V. Martin 2/2
Nestor V. Tan 7/7

In 2018, the Information Technology Steering Committee, together with Management, directed its attention to the formulation of high level strategic plans which include major changes, updates, and developments on the Bank's information technology, among others. Throughout the year, it monitored the implementation of the Bank's information technology strategy, particularly on digital foundational infrastructure, cybersecurity maturity roadmap, and technical capabilities. It continues to oversee the Bank's cloud transformation initiative.

Related Party Transactions Committee

- Assists the Board in its oversight of the conduct of all Related Party Transactions (RPTs) to protect the interests of the Bank and its stakeholders.
- Ensures proper disclosure of all approved RPTs in accordance with applicable legal and regulatory requirements and confirmation by majority vote at the Annual Stockholders' meeting the Bank's significant transactions with related parties.

On a monthly basis, the Related Party Transactions Committee carefully reviews the material related party transactions being proposed by Management. The revision of the Bank's policy on related party transactions is one of its most significant accomplishments in 2018. The revised policy encapsulates the entire process which spans from identification of related parties, processing, vetting and approval or confirmation by the Board of transactions, and its reporting to the BSP.

In 2018, the RPTC recommended to maintain the materiality threshold of 2% of the net income for RPTs.

Chairman:

Dioscoro I. Ramos
(Independent Director)

Members:

Jones M. Castro, Jr.
(Lead Independent Director)
Jimmy T. Tang
(Independent Director)

Alternate Member:

Jose F. Buenaventura
(Independent Director; commencing
September 29, 2018)

Advisor:

Jesus A. Jacinto, Jr.

Meetings:

The Related Party Transactions Committee met twelve (12) times in 2018.

Dioscoro I. Ramos 6/12
Jones M. Castro, Jr. 12/12
Jimmy T. Tang 11/12

Independent Control Functions

Compliance

BDO's Compliance Office, 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. The BDO Compliance Office reports to and is under the direct supervision of the Board Audit Committee. The BDO Compliance Office 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. The Anti-Money Laundering Unit (AMLU) under the Compliance Office, together with the Bank's Anti-Money Laundering Committee (AMLC), focuses on the enforcement of the Anti-Money Laundering Act and its implementing rules and regulations, as well as the Terrorism Financing Prevention and Suppression Act of 2012; the monitoring and reporting of covered and suspicious transactions, and conduct of AML training, aimed towards mitigating the risk of the Bank being used for money-laundering and terrorist financing activities.

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

Internal Audit

The Internal Audit Function covers the entire Group including foreign and local subsidiaries and offices. It adheres to the principles required by the ISPPIA (International Standard for the Professional Practice of Internal Auditing), COSO Internal Control -Integrated Framework, COBITS (Control Objectives for Information and Related Technology), the Internal Audit Definition and Code of Ethics.

It provides assurance and a systematic, disciplined approach to evaluate and improve effectiveness of risk management, internal control, and governance processes. Upholding a commitment to integrity and accountability, Internal Audit provides value to senior management and governing bodies as an objective source of independent advice.

Internal Audit reports directly to the Board Audit Committee through the Chief Internal Auditor, (parent bank and respective subsidiaries) seeking approval for the annual audit plan, providing updates on accomplishments, reporting results of audit conducted and tracking resolution of audit findings.

Consumer Protection Practices

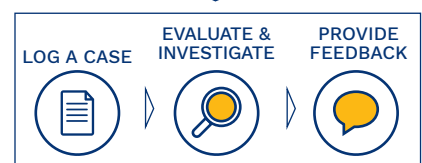
The Board of Directors approved on August 29, 2015, the BDO Group’s Guiding Principles on Consumer Protection which serves as BDO’s framework for defining its Consumer Protection Risk Management System (CPRMS). As specified in the CPRMS, consumer protection practices are embedded in the banking operations, 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 that 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. At right is the illustration of the Bank’s CAMS.

Consumer Assistance Management System



CONSUMER CONCERNS



CONSUMER

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 2018, CAMS logged over 8 million customer cases of which only 495,782 (5.972%) were problem-related in nature and only 183,326 (2.2%) were valid complaints. A majority of the cases were inquiries (55%) and requests (39%).

Data Privacy

The Board of Directors approved the appointment of the Data Protection Officer (DPO) in July 2017 and subsequent registration with the National Privacy Commission (NPC), in accordance with the requirements of Republic Act No. 10173, also known as the Data Privacy Act (DPA).

The Board also approved in January 2018 the BDO Enterprise Privacy Policy to incorporate the provisions of the DPA. The BDO Enterprise Privacy Policy contains the general data privacy policies on corporate governance, data collection, processing and retention of personal data, risk assessment, data privacy education, handling and reporting of customer concerns, data sharing, and management of third-party personal information processors.

A compliance roadmap was developed to ensure the implementation of the Bank's Privacy Management Program (PMP), which serves as the framework for protecting the data privacy rights of the Bank's data subjects. Regular discussions are also conducted at the Board-level Risk Management Committee (RMC) on the status of compliance activities related to the PMP, including but not limited to, the conduct of Privacy Impact Assessments (PIAs) for both the critical and non-critical processes of the Bank, the establishment of data privacy protection measures, and data breach reporting procedures.

Compliance with the SEC Code of Corporate Governance

Publicly-listed companies are required to disclose in their Annual Report the company's compliance with the Code of Corporate Governance and where there is non-compliance, to identify and explain the reason for such. We confirm that as of December 31, 2018, the Bank has substantially complied with

the recommendations of the Code except for the following:

1) Policy on retirement age of directors; 2) Disclosure of board and executive remuneration on an individual basis.

On the retirement age of directors, however, 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 had 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 reviews the individual director's potential contribution to the Bank and its Stakeholders, and decides on that basis.

On the disclosure of the remuneration on an individual basis for Board members and Executive Officers, the Board has serious reservations given the possible adverse security issues and poaching of talents by competitors in the industry. Hence, it has decided it will not be to the best interest of the Bank to do so at this time. It will disclose the remuneration figures on a consolidated basis only.

Looking Ahead

The Bank is now entering the era of digital transformation and we are looking at ways to optimize the use of the new technologies to strengthen our corporate governance practices while remaining vigilant to 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 in this new era. This is essential in going forward into the future 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. Toward this end, the Bank will be issuing its stand-alone regular report on its participation and contribution to the sustainability movement in 2019.



Undaunted by the devastation of the Marawi siege, students and teachers of Marawi City go back to school in peace.

Corporate Social Responsibility Finding Ways for the Filipino

BDO Foundation marked its 10th year in 2018, successfully completing programs in fulfillment of its disaster response and financial inclusion advocacies—programs that have made a significant impact on so many beneficiaries.

The foundation intensified its disaster response advocacy, expanding its reach to more provinces affected by natural or man-made disasters. It conducted more relief operations, rehabilitated more rural health units and constructed school buildings where they were needed most—in calamity-stricken and economically disadvantaged communities all over the Philippines.

The year also saw the introduction of BDO Foundation's financial inclusion advocacy. In this regard, the foundation forged partnerships with various institutions to develop financial education programs that benefit underserved sectors of society.

Reaching Out to Disaster-Stricken Filipinos

2018 was a difficult year for thousands of Filipinos hit by disasters.

Incidents of fire, volcanic eruptions and earthquakes, the Southwest Monsoon or *Habagat*, a series of strong tropical storms, record rainfall, flash floods, massive landslides, a typhoon reminiscent of Ondoy and a storm as strong as Yolanda devastated communities across the country.

As the year began, storm signals were raised in Lanao del Norte due to continuous rains brought by Tropical Depression Agaton. The gravity of the situation was compounded by the fact that the country was still reeling from tropical cyclones that devastated provinces weeks prior.

In the town of Kabacan in Cotabato, heavy rains submerged low-lying areas, prompting government officials to place the municipality under a state of calamity. A state of calamity was also declared in Cavite, Pangasinan and Tarlac, provinces severely affected by monsoon rains enhanced by consecutive tropical cyclones. Three storms—Henry, Inday and Josie—made landfall in the Philippines in a span of only a few days, causing widespread flooding in different parts of Luzon.

After Typhoon Josie came Tropical Storm Karding and Tropical Depression Luis, both of which enhanced the Southwest Monsoon. Karding brought massive rainfall in Marikina City and the provinces of Bataan and Rizal, while Luis drenched Ilocos Sur.

These weather disturbances were followed by Typhoons Ompong and Rosita. Ompong, considered one of the strongest to make landfall last year, triggered incessant rains and severe flooding in Benguet and Cagayan. Days after, a devastating landslide caused by continuous rains affected thousands of families in Naga City, Cebu. Rosita battered Isabela and forced thousands of residents in several towns to evacuate.

While rains and floodwaters submerged different parts of the country, fire devastated heavily populated barangays in Quezon City, Catbalogan City in Western Samar and Jolo in Sulu. A massive blaze torched homes in the municipality of Jolo, displacing thousands of people, many of whom are Tausug. It was considered one of the most destructive disasters the people have experienced in recent history.



Led by their branch, area and region heads, BDO volunteers across the country mounted relief operations in communities hit by natural or man-made disasters.

35

relief operations
conducted in 2018

46,970

beneficiary families reached

Disaster also hit thousands of families in Legazpi City, Albay when Mayon Volcano triggered a series of eruptions and earthquakes. The country’s most active volcano caused seismic activity and released lava and ash into the sky, prompting government officials to place the province under a state of calamity.

In response to these disasters, BDO Foundation organized relief operations all over the country. Leveraging the wide network of BDO branches nationwide, the foundation immediately mobilized BDO volunteers for the distribution of relief goods.

Acting as responsible members of the community, officers and staff of BDO branches visited evacuation sites to distribute relief packs containing food, rice and water to people displaced by the disasters. Volunteers from satellite offices also pitched in. Led by their branch, area and region heads, they reached out to calamity-stricken communities. They responded immediately to calls for help amid the volcanic eruptions, incidents of fire and a series of storms that relentlessly pounded the archipelago.

Local government units, church officials and non-BDO volunteers supported the relief operations. In Jolo, BDO Foundation provided 2,000 relief packs through a group of humanitarian volunteers backed by Notre Dame of Jolo College, Philippine Air Force, Philippine Marines, leaders of the local Tausug community and civil society groups.

In 2018, the number of relief operations BDO Foundation conducted as well as the number of beneficiaries more than doubled compared with the previous year.

While the distribution of food packs provided immediate relief to calamity victims, the undertaking was also gratifying for the BDO volunteers. For them, serving their community was a rewarding endeavor, something they would do again and again when the need arises.

According to BDO Ilocos Sur-Candon branch client service associate Maridel Soliven, “Volunteering gave us a sense of purpose knowing that we spent our time and energy for a worthy cause. We’re happy to be part of an organization that extends assistance to people affected by calamities.”

BDO Pangasinan-Calasiao branch marketing officer Ela Dion agreed, “The relief operations were tiring, but at the end of the day, they were also gratifying. BDO brought so much hope and joy to the community.”

Disaster	No. of beneficiary families	No. of volunteers
Mayon Volcano eruption in Albay	6,870	134
Tropical Depression Agaton in Lanao del Norte	1,770	56
Fire in Quezon City	600	19
Fire in Western Samar	350	21
Flash floods in North Cotabato	780	26
Typhoons Henry, Inday and Josie in Cavite, Pangasinan and Tarlac	9,050	179
Tropical Storm Karding in Bataan, Marikina City and Rizal	6,600	102
Tropical Storm Luis in Ilocos Sur	7,200	87
Typhoon Ompong in Benguet and Cagayan	7,750	172
Landslide in Cebu	2,000	28
Typhoon Rosita in Isabela	2,000	13

“Given the chance to volunteer again, we will not hesitate to do so.”

BDO Tarlac-San Roque branch head Liza Flores also saw volunteering as a fulfilling experience: “Through our relief operations, we were able to help others in need. Volunteering gave us an opportunity to help the community.” She echoed the sentiment of so many BDO volunteers all over the country who, time and again, lend a helping hand to fellow Filipinos hit by disasters. “Given the chance to volunteer again,” she asserted, “we will not hesitate to do so.”

In 2018, amid all the disasters, BDO volunteers never wavered in their resolve to give back to the community. Through BDO Foundation, they conducted relief operations tirelessly, going the extra mile to bring comfort to those in need. In a country hit by earthquakes, incidents of fire and an average of 20 tropical storms each year, one thing is for sure: BDO Foundation and BDO volunteers will continue to reach out and provide aid to Filipinos affected by disasters.

Contributing to the Development of a Financially Literate Citizenry

As BDO Foundation continued to pursue its disaster response advocacy, it also made inroads in the area of financial inclusion. The foundation developed a financial inclusion framework consisting of two sets of intervention: financial education and capability-development for small entrepreneurs. In the area of financial education, the foundation found it fitting to start with the education sector. Thus, it partnered with the Bangko Sentral ng Pilipinas (BSP) and Department of Education (DepEd) to bring financial education to public schools.

The initiative was unveiled in an event led by the BDO Foundation board of trustees, DepEd secretary Leonor Magtolis Briones and BSP governor Nestor Espenilla Jr. A memorandum of agreement was signed, affirming the partners’ commitment to the nationwide implementation of the program.

The program is the flagship corporate citizenship initiative of BDO Foundation under its financial inclusion advocacy. It aims to promote financial literacy among learners and educators. It contributes to DepEd’s efforts to strengthen the financial literacy component of its K-12 curriculum and provide personal finance training for its teaching and non-teaching personnel. It also supports the Financial Education and Consumer Protection programs under BSP’s National Strategy for Financial Inclusion.



Love blossoms as Teacher Mila shares her money-saving tips with Teacher Gino in the financial education video titled *Save by the Bells*.



An animated music video inspired by the folk song *Pakitong Kitong* teaches Grade K to 3 pupils ways to save money.

The financial education program was designed to be integrated within the DepEd system so that it can be deployed to the target audience in a short period of time.

Part of the program is the deployment of financial literacy videos produced by BDO Foundation in collaboration with BSP and DepEd. The first batch of five videos focused on savings. These learning tools were carefully developed to make lessons on personal finance engaging and compelling for students and teachers. The materials were accompanied by discussion guides and lesson plans developed by academic specialists and master teachers under the guidance of DepEd.

These videos are used in classroom instruction; the Teacher Induction Program for newly-hired teachers; Learning Action Cells, which consist of regular meetings among teachers and principals on the school level; and DepEd's regular training and development programs for teaching and non-teaching personnel. Teachers can access the videos and discussion guides on DepEd's learning portal. The materials are also deployed through USB drives distributed to schools that do not have Internet access.

Following the national launch of the financial education program for public schools, BDO Foundation, BSP and DepEd launched the tripartite initiative in Calabarzon and Region VII to generate awareness and encourage local DepEd offices to ensure the use of the materials in schools under their jurisdiction. In these regional launches, the foundation turned over the five financial education videos stored in USB memory drives and donated LED television sets to regional directors and schools division superintendents. More regional launches will be conducted in 2019.

As the nationwide deployment of the program pushed through, BDO Foundation, in collaboration with BSP and DepEd, immediately commenced the production of the second batch of five financial literacy videos. This second batch covered lessons on budgeting and financial planning, investments, debt and the responsible use of credit, avoiding scams and sharing resources with the less fortunate. These materials will be launched in 2019.

The financial education program for public schools is expected to benefit more than 700,000 teachers and non-teaching personnel, and 24 million students in more than 47,000 public schools nationwide. According to BDO Foundation president Mario Deriquito, "It is never too early for young students to learn financial responsibility. For the teachers and non-teaching personnel, it is never too late."

"It is never too early for young students to learn financial responsibility. For the teachers and non-teaching personnel, it is never too late."



BDO Foundation collaborated with OWWA and BSP for the development of a financial literacy program dubbed *PiTaKa*, which stands for *Pinansyal na Talino at Kaalaman*.



BDO Foundation produced financial literacy videos in support of the Army Transformation Roadmap, a long-term program designed to strengthen and professionalize the Philippine Army and enable it to accomplish its mission of serving Filipinos and securing the country.

Spurred by the successful launch of the program, BDO Foundation expanded the scope of its financial inclusion advocacy to cover more beneficiaries. To achieve this goal, the foundation—together with BSP—forged ties with the Philippine Army and Overseas Workers Welfare Administration (OWWA).

BDO Foundation, BSP and OWWA developed a financial literacy program for overseas Filipino workers (OFWs), their dependents and recipients of remittances. Through this project, the partners hope to share lessons on saving, financial management, investments and entrepreneurship with overseas workers and their families. This corporate citizenship initiative for OFWs gains more significance as the Philippines remains one of the top recipients of remittances from citizens overseas, next only to India and China.

Together with the Philippine Army, BDO Foundation and BSP also began the development of a financial literacy program for soldiers and civilian personnel of the army as well as their families. The program is aimed at helping the target audience make sound financial decisions. Lessons include saving, budgeting, loans, debt management, investing and retirement planning.

The benefits of BDO Foundation's financial inclusion advocacy also spread through SM Foundation's Kabalikat sa Kabuhayan, an agricultural training program designed to help fruits and vegetables farmers become self-sufficient.

Organized by the foundation, volunteer speakers from One Network Bank conducted training sessions for 30 batches of rural and urban farmers in Bataan, Butuan, Cagayan, Caloocan, Capiz, Cavite, Cebu, Laguna, Lanao del Sur, Las Piñas, Legazpi, Makati, Manila, Marikina and Muntinlupa. Training sessions were also facilitated in Negros Oriental, Nueva Ecija, Pampanga, Pangasinan, Parañaque, Pasig, Quezon, Sorsogon, South Cotabato, Sultan Kudarat, Taguig, Tarlac, Valenzuela and Zambales. The volunteers shared lessons on saving and simple financial management, reaching about 3,000 farmers in 2018.

Through its financial education programs for teachers, the Filipino youth, soldiers, OFWs, farmers, small entrepreneurs and other underserved sectors of society, BDO Foundation helps improve the quality of life of the people. With these programs in place, the foundation hopes to promote financial inclusion, contribute to the development of a financially literate citizenry and support nation-building.

BDO Foundation's financial inclusion programs are expected to benefit as many as 700,000 teachers and 24 million students in more than 47,000 public schools, more than 90,000 soldiers and an estimated 2.3 million OFWs.

Helping Schoolchildren Get Ready for Classes

Aside from the financial education program for public schools, BDO Foundation supports the other goals of DepEd. The foundation participates in DepEd's Adopt-a-School Program and the nationwide celebration of National Teachers' Month and World Teachers Day. Through BDO and One Network Bank volunteers all over the country, it also supports Brigada Eskwela.

For the volunteers, participating in Brigada Eskwela has become an annual tradition, a worthy cause they contribute to in the spirit of *bayanihan*. Each year, officers and staff respond to the call of DepEd for the community to help public schools prepare for the opening of classes.

In 2018, volunteers from BDO branches in Butuan came together to distribute school supplies, food and slippers to hundreds of underprivileged kinder and elementary pupils in the city. The students, many of whom come from Manobo communities, needed new slippers as they cross rivers and walk at least three kilometers every day just to attend classes.

Volunteers from BDO and One Network Bank worked with local officials to ensure that schools are ready and safe for students. They repainted classrooms, prepared equipment and furniture, donated school supplies and conducted a general clean-up of schools in Batangas, Bukidnon, Cotabato, Quezon, Isabela, Laguna, Metro Manila, Nueva Vizcaya, Misamis Occidental, Misamis Oriental, Pampanga, Zamboanga del Norte, Zamboanga del Sur and Zamboanga Sibugay.

An annual nationwide program spearheaded by DepEd, Brigada Eskwela mobilizes organizations and volunteers from the public and private sectors to contribute to the readiness of public elementary and high schools for the start of classes.

Caring for the Health and Well-Being of the People

BDO Foundation began rehabilitating rural health units in 2012. Six years later, it has rehabilitated a total of 69 health centers across the country and has made a difference in the lives of more than four million Filipinos.



Pupils in Butuan gladly accept school supplies donated and distributed by BDO volunteers as part of the Brigada Eskwela program.

From the very beginning, the goal has always been to help improve the delivery of primary and maternal healthcare services in disaster-affected or economically disadvantaged communities. The foundation wanted to enable health workers to provide good quality patient care.

Through this program, BDO Foundation aims to contribute to the achievement of the United Nations Sustainable Development Goal no. 3 to ensure healthy lives and promote the well-being of people of all ages as well as the United Nations Millennium Development Goal no. 5 for the improvement of maternal healthcare. It also aims to help improve the healthcare delivery system, one of the goals under the Philippine Health Agenda.

In 2018, BDO Foundation completed the rehabilitation of 25 rural health units, benefitting a total population of 1,350,243 individuals.

Working with local government units, the foundation significantly improved spaces for mothers and babies, children, senior citizens and other patients. It renovated lobbies and waiting areas, offices, consultation rooms, dental clinics, pharmacies, laboratories, surgery and treatment rooms, among others. The foundation also renovated labor rooms and birthing clinics to give pregnant mothers the best patient care possible. New furniture and fixtures were installed. Moreover, BDO Foundation built breastfeeding stations for nursing mothers, play areas for children complete with books and toys, and waiting lounges for the comfortable use of senior citizens.

These upgrades enable health centers to obtain higher assessment scores, which result in the renewal or approval of their Philippine Health Insurance Corporation accreditation and Department of Health certification.

Feedback from physicians was overwhelming. Dr. Lyra Leron-Torres, municipal health officer of Pagsanjan in Laguna, said their health center has come a long way. According to many who have seen the structure, the three-storey health center in Pagsanjan now looks like a hospital.

After seeing the newly rehabilitated rural health unit in Midsayap, Cotabato, rural health physician Dr. Amyrone Doruelo-Rayray, a long-time Midsayap resident who has served her constituents for 27 years, described their health center as “a world-class facility”.

 Rehabilitated rural health units	 Population covered
Capoocan Main Health Center, Western Samar	51,030
Tibiao Rural Health Unit, Antique	29,084
Rural Health Unit Libertad and Birthing Clinic, Antique	109,835
Rural Health Unit Pasuquin, Ilocos Norte	29,123
City Health Office I, City of Ilagan, Isabela	75,000
Rural Health Unit and Roxas Birthing Center, Isabela	63,679
Rural Health Unit Majayjay, Laguna	28,357
Pagsanjan Rural Health Unit, Laguna	42,500
San Francisco Rural Health Unit, Surigao del Norte	15,080
Rural Health Unit of Siaton, Negros Oriental	82,825
Municipal Health Office Pilar, Capiz	46,680
San Juan District Reproductive Health Center and Birthing Facility, Surigao del Norte	27,975
Basay Rural Health Unit, Negros Oriental	28,320
Office of the Municipal Health Services, Midsayap, North Cotabato	153,394
Municipal Health Center San Narcisco, Zambales	29,181
Gubat Rural Health Unit and Birthing Home, Sorsogon	57,257
Hinoba-an Rural Health Unit, Negros Occidental	58,930
Passi City Health Office, Iloilo	86,328
Agdao Health Center - Birthing Home, Davao City	15,300
Jacinto Health Center, Davao City	33,494
Hinabangan Rural Health Unit, Western Samar	15,083
Minglanilla Rural Health Unit I, Cebu	68,953
San Rafael Rural Health Unit and Birthing Facility, Iloilo	17,021
Toril Health Center, Davao City	157,188
Mangatarem Rural Health Unit II, Pangasinan	28,626
Total	1,350,243

“The renovation of the health center gives us renewed strength, rejuvenates us and motivates us to improve our services further. Now more than ever, we are able to live up to our vision of providing high-quality healthcare to Midsayapeños. Thank you, BDO Foundation, for making this possible. You really find ways to make things better,” Dr. Rayray remarked.

At the inauguration of the rural health unit in Tibiao, Antique, municipal health officer Dr. Rue Joanna Española tearfully thanked BDO Foundation for helping improve their town’s humble health center, which was in dire need of a renovation.

“I couldn’t help but be emotional because when you see something beautiful, you cry,” Dr. Española said as she acknowledged the remarkable transformation of their health facility. “From the bottom of our hearts, thank you so much, BDO Foundation, for choosing our town as your beneficiary. Rest assured your generosity will be rewarded in equal measure. In return, we will improve our healthcare services to the community.”

These doctors echo the sentiments of so many people who have seen the rehabilitated rural health units. Their words motivate the foundation further to reach out to more underserved communities and help improve the delivery of healthcare services.

As BDO Foundation rehabilitated rural health units, it also kept a close eye on those it has already renovated. It initiated maintenance work on previously rehabilitated health centers, making sure that these structures are in the best condition possible for the optimal use of doctors, nurses and patients.

The maintenance work covered eight health centers: Carigara Municipal Health Center and Alangalang Municipal Health Center in Leyte; Roxas City Main Health Center in Capiz; Basey Municipal Health Center in Western Samar; Cabatuan Main Health Center in Iloilo; Catbalogan Main Health Center in Samar; Bogu City Main Health Center in Northern Cebu; and New Washington Municipal Health Center in Aklan. These rural health units are located in provinces hit by Typhoon Yolanda in 2013 and other calamities.

Like other programs of BDO Foundation, the rehabilitation of rural health units was made possible with the support of BDO branches. Branch officers helped the foundation identify health centers that needed assistance. They also helped liaise with local government officials. Supported by BDO branches and satellite offices, the foundation will continue to care for the health and well-being of the people.



The rehabilitation of health centers includes the construction of waiting areas where the elderly can stay comfortably.

25

rural health units
rehabilitated in 2018

1,350,243

people benefitted from
improved healthcare services

Helping a War-Torn City Rise from the Rubble

In response to the humanitarian crisis caused by the fighting between government forces and a militant group in Marawi City, Lanao del Sur, BDO Foundation immediately organized relief operations, facilitated donations and supported medical missions for the benefit of thousands of families, schoolchildren, military operatives and police personnel. In 2018, the foundation, in line with its disaster response advocacy, continued its corporate citizenship initiatives for people affected by the Marawi siege.

BDO Foundation, in partnership with BancNet, the Philippines' leading electronic payments and ATM network, co-funded and constructed a two-storey, four-classroom school building in Nanapun Elementary School in Marawi City.

Guided by DepEd officials in the city, the foundation selected the school as a beneficiary as it urgently needed new classrooms. The elementary school, located in Barangay Guimba in the small town of Nanapun, was ill-equipped to accommodate students. Built back in the 1970s, its buildings were dilapidated and deemed unsafe. Doors and windows were broken. Some classrooms did not even have electricity. It was not an environment conducive to learning.

The new school building—fully furnished with toilets, blackboards, fans, desks for teachers and chairs for students—benefits more than 300 pupils affected by the Marawi siege, which disrupted classes for several months and forced students and teachers to evacuate. Beneficiaries include pupils displaced by the fighting and forced to transfer to schools outside ground zero.

“*Alhamdulillah* (Praise be to Allah!)” exclaimed Nanapun Elementary School principal Noronisa Dipatuan. “Finally, our prayers were answered. With this new school building, you gave our children reason to go to school every day. Not only that, you also motivated us teachers to teach better. We will not forget you. *Madakel a salamat rekano* (Thank you very much!)”

The new school building in Nanapun contributes to the efforts of DepEd, one of the member agencies of Task Force Bangon Marawi, to rehabilitate public schools in the wake of the Marawi siege. BDO Foundation is looking at constructing more school buildings in Marawi in 2019.



Students and teachers displaced by the fighting in Marawi look forward to using the new classrooms built by BDO Foundation and BancNet.

More than

300

pupils benefit from the new school building in Marawi

“With this new school building, you gave our children reason to go to school every day. Not only that, you also motivated us teachers to teach better.”

BDO Foundation's efforts to help rehabilitate Marawi City went beyond the construction of new classrooms. In time for the start of the new school year, it distributed storybooks and school supplies to hundreds of schoolchildren in Angoyao Central Elementary School, Harat Medina Elementary School and Lake Lanao National High School. This forms part of the foundation's contribution to the *Sa Pagbasa, May Pag-asa* campaign. The books were purchased with the support of BDO employees, who donated funds to the campaign.

According to BDO Foundation president Mario Deriquito, who serves as co-convenor of the *Sa Pagbasa, May Pag-asa* consortium, the distribution of storybooks is a good opportunity to teach schoolchildren important lessons.

"As the name of the campaign suggests, reading spurs hope," Deriquito underscored. "In our own small way, we wanted to give the youth of Marawi hope amid the devastation. We wanted to share with them books that broaden their knowledge, stimulate their imagination and give them inspiration."

Sa Pagbasa, May Pag-asa is a nationwide storybook donation drive designed to promote a culture of reading among the youth. Backed by the foundation, the campaign aims to provide students from kindergarten to senior high school age-appropriate books donated by volunteers, non-governmental organizations and corporations.

The Marawi siege ended in October 2017, but residents reeling from the disaster still need support. Much has been accomplished, but more needs to be done. In 2019, as part of efforts to help in the rehabilitation of Marawi, BDO Foundation will continue to help the people of this war-torn city rise from the rubble.

Gearing Up for the Future

The foundation's achievements did not go unnoticed. For promoting the welfare of underserved members of society and empowering disadvantaged communities, it was awarded by prestigious international organizations in 2018. Once again, its leadership in the international community of corporate foundations was reaffirmed.

"In our own small way, we wanted to give the youth of Marawi hope amid the devastation. We wanted to share with them books that broaden their knowledge, stimulate their imagination and give them inspiration."

BDO Foundation was conferred the Corporate Social Responsibility Program of the Year Gold Award by Singapore-based finance publication *Asian Banking & Finance*. It was awarded in the social empowerment category of Asia Responsible Enterprise Awards 2018 by Enterprise Asia, a non-governmental organization that promotes sustainable and responsible entrepreneurship across the continent. It also received the Highly Commended Initiative in Social Responsibility award in Hong Kong at The Asset Corporate Awards 2018.

Having made significant strides in the past, the foundation is setting its sights on the future. It is laying the groundwork for future projects, forging ties with government institutions, socio-civic organizations and the academe.

Last year, the foundation partnered with National University to further strengthen its capabilities in the areas of capacity building, training, skills development, research and education. The partners will leverage each other's resources, knowledge and expertise in the development of programs for the benefit of small farmers; micro, small and medium enterprises; public school students, teachers and non-teaching personnel; and the Filipino youth.

All the aforementioned achievements would not have been possible without the support of BDO Unibank and its people. At the heart of BDO Foundation's programs is the BDO volunteer, who tirelessly supports its corporate citizenship initiatives. Backed by BDO volunteers as well as its partners and donors, the foundation is gearing up for and looking forward to more opportunities to give back to the community. BDO Foundation will continue to serve the people. It will continue to expand the breadth and scope of its programs. Consistent with the bank's ubiquitous slogan, the corporate social responsibility arm of BDO Unibank will continue to find ways for the Filipino.



BDO Foundation's program for PWDs received recognition from *Asian Banking & Finance*, Enterprise Asia and Asset Benchmark Research.

Financial Statements

Statement of Management's Responsibility for Financial Statements

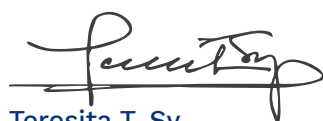
The management of **BDO Unibank, Inc. and Subsidiaries (the BDO Unibank Group)** and of **BDO Unibank, Inc. (the Parent Bank)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2018, 2017 and 2016, 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
Chairman of the Board



Nestor V. Tan
President



Dalmacio D. Martin
Treasurer

Signed this 23rd day of February 2019

Statements of Financial Position

BDO UNIBANK, INC. AND SUBSIDIARIES

DECEMBER 31, 2018 AND 2017

(Amounts in Millions of Philippine Pesos)

	Notes	BDO Unibank Group		Parent Bank	
		2018	2017	2018	2017
RESOURCES					
CASH AND OTHER CASH ITEMS	7	P 53,749	P 45,006	P 52,492	P 43,882
DUE FROM BANGKO SENTRAL NG PILIPINAS	7	354,132	353,308	349,017	340,596
DUE FROM OTHER BANKS	8	55,292	51,479	48,780	41,088
TRADING AND INVESTMENT SECURITIES	9	385,197	332,927	304,281	258,214
LOANS AND OTHER RECEIVABLES - Net	10	2,071,834	1,791,786	2,019,153	1,730,732
PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	11	33,660	29,346	29,272	24,917
INVESTMENT PROPERTIES - Net	12	19,785	18,040	15,426	14,496
OTHER RESOURCES - Net	13	<u>48,598</u>	<u>46,212</u>	<u>73,391</u>	<u>70,700</u>
TOTAL RESOURCES		<u>P 3,022,247</u>	<u>P 2,668,104</u>	<u>P 2,891,812</u>	<u>P 2,524,625</u>
LIABILITIES AND EQUITY					
DEPOSIT LIABILITIES	15	P 2,419,965	P 2,121,012	P 2,362,302	P 2,045,321
BILLS PAYABLE	16	143,623	130,484	117,693	105,623
SUBORDINATED NOTES PAYABLE	17	10,030	10,030	10,030	10,030
INSURANCE CONTRACT LIABILITIES	18	28,506	25,986	-	-
OTHER LIABILITIES	19	<u>91,974</u>	<u>82,252</u>	<u>74,166</u>	<u>65,990</u>
Total Liabilities		<u>2,694,098</u>	<u>2,369,764</u>	<u>2,564,191</u>	<u>2,226,964</u>
EQUITY	20				
Attributable to:					
Shareholders of the Parent Bank		327,372	297,488	327,621	297,661
Non-controlling Interests		<u>777</u>	<u>852</u>	<u>-</u>	<u>-</u>
		<u>328,149</u>	<u>298,340</u>	<u>327,621</u>	<u>297,661</u>
TOTAL LIABILITIES AND EQUITY		<u>P 3,022,247</u>	<u>P 2,668,104</u>	<u>P 2,891,812</u>	<u>P 2,524,625</u>

See Notes to Financial Statements.

Statements of Income

BDO UNIBANK, INC. AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016
(Amounts in Millions of Philippine Pesos Except Per Share Data)

	Notes	BDO Unibank Group			Parent Bank		
		2018	2017	2016	2018	2017	2016
INTEREST INCOME	21	P 129,040	P 99,795	P 82,037	P 122,615	P 93,786	P 76,647
INTEREST EXPENSE	22	30,748	18,042	16,413	28,720	16,434	14,989
NET INTEREST INCOME		98,292	81,753	65,624	93,895	77,352	61,658
IMPAIRMENT LOSSES - Net	9, 13, 14	6,286	6,537	3,815	5,700	5,809	3,003
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		92,006	75,216	61,809	88,195	71,543	58,655
OTHER OPERATING INCOME	23	49,674	47,206	41,613	35,823	33,633	27,494
OTHER OPERATING EXPENSES	23	98,034	84,865	69,988	81,794	68,929	56,379
PROFIT BEFORE PRE-ACQUISITION INCOME		43,646	37,557	33,434	42,224	36,247	29,770
PRE-ACQUISITION INCOME	28	-	-	(391)	-	-	-
PROFIT BEFORE TAX		43,646	37,557	33,043	42,224	36,247	29,770
TAX EXPENSE	29	11,007	9,452	6,797	9,512	8,241	5,713
NET PROFIT		P 32,639	P 28,105	P 26,246	P 32,712	P 28,006	P 24,057
Attributable to:							
Shareholders of the Parent Bank		P 32,708	P 28,070	P 26,234			
Non-controlling Interests		(69)	35	12			
		P 32,639	P 28,105	P 26,246			
Earnings Per Share:	30						
Basic		P 7.40	P 6.42	P 6.81	P 7.40	P 6.40	P 6.23
Diluted		P 7.40	P 6.42	P 6.81	P 7.40	P 6.40	P 6.23

See Notes to Financial Statements.

Products and Services

PERSONAL BANKING

Branch Banking

Peso Deposits
Peso Checking Account
Peso Savings Account
Peso Time Deposit

Foreign Currency
US\$ Savings Account
US\$ Time Deposit
Third Currency
Savings Account
Third Currency Time Deposit

Other Services
Telegraphic Transfer
Safe Deposit Box
Night Depository

Consumer Loans

Auto Loan
Home Loan
SME Loan
Personal Loan
Credit Cards
Merchant Payment Services

BUSINESS BANKING

BDO Leasing and Finance

Finance Lease
Operating Lease
Factoring of Receivables
Amortized Commercial Loan
Installment Paper Purchase
Floor Stock Financing

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

BDO CAPITAL & INVESTMENT CORPORATION

Equity and
Quasi-Equity Financing
Fixed Income Financing
Financial Advisory Services
Stock Brokerage

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

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)
Alpha Southeast Asia 12th Annual Best Financial Institution Awards

Best Bank in the Philippines
(2007–2008, 2013–2015, 2017–2018)
Euromoney Awards for Excellence 2018

Best Bank in the Philippines
(2010–2018)
FinanceAsia 2018 Country Awards

Best Domestic Bank
(2011, 2014–2018)
2018 Asiamoney Best Bank Awards

Best Domestic Bank in the Philippines
(2011, 2013–2018)
The Asset Triple A Country Awards 2018

Strongest Bank in the Philippines
The Asian Banker Strongest Banks by Balance Sheet List 2018

Best Safest Bank
(2016–2018)
Global Finance Safest Banks in the World 2018

BEST INVESTMENT BANK

BDO CAPITAL & INVESTMENT CORPORATION

Best Investment Bank
(2007–2016, 2018)
Alpha Southeast Asia Annual Best Financial Institution Awards

Best Investment Bank in the Philippines
(2013–2014, 2017–2018)
Global Finance World's Best Bank Awards

Corporate & Investment Bank of the Year
2018 Asian Banking & Finance Corporate & Investment Banking Awards

Best Corporate and Institutional Bank/Adviser
(2015–2018)

Best Equity Adviser
(2017–2018)

Best Loan Adviser
(2017–2018)
The Asset Triple A Country Awards

Best Investment Bank
(2016–2017)

Best Advisory House
(2017)

Best Equity House
(2016–2017)

Best Fixed-Income House
(2015–2017)

Best Project Finance House
(2016–2017)
Investment House Association of the Philippines

BDO Capital, Top Arranger in Asian Local Currency Bond Benchmark Review 2018, Rank #3

The Asset Triple A Benchmark Research Awards 2018: House and Astute Investor Awards

Best Philippines Deal

(San Miguel Food and Beverage PhP34.1B)
FinanceAsia Achievement Awards 2018

Best Corporate Bond Deal in Southeast Asia 2018

(San Miguel Corporation's PhP10B Bond)
Alpha Southeast Asia Annual Best Deal & Solution Awards

Best Bond Deal for Retail Investors in Southeast Asia 2017

(Republic of the Philippines' Bureau of the Treasury's PhP181B Retail Treasury Bonds)
Alpha Southeast Asia Annual Best Deal & Solution Awards

Deal of the Year, Philippines

(BDO Unibank, Inc.'s US\$1.2B Rights Offering)
FinanceAsia Achievement Awards 2017

Equity Deal of the Year, Philippines (2018)

(Del Monte Pacific Limited's US\$200M Preferred Shares Issue)
Asian Banking & Finance Corporate & Investment Banking Awards

Best Equity Deal (2017)

(Del Monte Pacific Limited's US\$200M Preferred Shares Issue)
Investment House Association of the Philippines

Syndicated Loan of the Year, Philippines (2018)

(GNPower Mariveles Coal Plant Co. Ltd. US\$800M Term Loan)
Asian Banking & Finance Corporate & Investment Banking Awards

Renewable Energy Deal of the Year, Philippines

(Solar Philippines Calatagan Corporation PhP3.4B Term Loan)
The Asset Triple A Asia Infrastructure Awards 2018

Power Deal of the Year, Philippines

(Sarangani Energy Corporation PhP10.5B Term Loan)
The Asset Triple A Asia Infrastructure Awards 2018

Most Innovative Deal of the Year, Philippines

(GNPower Mariveles Coal Plant Limited US\$800 million notes facility)
The Asset Triple A Asia Infrastructure Awards 2018

Energy / Renewable Energy Deal of the Year, Regional

The Asset Triple A Asia Infrastructure Awards 2018

Best Acquisition Financing

(Clark Global US\$690M Term Loan)

Best Syndicated Loan

(Bloomerry Resorts and Hotels Inc. PhP73.5B Term Loan)

Best Innovative Deal

(Ayala Land Inc. PhP10B Bonds)
The Asset Triple A Country Awards 2018

Best Fixed-Income Deal (2017)

(Republic of the Philippines' Bureau of the Treasury's PhP252B Retail Treasury Bonds)
Investment House Association of the Philippines

BEST PRIVATE BANK BDO PRIVATE BANK

Best Private Wealth Management Bank: BDO Private Bank

(2008–2018)
Alpha Southeast Asia 12th Financial Institution Awards 2018

Best Private Bank - Philippines

(2015–2018)
Asian Private Banker Awards for Distinction

Best Private Bank in the Philippines

(2008–2018)
FinanceAsia 2018 Country Awards

Best Private Bank in the Philippines

(2015–2018)
Global Finance Best Private Bank Awards 2018

Best Private Bank in the Philippines

(2010–2018)
The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards 2018

Best Private Bank in the Philippines #1 Asset Management

(2015–2018)
Euromoney Private Banking Survey

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Program of the Year (Gold Award)

(2017–2018)
Asian Banking & Finance Retail Banking Awards 2018

BDO Foundation for the program "Typhoon Haiyan" (Category: Social Empowerment)

(2017–2018)
Enterprise Asia's Asia Responsible Entrepreneurship Awards (AREA) 2018

BDO Foundation: Highly Commended Initiative in Social Responsibility

The Asset Corporate Awards 2018

INDIVIDUAL RECOGNITION

Nestor V. Tan: #1 in The Best CEO–Emerging Markets, Philippines
Institutional Investor’s All Asia Executive Team 2018

Asian Corporate Director of the Year awardee: Teresita T. Sy-Coson, Chairperson
(2008–2018)
14th Corporate Governance Asia Recognition Awards 2018

Asian Corporate Director of the Year awardee: Nestor V. Tan, President & CEO
(2008–2018)
14th Corporate Governance Asia Recognition Awards 2018

Asia’s Best CEO (Investor Relations) awardee: Teresita Sy-Coson, Chairperson
(2013–2018)
Corporate Governance Asia 8th Asian Excellence Award 2018

Asia’s Best CEO (Investor Relations) awardee: Nestor V. Tan, President & CEO
(2011–2012, 2016–2018)
Corporate Governance Asia 8th Asian Excellence Award 2018

Asia’s Best CFO (Investor Relations) awardee: Pedro M. Florescio III
(2013–2018)
Corporate Governance Asia 8th Asian Excellence Award 2018

Best Investor Relations Professional (Philippines) awardee: Luis S. Reyes, Jr.
(2011–2018)
Corporate Governance Asia 8th Asian Excellence Award 2018

Most Astute Investor in Asian Local Currency Bond Benchmark Review, Rank #6: Tiffany Grace Lim, BDO Trust
(Rank #7 in 2017)
The Asset Triple A Benchmark Research Awards 2018: House and Astute Investor Awards

Most Astute Investor in Asian Local Currency Bonds, Philippines, Highly Commended: Ryanna Berza-Talan, BDO Trust
The Asset Triple A Benchmark Research Awards 2018: House and Astute Investor Awards

OTHER AWARDS

Platinum Award
(2010–2018)
The Asset Corporate Awards 2018

Best Cash Management Bank
(2008–2009, 2015–2018)
Alpha Southeast Asia 12th Annual Best Financial Institution Awards

Best Cash Management Bank in the Philippines
(2011, 2014–2018)
The Asian Banker Transaction Banking Awards 2018

Best Bank in the Philippines
Asiamoney Cash Management Client Satisfaction Award 2017

Domestic Cash Management Bank of The Year
(2014–2016, 2018)
Philippine Domestic Trade Finance Bank of the Year
(2015, 2017–2018)
Asian Banking & Finance Wholesale Banking Awards

Asset Management Company of the Year, Philippines
The Asset Triple A Servicing, Institutional Investor and Insurance Award 2018

Best Investment Management Company, Philippines
(2016–2018)
World Finance Investment Management Awards

Most Outstanding Company in the Philippines – Financials
2018 Asiamoney Asia’s Outstanding Companies Poll

Best Foreign Exchange Provider
(2017–2018)
Global Finance Best Foreign Exchange Providers 2018

Best Trade Finance Banks
(2008, 2011, 2016–2018)
Global Finance Best Trade Finance Banks 2018

Mortgage Product of the Year
(2017–2018)
The Asian Banker Excellence in Retail Financial Services Awards 2018

BDO Unibank, Top Investment House in Asian G3 Bond Benchmark Review 2018, Philippines (Rank #1)
(2017–2018; Rank #3 in 2017)
The Asset Triple A Benchmark Research Awards 2018: House and Astute Investor Awards

Best in Treasury and Working Capital – SMEs, Philippines
(2017–2018)
The Asset Triple A Treasury, Trade, Supply Chain & Risk Management Awards 2018

Best Service Provider – Cash Management, Philippines
(2017–2018)

The Asset Triple A Treasury, Trade, Supply Chain & Risk Management Awards 2018

Best Leveraged Finance Backed M&A Deal in Southeast Asia (2017)

Best Deal in Southeast Asia (2017)

(Star Energy Consortium's M&A of Chevron's Geothermal Assets in Indonesia)

Alpha Southeast Asia Annual Best Deal & Solution Awards

Asia Pacific M&A

(Acquisition of Chevron's Indonesian Geothermal Assets)
IJ Global Asia Pacific Awards 2017

Best Retail Social Media Banking Experience, Philippines

(2016–2018)

The Asset Triple A Digital Awards

Onshore Fund House of the Year in the Philippines

(2016–2018)

Asian Investor Asset

Management Awards 2018

Best IR Company (Philippines)

(2011–2018)

Best Corporate Communications

(2014–2015, 2017–2018)

Corporate Governance Asia's 8th Asian Excellence Award 2018

Recipient of Recognition Award

(2005–2018)

14th Corporate Governance Asia Recognition Awards 2018

BDO Unibank, Inc.

#1072 on 2000 World's Largest Public Companies List

#24 on 500 World's Best Employers List

#140 on 250 World's Best Regarded Companies List

2018 Forbes Global 2000

BDO Unibank, recipient of the 2017 Asian Banking 300 Award

Yazhou Zhoukan 2017 Asian Banking 300 Award

Gold Trusted Brand Award, Bank

Gold Trusted Brand Award, Credit Card Issuing Bank

(2010–2018)

Gold Trusted Brand Award, Investment Fund

(2015–2018)

Gold Trusted Brand Award, Personal Loans

(2017–2018)

Reader's Digest Trusted Brands 2018

BDO Group of Companies

PHILIPPINE SUBSIDIARIES AND AFFILIATES

Armstrong Securities, Inc.

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 840-7000 (locals
32457, 32447)

Averon Holdings Corporation

6780 Ayala Avenue
San Lorenzo Village
Makati City
+63 (2) 840-7000 local 33069

BDO Capital & Investment Corporation

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 840-7000,
878-4549, 878-4564

BDO Insurance Brokers, Inc.

45/F BDO Corporate
Center Ortigas
12 ADB Avenue
Mandaluyong City 1554
+63 (2) 702-6000

BDO Leasing and Finance, Inc.

39/F BDO Corporate
Center Ortigas
12 ADB Avenue
Ortigas Center
Mandaluyong City 1554
+63 (2) 688-1288

BDO Life Assurance Company, Inc.

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 885-4100, 885-4200

BDO Nomura Securities, Inc.

BDO Equitable Tower
8751 Paseo De Roxas
Makati City 1226
+63 (2) 702-7878

BDO Private Bank, Inc.

BDO Equitable Tower
8751 Paseo De Roxas
Makati City 1226
+63 (2) 848-6300

BDO Rental, Inc.

BDO Corporate Center Ortigas
12 ADB Avenue
Mandaluyong City 1554
+63 (2) 688-1288, 840-7000

BDO Securities Corporation

BDO Corporate Center
7899 Makati Avenue
Makati City 0726
+63 (2) 840-7000, 878-4070,
840-7080, 878-4564

BDO Strategic Holdings Inc.

BDO Building
Paseo De Roxas corner
Sen. Gil Puyat Avenue
Makati City
+63 (2) 840-7000

Equipark-NFC Development Corp.

Room 603, EBC Building
262 Juan Luna Street
Binondo, Manila
+63 (2) 840-7000

MMPC Auto Financial Services Corporation

38/F Robinsons Equitable Tower
ADB Avenue corner
Poveda Street
Ortigas Center, Pasig City
+63 (2) 688-1253

NLEX Corporation

NLEX Compound
Balintawak, Caloocan City
+63 (2) 479-3000

NorthPine Land, Inc.

Units 1505-1508
15/F The Taipan Place
F. Ortigas Jr. Road
Ortigas Center, Pasig City
+63 (2) 637-1531

One Network Bank, Inc. (A Rural Bank of BDO)

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

SM Keppel Land, Inc.

12 ADB Avenue
Ortigas Center
Mandaluyong City 1554
(temporarily at Units 2203-2204
Raffles Corporate Center
F. Ortigas Road, Ortigas Center
Pasig City)
+63 (2) 570-9832

Taal Land, Inc.

12/F PSBank Center
777 Paseo De Roxas
Makati City
+63 (2) 898-8890

FOREIGN SUBSIDIARY/AFFILIATE

BDORO Europe Ltd.

5/F 6 St. Andrew Street
London, EC4A 3AE
United Kingdom
+44 (020) 7495-2434

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) 840-7000

local 31030

Shop 159, G/F Lik Sang Plaza

269 Castle Peak Road

Tsuen Wan, New Territories,

Hong Kong

+852 2412-0399

Express Padala HK Ltd.

Shops 231-234 and 237

Worldwide House

19 Des Voeux Road

Central, Hong Kong

+852 253-77148,

2525-5629, 2234-9588

Philippines: +63 (2) 840-7000

local 31030

Shop 159, G/F Lik Sang Plaza

269 Castle Peak Road

Tsuen Wan, New Territories,

Hong Kong

+852 2412-0399

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) 840-7000

local 31031

Avenida de D. Joao IV

No. 2 6A Edificio China Plaza

R/C (V) Macau, SAR

+853 2871-4039

432 Avenida Dr. Sun Yat

Sen Edificio Wa Fong Kok,

Unit E R/C Taipa, Macau

+853 2885-5389

Philippines: +63 (2) 840-7000

local 31032

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) 840-7000

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

Belfast

3/F Middleton Bldg.

10 High Street

Belfast BT1 2BA

Northern Ireland

+44 (28) 9043-6580

Milan

Piazza del Duomo 17,

20121 Milan, Italy

+39 (02) 3944-0029

Rome-Ottaviano

Via Germanico 50

Rome, Italy 00192

+39 (06) 9357-0123

Rome-Termini

Via Dei Mille 30

Rome, Italy 00185

+39 (06) 4470-2878

Firenze

Via Spartaco Lavagnini 28,

50129 Firenze, Italy

+39 (055) 461-373

Paris

76/78 Avenue

des Champs-Elysees

Paris, France 75008

+33 (1) 5659-7650

CBN Remittance Center S.A. Barcelona

Calle Pelayo 56 4-1 08001

Barcelona, Spain

+34 (93) 412-3653

USA

BDO Remit (USA), Inc. Daly City

350 Gellert Boulevard

Daly City, California 94015

+1 (650) 994-1625,

+1 (800) 472-3252

Philippines: +63 (2) 840-7000

local 31033

Los Angeles

215 South Vermont Avenue

Los Angeles, California 90004

+1 (213) 386-5069

CANADA

BDO Remit (Canada) Ltd.

2004 Yonge Street

Toronto, Ontario M4S 1Z7

Canada

+1 (647) 350-1236,

+1 (647) 350-0236

Philippines: +63 (2) 840-7000

local 33212

REPRESENTATIVE OFFICES

ASIA

BDO Unibank, Inc.
Taipei Representative Office

Unit D, 3/F No. 132
Cathay Cosmos Building
Sec 03, Minsheng East Road
Songhan District
Taipei, Taiwan
+886 (2) 2545-6887
Philippines: +63 (2) 840-7000
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) 840-7000
local 31900

BDO Unibank, Inc.
Beijing Representative Office

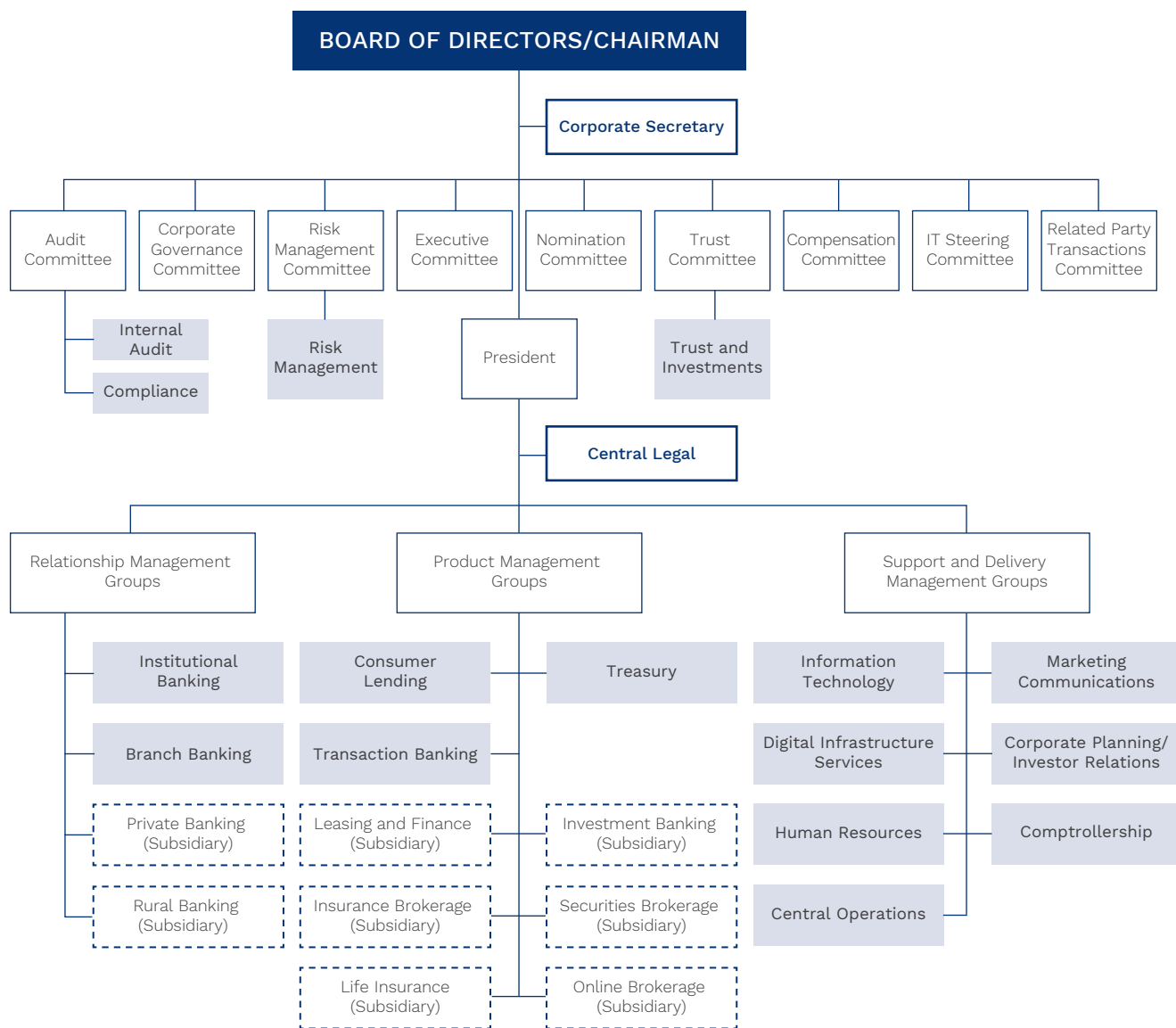
Units 09-10, Level 24
China World Office 1
1 Jianguomenwai Avenue
Beijing, China 100004
+86 (10) 6505-7083,
6505-2713, 6505-3793

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

Chairman Emeritus

Henry Sy, Sr.[†]

Chairperson

Teresita T. Sy

Vice Chairman

Jesus A. Jacinto, Jr.

Directors

Christopher A. Bell-Knight

Antonio C. Pacis

Josefina N. Tan

Nestor V. Tan

Lead Independent Director

Jones M. Castro, Jr.

Independent Directors

Jose F. Buenaventura

Dioscoro I. Ramos

Jimmy T. Tang

Gilberto C. Teodoro, Jr.

Advisors

Corazon S. de la Paz–Bernardo

Jose T. Sio

Harley T. Sy

Independent Advisors

George T. Barcelon

Vicente S. Pérez, Jr.

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

Antonio N. Cotoco

Walter C. Wassmer

Jaime C. Yu

Executive Vice Presidents

Ador A. Abrogena

Stella L. Cabalatangan*

Anthony Q. Chua

Julie Y. Chua

Gerard Lee B. Co

Lucy C. Dy

Pedro M. Florescio III**

Eduardo V. Francisco*

Jesus Antonio S. Itchon*

Jeanette S. Javellana

Guia C. Lim

Dalmacio D. Martin

Ricardo V. Martin

Mario B. Palou

Edwin Romualdo G. Reyes

Edmundo S. Soriano

Cecilia Luz L. Tan

Rolando C. Tanchanco

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

Ma. Ophelia L. Camiña*

Arthur Vincent D. Chung

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

Maria Cecilia G. Fonacier

Geneva T. Gloria

Alvin C. Go

Jonathan Cua Bian T. Go II

Marilyn K. Go

Sonia Maribel D. Go*

Frederic Mark S. Gomez

Richard Emil R. Grau*

Lazaro Jerome C. Guevarra*

Enrico R. Hernandez

Gabriel U. Lim*

Victor Q. Lim, Jr.**

Donald Benjamin G. Limcaco

Juan Sabino P. Lizares*

Joseph Rhoderick B. Lledo

Manuel Z. Locsin, Jr.

Jose Paolo Enrique A. Magpale

Roy Allan V. Magturo

Manuel Patricio C. Malabanan

Ma. Corazon A. Mallillin

Angelita C. Manulat

Jose Noel M. Mendoza*

Tomas Victor A. Mendoza

Ramon T. Militar*

Aurea Imelda S. Montejó

Jaime M. Nasol

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

Luis S. Reyes, Jr.

Susan Audrey P. Rivera

Evelyn C. Salagubang

Shirley M. Sangalang

Cerwina Elenore A. Santos

Roberto Ramon L. Santos

Gregorio C. Severino

Ma. Theresa S. Simbul

Howard Lincoln D. Son
Noel B. Sugay
Robert W. Sy
Edwin R. Tajanlangit
Arthur L. Tan
Maria Theresa L. Tan*
Federico P. Tancongco
Reynaldo A. Tanjangco, Jr.
Edna R. Tarroza
Joseph Gerard D. Tiamson
Dante R. Tinga, Jr.*
Ma. Mercedes P. Tioseco
Agnes C. Tuason
Myla R. Untalan
Edward G. Wenceslao

First Vice Presidents

Donabel R. Aala
Jeffrey R. Abacan
Edna C. Agajan
Jocelyn D. Agas
Dulce Amor E. Alimbuyuguen*
Carlos S. Alindogan
Milagros R. Alindogan
Susan G. Almendral
Jose Virgilio O. Alvarez
Leticia L. Ang Ley
Stanley A. Ang*
Apolinario E. Aquino
Susan Marie J. Atienza**
Onofre D. Avellanosa
Maria Cecilia M. Avila
Janet B. Bagnes
Jose Luis F. Bautista
Pedro C. Bautista, Jr.
Ismael C. Billena, Jr.
Manuel Patricio J. Bondad
Ernesto F. Borlado, Jr.
Adelo C. Brabante
Maria Eleanor B. Briones
Rolino C. Bucao, Jr.
Michael R. Cahigas*
Jose Rene C. Carlos*
Aurora M. Castro
Regina G. Caynap
Susie S. Cham
Edmund S. Chan
Arlene Y. Chong
Aileen R. Chua

Edwin L. Chua
Ruby A. Chua
Salva Fe S. Cirilos
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*
Priscilla R. De Villa
Lamberto B. Del Fonso, Jr.
Ma. Victoria F. Dela Cruz
Ma. Dina B. Desembrana
Rolando L. Dillague
Pollyanna B. Diokno*
Maria Fe H. Dy
Rolando A. Embrador
Armina C. Empeño
Joel M. Escala
Florencia Maria Carina P.
Esguerra
Elizabeth G. Estrada
Marirose A. Fernando
Bernard M. Florencio
Sixto S. Gaddi
Caroline H. Garcia
Cheryll B. Gaviño*
Marcelita I. Geollegue
Sarah Kathryn T. Geronimo
Judy L. Go**
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. Ladrido IV
Ma. Cecilia G. Lantin
Cirila S. Lao
Benjamin A. Larin, Jr.**
Grace G. Lastimosa

Geraldine C. Liggayu
John Emmanuel M. Lizares
Peter S. Lo, Jr.
Hannah Regina H. Lopez
Michael Christopher B.
Lualhati
Gertrudes J. Lumain
Maria Pia L. Maceda
Francis Jay T. Magboo
Maria Dolores P. Magsalin
Ronald M. Manalastas
Jesus A. Mañego, Jr.
Martha Maria Magdalena H.
Maranan
Edgardo R. Marcelo, Jr.
Elena D. Mariano
Rosano B. Marpuri
Thelma D. Mazo
Abigail P. Melicor
Maria Paz L. Mendoza
Proceso Z. Mendoza, Jr.
Anthony R. Milan
Edelwina Victoria E. Millan
Merceditas P. Montesclaros**
Maria Anna Clarissa D. Mortel
Francis Jay F. Nacino*
Ma. Concepcion Q. Narciso
Sarah Jessica M. Navarro
Glenn Birch G. Ong
Sophia O. Ong
Arnaldo Emerito E. Palad
Grace C. Palomar
Aurora Zita G. Panopio
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*
Amaneci Grace V. Ramos
Eduardo C. Ramos
Gilbert P. Ramos
Jonathan L. Ravelas
Pamela I. Reyes**
Rose Mary T. Reyes
Gerardo Clemente C. Rivera*
Maritess D. Rivera

Antonio D. Rona
 Lily T. Roxas
 Luisito S. Salazar
 Bernard Q. Santos
 Ma. Cecilia S. Santos
 Roberto P. Sarile
 Joel Jovencio E. Sarreal
 Salvador R. Serrano*
 Teresita C. Siy
 Mary Lou D. Son Keng Po
 Ma. Theresa M. Soriano*
 Evelyn K. Sy*
 Lorelei Lorraine L. Sy
 Angelita C. Tad-Y*
 Christopher Raymund P. Tan
 Divina N. Tan
 Jocelyn Tan
 Judy C. Tan
 Marites L. Tan
 Richard R. Tan
 Dennis M. Tangonan
 Brenda S. Taruc*
 Steven C. Te*
 Alice O. Teh
 Diosdado R. Teh
 Ken Arthur J. Tiambeng
 Aniana A. Timbre
 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*
 Wendeline Therese M. Tumolva*
 Arlene Marie H. Uson*
 Maria Dolores C. Uyliapco
 Agerico Melecio S. Verzola*
 Blandina Uvyhilda B. Vicente*
 Sharon Mae S. Vicente
 Noemi T. Villanueva*
 Mary Lou B. Villarba
 Jaime Claro L. Weber**
 Dandy T. Yap
 Joy T. Yap
 Margaret L. Yu
 Beatriz Y. Zalazar*

Vice Presidents

Virginia N. Abad
 Kara Q. Abrogar
 Irma I. Acayan
 Ana Marie R. Acuña
 Niccolo N. Aguirre
 Peter Blair S. Agustin*
 John Edward F. Alabastro
 Nadine Anne R. Alapan
 Mary Ann L. Alcalde
 Melissa A. Alcantara
 Edgardo L. Alcaraz
 Nena G. Alonzo
 Patricia Lei D. Alvarillo*
 Jose Joel S. Andres
 Jeane K. Ang
 Jeffrey O. Ang
 Jocelyn A. Ang
 Mary Ann Q. Ang
 Alvin V. Antonio
 Editha M. Apacible
 David S. Aquino
 Jasmin W. Aquino
 Adele Guia J. Aquitaña
 Maria Agnes R. Aragon
 Roland P. Arcadio
 Lydia S. Arrieta
 Rogelio S. Arteta
 Jerome I. Austria
 Jeanette Jean L. Avendaño
 Samantha B. Avinio
 Gertrudes D. Balagot
 Maria Estelita H. Balatbat
 Emiliano P. Balignasa, Jr.
 Olivia A. Barcarse
 Edgar C. Basconcillo
 Lilli Ann D. Bautista*
 Ma. Judith V. Bautista
 Rodora V. Bautista
 Jimmy A. Belarmino
 Rose R. Beltran
 Barbara May M. Billano*
 Maria Venus F. Bohn
 Josephine Anne N. Bongat
 Mary Jean T. Borbe
 Lelisa R. Bouazzi
 Marc Dominique M. Brion
 Ma. Eloisa S. Britanico

Virginia Gloria B. Brocka
 Conrado T. Buenaventura VI
 Julius O. Buendia
 Lydia Rosa T. Cabañero
 Norberto Robert S. Cabañero*
 Benilda G. Cabardo
 Bernardito D. Caburnay
 Mary Grace R. Caguioa
 Gerardo O. Calvelo
 Emmanuel A. Camua
 Maria Carla D. Cancio
 Argeo B. Cantillana
 Maria Theresa O. Capati
 Salvador Federico J. Carlota, Jr.
 Ma. Corazon N. Casanova
 Katrina Ryan R. Castellano
 Gibson E. Castillo
 Natalie P. Castro
 Ma. Fatima C. Catambacan
 Lucila R. Celestino*
 Pamela Lourdes T. Cervantes
 Caroly Y. Chan
 Rossana C. Chan*
 Robic S. Chavez*
 Vennice Veronica S. Chavez
 Beauregard Grant L. Cheng**
 Jeanne K. Ching
 Ronell C. Chiong
 Abigail Kathryn L. Chiw*
 Catherine S. Choa*
 Christine T. Chow
 Albert N. Chu
 Alona S. Chua
 Keith H. 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
 Rita V. Coronel
 Antonio M. Cruz
 Irva Monica L. Cruz
 Magdalena D. Cruz**
 Prescilla J. Cruz**
 Letty T. Cu

Jerry S. Cureg
 Maria Rowena B. Cuvin
 Carmelita C. David
 Loretto C. De Austria**
 Anthony Emmanuel C. De Dios
 Ma. Rita K. De La Vega
 Ronald Allan E. De Leon*
 Celine Therese Y.
 de los Santos
 German C. De Ocampo
 Teresita Q. De Ocampo*
 Vicente A. De Ocampo III
 Ma. Teresita M. Del Mundo
 Maria Teresa A. Del Pinal
 Mamerto B. Del Rosario
 Mary Ann G. Dela Cruz
 Mario A. Deriquito*
 Liezel Y. Diño
 Albert Dizon
 Ellie Cecilia R. Dizon
 Ma. Eliza Cristina G. Dolina
 Cezar G. Domingo
 Eileen May E. Domingo
 Angela Veronica M. Dulalia
 Leila D. Dumlao
 Candy U. Dy*
 Charlotte U. Dy
 Francis Javier P. Ejercito
 Girlie Melani A. Enriquez
 Rolando C. Eriga
 Maria Socorro Y. Escario
 Jeanette M. Espinosa
 Rosemarie M. Espinosa*
 Imelda S. Espiritu
 Marilou M. Espiritu*
 Nancy T. Estrada
 Maria Vilma D. Fabian*
 Ronaldo J. Fabian
 Concepcion Y. Fabros
 Alma P. Fausto
 Grace C. Figueroa
 Florencio Aquillo V. Florendo
 Patricia L. Forbes
 Zenaida A. Gambol
 Rossana V. Garcia
 Suzette L. Garcia
 Ramon Alberto B. Gatmaytan
 Gonzalo J. Gesta

Angeline Grace T. Go
 Rommel S. Gomez
 Patricia Ann F. Gonzalez*
 Sharon Marie Margarita A.
 Gonzalez
 Grace M. Granatin
 Neil S. Guimmayen
 Betty P. Gumatay
 Miguel Antonio M. Hernando
 Charles Bryan S. Ho
 Rowena W. Hodin
 Romeo O. Ibo
 Camille Zinna S. Idea
 Francis S. Jacinto
 Marietta M. Jamilla
 Zerlita Esperanza Z. Jandoc
 Mariann Camille M. Javellana
 Maria Agnes E. Jazmines
 Frieda Concepcion T. Jimenez*
 Ma. Karla F. Kallos
 Rosalisa B. Kapuno*
 Lorybel V. Katigbak
 Ma. Elvira M. Lacaba
 Emma M. Lacsamana
 Belle D. Lamug
 Michele Y. Lao*
 Rafael Martin C. Lara
 Rainelda R. Lastimosa
 Jeromy T. Lastino
 Rhoda D. Lazaro
 Avelino F. Lazona, Jr.
 Edith T. Lee
 Nanny G. Lee
 Michelette S. Legaspi
 Felicitas S. Leonor
 Ma. Jeanette H. Leonor
 Karen C. Lim*
 Lilian Leslie T. Lim
 Roderick L. Lim*
 Rosita C. Lim
 Alberto V. Lizares
 Francisco Gerardo C. Llamas
 Jocelyn Ann G. Lo Henares
 Augusto S. Lopez
 Lawrence Lou
 Teresa L. Lozada
 Maripaz A. Luague
 Sheryll O. Luy

Jerry S. Macalinao
 Prima R. Madrelejos
 Peter Louie G. Magdame
 Vivian D. Malonjao
 Lilia N. Manalang
 Jesus Carlo M. Manalo
 Romeo Rafael O. Mangubat**
 Maria Victoria H. Manotok
 Maria Lourdes S. Maraingan*
 Ma. Theresa H. Maramba
 Marie Antoniette E. Mariano
 Jose Alexis B. Marquez
 Lizza R. Marquez
 Michael Geronimo G. Martin*
 Martin Paolo L. Marty
 Ariel T. Melo
 Virlane S. Mendoza
 Michael Anthony A. Meresen
 Juan Nemesio V. Miraflor III
 Jose Marlo Jude A. Moises
 Dalisay S. Molas*
 Liza M. Montajes
 Rolin P. Morcillo*
 Mary Ann C. Muñoz
 Michael G. Munsayac
 Mercedita J. Nablo
 Lucila R. Nabong
 Christina T. Nakanishi
 Maria Aleli P. Nievera
 Ramon Edilberto R. Nonato
 Cynthia T. Nopia
 Deborrah Marie G. Ocampo
 Dennis H. Ong
 Herman L. Ong
 Nancy T. Ong**
 Rosalina G. Ong
 Mark Anthony M. Orendain
 Christy K. Ortega*
 Ruth J. Pagilagan
 Raymund V. Pamittan
 Carla Sherrylyn C. Papa
 Catalina E. Papa
 Maria Rozelle A. Papasin
 Ma. Alma Ruth M. Paraiso
 Rommel L. Parong
 Raymund Gerard T. Pastor
 Jocelyn T. Paz
 German H. Penales

Divina D. Perez
Toriven R. Piano
Roderico A. Posadas
Cynthia A. Puno
Marieflor A. Quirim
Dina U. Ramos
Lorna S. Rayat
Rosario D. Raymundo
Charisse B. Recto*
Paul Richard P. Regondola
Raoul L. Reniedo
Katherine U. Resari
Christopher D. Reyes
Concepcion G. Reyes
Leo Nathaniel M. Reyes
Ma. Ana Elena R. Reyes
Myra A. Reyes
Pamela Ann S. Reyes
Ray R. Reyes
Ma. Elena I. Rigor*
Albert Henry G. Rios
Anthony B. Rivera
Joseph Rey M. Rivera
Edna T. Rogando
Marissa A. Romero
Maria Martha B. Roxas
Juancho M. Sabban
Cynthia Sadang
Prescy A. Samson
Leopoldo T. San Juan

Quirino C. Santiago
Erlinda C. Santos
Gerard R. Santos
Jennifer B. Santos
John Benedict S. Santos*
Marie Anne C. Santos
Patrick Peter R. Santos
Elaine G. See
Maria Lourdes M. Sevilla*
Khristine M. Siayngco
Yvette Rhodora A. Siongco
Marirose G. Sioson
Ma. Christina P. Sistelo
Jennifer F. So*
Ma. Corazon H. Socorro
Changsoo Sohn
Gerardo C. Soriano
Joel S. Sta. Ana
Geraldine I. Suarez
Richard S. Sy
Dean Arvin D. Tabanao*
Maria Ryanna B. Talan
Jaime A. Talingdan
Aeleen C. Tan
Catherine C. Tan
Grace C. Tan
Jose Maria Angel Y. Tanjuatco
Amy T. Te
Myrna O. Tee
Benjamin V. Teodoro*

Joel Eric R. Tesoro
Esmeraldo S. Tiburcio
Eric Noel D. Tiongquico
Margarita M. Tobias
Marcelino S. Tolosa, Jr.
Melissa F. Tong
Reynald Ryan S. Tongson
Evelyn F. Torres
Jose Anton A. Torres
Zenaida A. Triunfante
Jeffrey S. Uy
Sherwin G. Uy
Rosemarie F. Valdez
Allan A. Vallido
Anson L. Villaluz
Louis Cesar C. Villanueva
Ma. Patricia F. Villareal
Ma. Rebecca S. Villegas
Raul B. Vivas
Marietta L. Wee
Richard O. Wenceslao
Carolyn Ann Y. Yao
Belinda Rose S. Yap*
Joel T. Yee
Margaret C. Young
Avery U. Yu*
Shakira C. Yu

* Seconded to a BDO subsidiary or affiliate.

** No longer with the Bank as of March 31, 2019.

Corporate Information

COMPANY HEADQUARTERS

BDO Unibank, Inc.
BDO Corporate Center
7899 Makati Avenue
Makati City 0726
Philippines
+63 (2) 840-7000
Company website:
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) 403-2410 to 12
Facsimile: +63 (2) 403-2414

The Bank will provide, without charge, a copy of the 2018 Annual Report Financial Statements to its stockholders upon receipt of a written request addressed to the Corporate Secretary.

BDO Corporate Secretary

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

INVESTOR INQUIRIES

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

BDO Investor Relations & Corporate Planning

4/F South Tower
BDO Corporate Center
7899 Makati Avenue
Makati City 0726
Philippines
Telephone: +63 (2) 840-7000
locals 36069; 34809; 33581
Email: irandcorplan@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.



The 2018 Annual Report and the Financial Supplements can be viewed online at www.bdo.com.ph/company-disclosures/financial-report

